

**EXHIBIT B**

**POST-PETITION CREDIT AGREEMENT**

**among**

**DT INDUSTRIES, INC.,  
ADVANCED ASSEMBLY AUTOMATION, INC.,  
DTI MASSACHUSETTS SUBSIDIARY, INC.,  
ASSEMBLY MACHINES, INC.,  
ASSEMBLY TECHNOLOGY & TEST, INC.,  
DETROIT TOOL AND ENGINEERING COMPANY,  
DTI LEBANON SUBSIDIARY, INC.,  
DT RESOURCES, INC.  
HANSFORD MANUFACTURING CORPORATION,  
DTI LEOMINSTER SUBSIDIARY, INC.,  
MID-WEST AUTOMATION ENTERPRISES, INC.,  
MID-WEST AUTOMATION SYSTEMS, INC.,  
DTI PENNSYLVANIA SUBSIDIARY, INC.,  
and  
VANGUARD TECHNICAL SOLUTIONS, INC.,  
as Borrowers**

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

**and**

**THE LENDERS PARTY HERETO**

**Dated as of May \_\_, 2004**

**Up to \$4,000,000  
Credit Facility**

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## **POST-PETITION CREDIT AGREEMENT**

THIS POST-PETITION CREDIT AGREEMENT, dated as May \_\_, 2004, is entered into among DT INDUSTRIES, INC., a Delaware corporation (the "Parent"), ADVANCED ASSEMBLY AUTOMATION, INC., an Ohio corporation, DTI MASSACHUSETTS SUBSIDIARY, INC., a Delaware corporation, ASSEMBLY MACHINES, INC., a Pennsylvania corporation, ASSEMBLY TECHNOLOGY & TEST, INC., a Delaware corporation, DETROIT TOOL AND ENGINEERING COMPANY, a Delaware corporation, DTI LEBANON SUBSIDIARY, INC., a Missouri corporation, DT RESOURCES, INC., a Delaware corporation, HANSFORD MANUFACTURING CORPORATION, a New York corporation, DTI LEOMINSTER SUBSIDIARY, INC., a Delaware corporation, MID-WEST AUTOMATION ENTERPRISES, INC., an Illinois corporation, MID-WEST AUTOMATION SYSTEMS, INC., an Illinois corporation, DTI PENNSYLVANIA SUBSIDIARY, INC., a Delaware corporation, and VANGUARD TECHNICAL SOLUTIONS, INC., a Delaware corporation (each of the foregoing being individually, a "Borrower" and collectively, the "Borrowers"), the several lenders from time to time parties hereto (collectively, the "Lenders") and Bank of America, N.A., as Administrative Agent (in such capacity, the "Administrative Agent").

### WITNESSETH:

WHEREAS, on May \_\_, 2004 (the "Filing Date") the Borrowers filed with the Bankruptcy Court (as hereinafter defined) a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") (the "Voluntary Bankruptcy Case");

WHEREAS, the Borrowers have requested that the Lenders from time to time after the Effective Date (as hereinafter defined) and prior to the Termination Date (as hereinafter defined) make DIP Loans (as hereinafter defined) to the Borrowers and issue or participate in Letters of Credit (as hereinafter defined) for the account of the Borrowers up to the Total Credit Commitment (as hereinafter defined) subject to the terms and conditions set forth herein; and

WHEREAS, the Lenders are willing, on the terms and conditions hereinafter set forth, to make such DIP Loans and issue or participate in such Letters of Credit.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and intending to be legally bound hereby, the parties hereto agree as follows:

### SECTION 1. DEFINITIONS.

1.1 Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"Adjusted Base Rate": for any day, a per annum interest rate equal to the lesser of (a) the Prime Rate and (b) the Highest Lawful Rate. The Adjusted Base Rate shall be adjusted automatically as of the opening of business on the effective date of each change in the Prime Rate to account for such change.

**"Administrative Agent"**: as defined in the preamble.

**"Affected Lender"** as defined in Section 11.23.

**"Affiliate"**: of any Person: (a) any Person (other than a Subsidiary) which, directly or indirectly, is in control of, is controlled by, or is under common control with such Person, or (b) any Person who is a director or officer (i) of such Person, (ii) of any Subsidiary of such Person or (iii) of any Person described in clause (a) above. For purposes of this definition, control of a Person shall mean the power, direct or indirect, (i) to vote 10% or more of the securities having ordinary voting power for the election of directors of such Person, whether by ownership of securities, contract, proxy or otherwise or (ii) to direct or cause the direction of the management and policies of such Person, whether by ownership of securities, contract, proxy or otherwise.

**"Agreement"**: this Post-Petition Credit Agreement, as amended, supplemented or modified from time to time.

**"APA"** as defined in Section 6.1.

**"Applicable Margin"**: a per annum percentage equal to 4.0%.

**"Authorized Representative"**: with respect to any Borrower, any of the Chief Executive Officer, President, or the Chief Financial Officer of the Parent, , or any other Person expressly designated by the Board of Directors of the Parent (or the appropriate committee thereof) as an Authorized Representative of the Borrowers.

**"Bankruptcy Code"**: as defined in the first recital.

**"Bankruptcy Court"**: the United States Bankruptcy Court for the Southern District of Ohio, Western Division-Dayton, or such other court as shall have jurisdiction over the Chapter 11 Case.

**"Benefited Lender"**: as defined in Section 11.7.

**"Bank of America"**: Bank of America, N.A., a national association, and its successors and assigns.

**"Borrowers"**: as defined in the preamble.

**"Borrowing"**: the making of DIP Loans or issuance of Letters of Credit on any Business Day in accordance with Sections 2, 3 and 4.

**"Borrowing Date"**: any Business Day, (a) specified in a notice pursuant to Section 4.1 as a date on which the Borrowers request the Lenders to make DIP Loans hereunder or (b) on which the Issuing Bank issues a Letter of Credit in accordance with the provisions of Section 3 and the L/C Application submitted therefor.



**"Budget"**: the Consolidated weekly financial statement projections attached as an Exhibit to the then-applicable Financing Order, as updated from time to time pursuant hereto with the consent of Required Lenders, including a cash flow statement and projecting the cash receipts and disbursements (including professional fees and expenses), covering the period commencing on the Filing Date and continuing for nine (9) weeks thereafter, delivered to the Administrative Agent concurrently herewith, as the same may be amended from time to time and updated weekly subject to the consent of the Administrative Agent and the Required Lenders.

**"Budgeted Borrowing Amount"**: the amount permitted to be borrowed pursuant to this Agreement as set forth in the then applicable Budget.

**"Budgeted Borrowing Amount Cushion"**: an amount equal to the difference between 110% of the Borrowers' Consolidated cumulative cash outflow (cash receipts minus cash disbursements) contemplated by the then-applicable Budget minus the Borrowers' actual Consolidated cumulative cash outflow as of such date.

**"Business Day"**: a day other than a Saturday, Sunday or other day on which commercial lenders in Dallas, Texas, and New York, New York, are authorized or required by law to close.

**"Capital Expenditures"**: for any period, expenditures made by the Borrowers to acquire or construct fixed assets, plant and equipment (including renewals, improvements and replacements during such period and the aggregate amount of items leased or acquired under Financing Leases at the capitalized cost of the item) computed in accordance with GAAP (excluding any such asset acquired (x) in connection with normal replacement and maintenance programs properly expensed in accordance with GAAP, (y) with the proceeds of any casualty insurance or condemnation award so long as (a) such proceeds are in an aggregate amount less than \$250,000 in the aggregate during the term hereof, (b) no Default or Event of Default has occurred and is continuing or would result therefrom, and (c) such proceeds are used within 60 days of receipt to acquire or rebuild the assets subject to such casualty insurance or condemnation award, and (z) with the proceeds of any asset sale made pursuant to Section 8.5(d)).

**"Carve-Out"**: as defined in the Interim Order until such time as the Financing Order shall be in full force and effect, and then as defined in the Financing Order.

**"Cash Equivalents"**: (a) obligations issued or fully guaranteed or insured by the United States Government or any state thereof, the District of Columbia or the Commonwealth of Puerto Rico or any agency or instrumentality thereof having maturities of not more than 12 months from the date of acquisition, (b) certificates of deposit and Eurodollar time deposits with maturities of 12 months or less from the date of acquisition, bankers' acceptances with maturities not exceeding 12 months and other interest bearing deposits or accounts, in each case with any Lender or with any commercial bank organized under the laws of the United States of America or any state thereof, the District of Columbia or the Commonwealth of Puerto Rico, each having capital and surplus in excess of \$100,000,000, (c) commercial paper issued by any Lender or any Affiliate of any Lender and commercial paper rated A-1 or the equivalent thereof by Standard & Poor's Ratings Group or P-1 or the equivalent thereof by Moody's Investors Service, Inc. on the date of investment and in each case maturing within 12 months after the date of acquisition; and (d) money market funds that invest in any of the foregoing clauses (a)-(c).

**"Cash Management Order"**: an order entered by the Bankruptcy Court substantially in the form of Exhibit A.

**"Change in Law"**: with respect to any Lender, the Administrative Agent or the Issuing Bank, the adoption of any law, rule, regulation, policy, guideline or directive (whether or not having the force of law) or any change therein or in the interpretation or application thereof by any Governmental Authority having jurisdiction over such Lender, the Administrative Agent or the Issuing Bank, in each case after the Effective Date.

**"Chapter 11 Case"**: the Voluntary Bankruptcy Case of the Borrowers under Case No. [ ] in the Bankruptcy Court.

**"Code"**: the Internal Revenue Code of 1986, as amended from time to time.

**"Commitment"**: with respect to each Lender, such Lender's obligation pursuant to this Agreement to make DIP Loans and issue (or participate in the issuance of) Letters of Credit.

**"Commitment Percentage"**: relative to any Lender, the percentage set forth opposite its name in the column labeled "Commitment Percentage" on Schedule A attached hereto.

**"Commitment Transfer Supplement"**: a supplement substantially in the form of Exhibit B attached hereto.

**"Commonly Controlled Entity"**: an entity, whether or not incorporated, which is under common control with the Parent within the meaning of Section 414(b) or (c) of the Code.

**"Company Property"**: as defined in Section 5.12.

**"Consolidated"**: refers to the consolidation of the accounts of the Parent and its Subsidiaries organized under the laws of the United States or a state thereof in accordance with GAAP, including principles of consolidation.

**"Consummation Date"**: with respect to a plan of reorganization for the Parent proposed pursuant to Section 1121 *et seq.* of the Bankruptcy Code, the earlier of the date on which (i) the effective date of such plan of reorganization occurs, or (ii) "substantial consummation" (as defined in Section 1101(2) of the Bankruptcy Code) of such plan of reorganization shall have occurred.

**"Contingent Obligation"**: as to any Person, any obligation of such Person guaranteeing or in effect guaranteeing any Indebtedness, Financing Leases, dividends or other obligations ("primary obligations") of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent (a) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary

obligation or (d) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term **Contingent Obligation** shall not include endorsements of instruments for deposit or collection in the ordinary course of business and customary indemnities in the ordinary course of business. The amount of any **Contingent Obligation** with respect to any Borrower or any of its Subsidiaries shall be deemed to be an amount equal to the stated or determinable amount (based on the maximum reasonably anticipated net liability in respect thereof as determined by such Borrower in good faith) of the primary obligation or portion thereof in respect of which such **Contingent Obligation** is made or, if not stated or determinable, the maximum reasonably anticipated net liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Borrower in good faith.

**"Contractual Obligation"**: as to any Person, any provision of any security issued by such Person or of any agreement, instrument or undertaking to which such Person is a party or by which it or any of the property owned by it is bound.

**"Default"**: any of the events specified in Section 9, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

**"DIP Financing Documents"**: the collective reference to this Agreement, all Letters of Credit, the Interim Order, the Final Order, and each other order, instrument, document or agreement required to be delivered pursuant hereto or thereto.

**"DIP Loans"**: as defined in Section 2.1.

**"Dollars"** and **"\$"**: dollars in lawful currency of the United States of America.

**"Effective Date"**: the first date on which all of the conditions precedent contained in Section 6.1 hereof are satisfied or waived.

**"Environmental Laws"**: any and all applicable Federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees or other applicable requirements of any Governmental Authority regulating, or imposing liability or standards of conduct concerning environmental protection matters, as now or may at any time hereafter be in effect, including, without limitation, any applicable provisions of the Clean Water Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Superfund Amendment and Reauthorization Act of 1986, the Emergency Planning and Community Right to Know Act, the Resource Conservation and Recovery Act of 1976, the Safe Drinking Water Act, and the Toxic Substances Control Act, together, in each case, with each amendment, supplement or other modification thereto, and the regulations adopted and guidelines or standards promulgated thereunder and all substitutions therefor.

**"ERISA"**: the Employee Retirement Income Security Act of 1974, as amended from time to time.

**"Event of Default"**: any of the events specified in Section 9, provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

**"Excluded Taxes"**: (i) in the case of each Lender and the Administrative Agent (A) taxes measured by its net income, and franchise taxes imposed on it, by the jurisdiction (or any political subdivision thereof) under the laws of which such Lender or the Administrative Agent (as the case may be) is organized and (B) any United States withholding taxes payable with respect to payments under the DIP Financing Documents under laws (including any statute, treaty or regulation) in effect on the date of this Agreement (or, in the case of a Transferee, the date of such transfer) applicable to such Lender or the Administrative Agent, as the case may be (but not including any United States withholding taxes payable as a result of any change in such laws occurring after the date of this Agreement or the date of such transfer to a Transferee) and (ii) in the case of each Lender, taxes measured by its net income, and franchise taxes imposed on it, by the jurisdiction in which such Lender's applicable lending office is located.

**"Federal Funds Rate"**: for any day, the rate per annum (rounded upwards if necessary, to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on such day, as published by the Federal Reserve Bank of Dallas on the Business Day next succeeding such day, provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate quoted to the Administrative Agent on such day on such transactions from three federal funds brokers of recognized standing selected by it.

**"Fee Property"**: as defined in Section 5.12.

**"Filing Date"**: as defined in the first recital.

**"Final Order"**: an order of the Bankruptcy Court which contains substantially the same provisions as the Interim Order.

**"Financing Lease"**: (a) any lease of property, real or personal, the obligations under which are capitalized on a Consolidated balance sheet of the Parent and its Subsidiaries in accordance with GAAP, and (b) any other such lease to the extent that the then present value of any rental commitment thereunder should, in accordance with GAAP, be capitalized on a balance sheet of the lessee.

**"Financing Orders"**: collectively, the Interim Order and the Final Order.

**"GAAP"**: generally accepted accounting principles in the United States of America in effect from time to time.

**"Governmental Authority"**: any nation or government, any state or other political subdivision thereof or any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

**"Hazardous Materials"**: any hazardous materials, hazardous wastes, hazardous or toxic substances, defined or regulated as such in or under any Environmental Law, including, without

limitation, asbestos, gasoline and any other petroleum products (including crude oil or any fraction thereof).

**"Highest Lawful Rate"**: with respect to each Lender, the maximum nonusurious interest rate, if any, that at any time or from time to time may be contracted for, taken, reserved, charged or received on the DIP Loans or on other indebtedness under laws applicable to such Lender which are presently in effect or, to the extent allowed by law, under such applicable laws which may hereafter be in effect and which allow a higher maximum nonusurious interest rate than applicable laws now allow.

**"Indebtedness"**: of a Person, at a particular date, without duplication, (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services, (b) the undrawn face amount of all letters of credit issued for the account of such Person and, without duplication, all drafts drawn thereunder and unpaid reimbursement obligations with respect thereto, (c) all obligations (other than Lease Obligations) secured by any Lien on any property owned by such Person, even though such Person has not assumed or become liable for the payment thereof, (d) all indebtedness of such Person under Financing Leases and (e) all indebtedness of such Person arising under acceptance facilities; but, in each case, excluding trade and other accounts payable and accrued expenses payable arising from and after the Filing Date in the ordinary course of business which are not overdue for a period of more than 120 days or, if overdue for more than 120 days, as to which a dispute exists and adequate reserves in conformity with GAAP have been established on the books of such Person.

**"Insolvency"**: with respect to a Multiemployer Plan, the condition that such Plan is insolvent within the meaning of such term as used in Section 4245 of ERISA.

**"Interim Order"**: an order of the Bankruptcy Court substantially in the form of Exhibit C attached hereto.

**"Inventory"**: as defined in the UCC.

**"Issuing Bank"**: initially Bank of America and thereafter any other Lender appointed by the Borrowers and approved by the Administrative Agent (such approval not to be unreasonably withheld) that agrees to serve as issuer of Letters of Credit hereunder.

**"L/C Application"**: with respect to any Letter of Credit, a letter of credit application in the Issuing Bank's then customary form completed to the reasonable satisfaction of the Issuing Bank, together with the proposed form of such Letter of Credit (which shall comply with the provisions of Section 3.1 hereof) and such other certificates, documents and other papers as reasonably required by the Issuing Bank.

**"L/C Obligations"**: at any time, the aggregate amount of obligations of the Borrowers to reimburse the Issuing Bank for any payments made by the Issuing Bank under any Letters of Credit that have not at that time been reimbursed by the Borrowers pursuant to Section 3.3.

**"L/C Participating Interest":** an undivided participating interest in the Stated Amount of each issued and outstanding Letter of Credit and the L/C Application relating thereto and any L/C Obligations with respect thereto.

**"Lease Obligations":** of the Parent and its Subsidiaries, as of the date of any determination thereof, the rental commitments of the Parent and its Subsidiaries determined on a Consolidated basis, if any, under leases for real and/or personal property (net of rental commitments from sub-leases thereof under which no default by the sublessees has occurred and is continuing), excluding however, obligations under Financing Leases.

**"Leased Property":** as defined in Section 5.12.

**"Lenders":** as defined in the preamble and including any Pre-Petition Lender that complies with the requirements of Section 2.7 hereof.

**"Letter of Credit Commitment":** \$500,000.

**"Letter of Credit Facility":** the facility described in Section 3 providing for the issuance by the Issuing Bank for the account of any Borrower of Letters of Credit in an aggregate Stated Amount at any time outstanding not in excess of the Letter of Credit Commitment.

**"Letter of Credit Liability":** on any date, an amount equal to the sum of (i) the aggregate Stated Amount of all issued, outstanding and undrawn Letters of Credit, plus (ii) the aggregate amount of all L/C Obligations.

**"Letter of Credit":** an irrevocable letter of credit issued pursuant to this Agreement under which the Issuing Bank agrees to make payments in Dollars for the account of a Borrower, in respect of obligations incurred pursuant to contracts made or performances undertaken or to be undertaken or like matters relating to contracts to which such Borrower is or proposes to become a party in the ordinary course of business, including, without limiting the foregoing, for insurance purposes or in respect of advance payments or as bid or performance bonds or in connection with industrial revenue bonds or for any other purpose for which a standby letter of credit might customarily be issued.

**"Lien":** any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of any financing statement under the UCC or comparable law of any jurisdiction in respect of any of the foregoing except for the filing of financing statements in connection with Lease Obligations incurred by a Borrower or its Subsidiaries to the extent that such financing statements relate to the property subject to such Lease Obligations).

**"Material Adverse Effect":** (a) a material adverse change in, or a material adverse effect upon, the business, prospects, properties, operations, results of operations, assets, liabilities or condition (financial or otherwise) of the Borrowers taken as a whole, other than the

commencement of the Chapter 11 Case or (b) a material adverse effect upon the validity, binding effect or enforceability against any Borrower of any DIP Financing Document.

**"Monthly Payment Date"**: the last Business Day of each month, commencing May 28, 2004.

**"Multiemployer Plan"**: a Plan which is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

**"Non-Funding Lender"**: as defined in Section 4.6(b).

**"Non-U.S. Lender"**: each Lender, Transferee or Administrative Agent that is not a United States person as defined in Section 7701(a)(30) of the Code.

**"Notice of Borrowing"**: as defined in Section 4.1.

**"Obligations"**: all obligations owing to, and rights of, the Administrative Agent and/or any Lender pursuant to the DIP Financing Documents, including without limitation, the DIP Loans and the L/C Obligations.

**"Parent"**: as defined in the preamble.

**"Participants"**: as defined in Section 11.6(b).

**"Participating Lender"**: any Lender (other than the Issuing Bank) with respect to its L/C Participating Interest in each Letter of Credit.

**"PBGC"**: the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA.

**"Permitted Liens"**: Liens permitted to exist under Section 8.2.

**"Person"**: an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

**"Plan"**: any pension plan which is covered by Title IV of ERISA and in respect of which a Borrower or a Commonly Controlled Entity is an "employer" as defined in Section 3(5) of ERISA.

**"Post-Petition Collateral"**: as defined in the Interim Order.

**"Pre-Petition Agent"**: as defined in the Interim Order.

**"Pre-Petition Collateral"**: as defined in the Interim Order.

**"Pre-Petition Indebtedness"**: as defined in the Interim Order.

**"Pre-Petition Lenders"**: as defined in the Interim Order.

**"Pretax Net Income"**: means net profit (or loss) before taxes of the Borrower and its Subsidiaries, on a consolidated basis, determined in accordance with GAAP.

**"Prime Rate"**: at any time, the prime interest rate announced or published by the Administrative Agent from time to time as its reference rate for the determination of interest rates for loans of varying maturities in Dollars to United States residents of varying degrees of creditworthiness and being quoted at such time by the Administrative Agent as its "prime rate;" it being understood that such rate may not be the lowest rate of interest charged by the Administrative Agent.

**"Properties"**: the real property of the Borrowers subject to the Liens in favor of the Lenders pursuant to the DIP Financing Documents.

**"Purchasing Lenders"**: as defined in Section 11.6(c).

**"Register"** as defined in Section 11.6(d).

**"Regulation S"**: Regulation S of the Board of Governors of the Federal Reserve System, as from time to time in effect.

**"Regulation U"**: Regulation U of the Board of Governors of the Federal Reserve System, as from time to time in effect.

**"Regulation X"**: Regulation X of the Board of Governors of the Federal Reserve System, as from time to time in effect.

**"Related Fund"**: any fund that is administrated or managed by (a) a Lender, (b) an Affiliate of a Lender, or (c) a Person or Affiliate of a Person that administers or manages a Lender.

**"Reorganization"**: with respect to a Multiemployer Plan, the condition that such Plan is in reorganization as such term is used in Section 4241 of ERISA.

**"Reportable Event"**: any of the events set forth in Section 4043(b) of ERISA or the regulations thereunder.

**"Required Lenders"**: as of any date, Lenders on such date having Credit Exposures (as defined below) aggregating in excess of 50% of the aggregate Credit Exposures of all Lenders on such date. The "**Credit Exposure**" of each Lender shall be equal to the aggregate principal amount of the DIP Loans owing to such Lender plus the aggregate unutilized amounts of such Lender's Commitment Percentage of the Total Credit Commitment plus the amount of such Lender's Commitment Percentage of the Letter of Credit Liability; provided that if any Lender with a Commitment shall have failed to pay to the Issuing Bank its Commitment Percentage of any drawing under any Letter of Credit resulting in outstanding L/C Obligations, such Lender's Credit Exposure attributable to Letters of Credit and L/C Obligations shall be deemed to be held by the Issuing Bank for purposes of this definition.



**"Requirement of Law"**: as to any Person, the Articles or Certificate of Incorporation and Bylaws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property, or to which such Person or any of its property is subject.

**"Scheduled Termination Date"**: August \_\_, 2004.

**"Single Employer Plan"**: any Plan which is not a Multiemployer Plan.

**"Stated Amount"**: of each Letter of Credit, the maximum amount available to be drawn thereunder (in each case determined without regard to whether any conditions to drawing could then be met).

**"Stated Expiry Date"**: as defined in Section 3.1.

**"Subsidiary"**: as to any Person, any corporation or other entity of which shares of stock (or analogous ownership interests) of each class having ordinary voting power (other than stock having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation or other entity are at the time owned by such Person or by one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person. (A Subsidiary shall be deemed wholly-owned by a Person who owns all of the shares of stock (or analogous ownership interests) entitled to vote for the election of directors or other managers of such Subsidiary except for directors' qualifying shares.) Unless otherwise specified, a Subsidiary as used herein shall mean a Subsidiary of Parent.

**"Superpriority Claims"**: Indebtedness or other claims arising out of credit obtained or debt incurred by the Borrowers or any of their respective Subsidiaries having priority in accordance with the provisions of Section 364(c)(1) of the Bankruptcy Code over any or all administrative expenses of the kind specified in Section 503(b) or 507(b) of the Bankruptcy Code.

**"Taxes"**: all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, other than Excluded Taxes.

**"Termination Date"**: the date of occurrence of a Termination Event.

**"Termination Event"**: (i) any Event of Default shall have occurred and any notice required to cause the TDP Loans to become due and payable shall have been given, (ii) consummation of a sale of substantially all of the Parent's assets pursuant to an order of the Bankruptcy Court pursuant to Section 363 of the Bankruptcy Code approving such sale, (iii) the Consummation Date, (iv) the effective date of any plan of reorganization, (v) conversion of the Parent's bankruptcy case to a case under Chapter 7 of the Bankruptcy Code, (vi) dismissal of the Parent's bankruptcy case, or (vii) the Scheduled Termination Date.

**"Total Credit Commitment"**: the aggregate of the Commitments of the Lenders in the aggregate amount up to but not exceeding \$4,000,000 (which amount includes the Letter of

Credit Commitment), as such sum may be reduced from time to time, provided, that an amount equal to \$300,000 of the Total Credit Commitment shall be funded only with the prior written approval of all Lenders, which approval may be withheld in their sole and absolute discretion.

**"Transferee"**: as defined in Section 11.6(f).

**"UCC"**: the Uniform Commercial Code of New York, as amended from time to time, or, where applicable to specific Post-Petition Collateral, any other relevant state.

**"Uniform Customs"**: the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500, and any amendments thereof.

**"Visteon Receivable"**: that certain receivable to be received by the Borrowers from Visteon Corporation or an Affiliate thereof heretofore disclosed to Lenders.

**"Voluntary Bankruptcy Case"**: as defined in the first recital.

## 1.2 Other Definitional Provisions.

(a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in any other DIP Financing Document or any certificate or other document made or delivered pursuant hereto.

(b) As used herein, in any other DIP Financing Document and in any certificate or other document made or delivered pursuant hereto, accounting terms relating to the Borrowers and its Subsidiaries not defined herein, and accounting terms partly defined herein to the extent not defined, shall have the respective meanings given to them under GAAP. All computations determining compliance with financial covenants or terms, including definitions used therein, shall be prepared in accordance with GAAP in effect on the date of this Agreement, and in conformity with those used to prepare the historical financial statements delivered to the Administrative Agent pursuant to Section 5.1. If at any time the computations for determining compliance with financial covenants or provisions relating thereto utilize GAAP different than those then being utilized in the financial statements then being delivered to the Administrative Agent, such financial statements shall be accompanied by a reconciliation statement with respect to such computations.

(c) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section, subsection, schedule and exhibit references are to this Agreement unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to the singular and plural forms of such terms.

(e) Whenever the knowledge of any Borrower is referenced herein, such knowledge shall refer to the actual knowledge of the officers and directors of such Borrower, but shall not refer to the knowledge of any other employees of such Borrower.

## SECTION 2. COMMITMENTS.

2.1 Commitments. Subject to the terms and conditions of this Agreement (including, without limitation, those contained in Section 2.3 and Section 6), each Lender severally and for itself alone agrees that it will, in accordance with the terms and provisions hereof, from time to time on any Business Day occurring during the period commencing on the Effective Date until, but not including, the Termination Date, make loans to the Borrowers in an aggregate principal amount at any time outstanding not to exceed such Lender's Commitment Percentage of the Total Credit Commitment (each such loan made pursuant to this Section 2.1 being referred to as a "DIP Loan", and collectively as the "DIP Loans"). Subject to the terms and conditions of this Agreement, the Borrowers may borrow, repay and reborrow hereunder on a Business Day occurring during the period commencing on the Effective Date until, but (as to Borrowings and re-Borrowings) not including, the Termination Date. The obligation to repay the Obligations on the Termination Date is a joint and several obligation of all Borrowers.

2.2 Letter of Credit Commitments. Subject to the terms and conditions of this Agreement (including, without limitation, those contained in Section 2.3 and Section 6), each Lender severally and for itself alone agrees that it will, in accordance with the terms and provisions hereof, from time to time on any Business Day occurring during the period commencing on the Effective Date until (but not including) the Termination Date, issue (in the case of the Issuing Bank) or participate in (in the case of all other Lenders) Letters of Credit for the account of a Borrower under the Letter of Credit Facility in an aggregate Stated Amount at any time outstanding not to exceed either (a) the Letter of Credit Facility in the case of the Issuing Bank or (b) such Lender's Commitment Percentage of the Letter of Credit Commitment in the case of all other Lenders.

2.3 Certain Limitations. Notwithstanding anything to the contrary in this Section 2 or otherwise, no Lender (or the Issuing Bank, in the case of Letters of Credit) shall be permitted or required to:

(a) make any DIP Loan or issue, extend or participate in any Letter of Credit if, after giving effect thereto, the sum of (i) the aggregate outstanding principal amount of all DIP Loans, plus (ii) the Letter of Credit Liability would exceed the lesser of (x) the Total Credit Commitment or (y) the sum of the Budgeted Borrowing Amount plus the Budgeted Borrowing Amount Cushion; or

(b) issue, extend or participate in any Letter of Credit if, after giving effect to such issuance or extension, the Letter of Credit Liability would exceed \$500,000.

2.4 Voluntary Commitment Reductions. At its option, the Borrowers may reduce the Total Credit Commitment upon three Business Days' prior written notice to the Administrative Agent. Any such reduction shall be in an amount of \$1,000,000 or an integral multiple thereof.

2.5 Fees. The Borrowers agree jointly and severally to pay the fees set forth in this Section 2.5.

(a) Facility Fee; Underwriting Fee. On the Effective Date, the Borrowers shall pay in the aggregate to the Administrative Agent a non-refundable facility fee, in an amount equal to \$200,000, which amount Administrative Agent shall distribute to the Lenders party hereto on such date for the pro rata account of each such Lender in accordance with its Commitment Percentage.

(b) Unused Capacity Fee. For the period of time commencing on the Effective Date until, but not including, the Termination Date, the Borrowers agree jointly and severally to pay to the Administrative Agent for the pro rata account of each Lender in accordance with its Commitment Percentage a non-refundable unused commitment fee. Such unused commitment fee will be payable in arrears on each Monthly Payment Date and on the Termination Date. Each payment of such unused commitment fee shall be determined for the calendar month (or portion of a calendar month commencing on the date hereof or ending on the Termination Date) preceding and including the date such payment is due and shall be equal to the product of (i) 2.0%, per annum, multiplied by (ii) the amount by which the average daily Total Credit Commitment exceeds the sum of (A) the average daily principal amount outstanding under DIP Loans plus (B) the average daily Letter of Credit Liability.

(c) Letter of Credit Fee. The Borrowers agree jointly and severally to pay letter of credit fees as follows:

(i) to the Administrative Agent for the pro rata account of each Lender (including the Issuing Bank) in accordance with its Commitment Percentage, a non-refundable letter of credit fee at the rate of 2.0% per annum on the aggregate undrawn and available amount under all outstanding Letters of Credit; and

(ii) to the Issuing Bank for its own account, a fronting fee of 0.25% per annum on the aggregate Stated Amount of Letters of Credit issued, together with all other customary and administrative fees and all reasonable amendment and extension fees which may be charged, from time to time, by the Issuing Bank in respect of any Letters of Credit.

Such letter of credit fees shall be payable:

(iii) with respect to those fees described in clause (i) above:

(A) on the first Monthly Payment Date following the issuance of any Letter of Credit for the period from the date of such issuance of any Letter of Credit to (but not including) such Monthly Payment Date, and

(B) thereafter for Letters of Credit, on each Monthly Payment Date for the period from the immediately preceding Monthly Payment Date up to (but not including) such Monthly Payment Date;

(iv) with respect to those fees described in clause (ii), on the date of issuance (or amendment or extension) of the Letter of Credit with respect to which such fees are incurred or the date of incurrence, as the case may be.

(d) Administrative Agent's Fee. The Borrowers shall pay to the Administrative Agent for its own account an administrative agent's fee in the amount of \$25,000 per month payable in advance on the first Business Day of each month, commencing on the date hereof.

2.6 Use of Proceeds. From and after the Effective Date, the proceeds of the DIP Loans and the issuance of the Letters of Credit shall be used by the Borrowers to finance the ongoing working capital and general corporate requirements of the Borrowers in a manner consistent with the Budget.

### SECTION 3. LETTERS OF CREDIT.

3.1 Issuances and Extensions. Subject to the terms and conditions of this Agreement, the Issuing Bank shall issue Letters of Credit, and extend the Stated Expiry Dates (as hereinafter defined) of outstanding Letters of Credit, in accordance with the provisions of this Section 3 and the L/C Applications submitted therefor, respectively. The Issuing Bank will make available the original of each Letter of Credit to the beneficiary thereunder (with a copy to the Borrowers) which it issues hereunder and will notify the beneficiary under any Letter of Credit of any extension of the Stated Expiry Date thereof. Notwithstanding anything to the contrary herein, each Letter of Credit shall be (i) stated to expire (including all rights of the Borrowers or any beneficiary named in such Letter of Credit to require renewal) on a date (its "Stated Expiry Date") no later than the Scheduled Termination Date, (ii) subject to the Uniform Customs and, to the extent not inconsistent therewith, the laws of the State of New York, and (iii) in such form as shall be reasonably acceptable to the Issuing Bank.

3.2 Participating Interests. Effective in the case of each Letter of Credit as of the date of the issuance thereof, the Issuing Bank agrees to allot and does allot, to itself and each other Lender, and each Lender severally and irrevocably agrees to take and does take in such Letter of Credit and the related L/C Application and all L/C Obligations in respect thereof, an L/C Participating Interest in a percentage equal to such Lender's Commitment Percentage.

#### 3.3 Payments in Respect of Letters of Credit.

(a) Each Borrower jointly and severally agrees within one Business Day after demand by the Issuing Bank and otherwise in accordance with the terms of the L/C Application relating thereto, (i) to reimburse the Issuing Bank for any payment made by the Issuing Bank under any Letter of Credit and (ii) to pay interest on any unreimbursed portion of any such payment from the date of such payment until reimbursement in full

thereof at a rate per annum equal to the Adjusted Base Rate, plus the Applicable Margin payable on each Monthly Payment Date.

(b) In the event that the Issuing Bank makes a payment under any Letter of Credit and is not reimbursed in full therefor within one Business Day after demand of the Issuing Bank, and otherwise in accordance with the terms of the L/C Application relating to such Letter of Credit, the Issuing Bank shall promptly notify the Administrative Agent who shall then promptly notify each other Lender. Forthwith upon its receipt of any such notice, each other Lender shall transfer to the Administrative Agent, in immediately available funds, an amount equal to such other Lender's Commitment Percentage of the L/C Obligation arising from such unreimbursed payment, and the Administrative Agent shall then promptly transfer such funds to the Issuing Bank.

(c) Whenever, at any time after the Issuing Bank has made a payment under any Letter of Credit and has received from any other Lender such other Lender's Commitment Percentage of the L/C Obligation arising therefrom, the Issuing Bank receives any reimbursement on account of such L/C Obligation or any payment of interest or fees on account thereof, the Issuing Bank shall distribute to the Administrative Agent who shall then distribute to such other Lender its Commitment Percentage thereof in like funds as received; provided, however, that in the event that the receipt by the Issuing Bank of such reimbursement or such payment of interest (as the case may be) is required to be returned, such other Lender shall return to the Issuing Bank any portion thereof previously distributed by the Issuing Bank to it in like funds as such reimbursement or payment is required to be returned by the Issuing Bank.

3.4 Actions Upon Maturity. If the Termination Date occurs prior to the expiration of any Letter of Credit, (a) each such Letter of Credit shall be replaced and returned to the Administrative Agent undrawn and marked "canceled" on or prior to the Termination Date, (b) the Borrowers shall, on or before the Termination Date, secure their obligations under such Letter of Credit with a back-to-back letter of credit that is in an amount equal to 105% of the then undrawn stated amount of such Letter of Credit, in form and substance, and issued by a financial institution, satisfactory to the Administrative Agent or (c) the Borrowers shall, on or before the Termination Date, provide cash collateral with respect to such Letter of Credit in an amount equal to 105% of the then undrawn stated amount of such Letter of Credit by depositing cash in such amount into an account established by the Borrowers under the sole and exclusive control of the Administrative Agent, such cash to be remitted to the Borrowers upon the expiration, cancellation or other termination or satisfaction of the Borrowers' reimbursement obligations with respect to such Letter of Credit.

3.5 Further Assurances. Each Borrower hereby agrees, from time to time, to do and perform any and all acts and to execute any and all further instruments reasonably requested by the Issuing Bank more fully to effect the purposes of this Agreement and the issuance of Letters of Credit hereunder.

3.6 Obligations Absolute. The payment obligations of each Borrower under this Agreement with respect to the Letters of Credit shall be unconditional and irrevocable and shall

be paid strictly in accordance with the terms of this Agreement under all circumstances, including, without limitation, the following circumstances:

(a) the existence of any claim, set-off, defense or other right which any Borrower may have at any time against any beneficiary, or any transferee, of any Letter of Credit (or any Persons for whom any such beneficiary or any such transferee may be acting), the Issuing Bank, the Administrative Agent or any Lender, or any other Person, whether in connection with this Agreement, any DIP Financing Document, the transactions contemplated herein, or any unrelated transaction;

(b) any statement or any other document presented under any Letter of Credit proving to be forged, fraudulent or invalid or any statement therein being untrue or inaccurate in any respect;

(c) payment by the Issuing Bank under any Letter of Credit against presentation of a draft or certificate or other document which does not comply with the terms of such Letter of Credit or is insufficient in any respect; or

(d) any other circumstances or happening whatsoever, whether or not similar to any of the foregoing.

Nothing contained in this Section 3.6 shall relieve the Issuing Bank of liability for its gross negligence or willful misconduct.

**3.7 Assignments.** No Participating Lender's participation in any Letter of Credit or any of its rights or duties hereunder shall be subdivided, assigned or transferred (other than in connection with a transfer of a corresponding portion or all of such Participating Lender's Commitment in accordance with Section 11.6).

**3.8 Participations.** Each Lender's obligation to purchase participating interests pursuant to Section 3.2 shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, (i) any set-off, counterclaim, recoupment, defense or other right which such Lender may have against the Issuing Bank, any Borrower or any other Person for any reason whatsoever; (ii) the occurrence or continuance of an Event of Default; (iii) any adverse change in the condition (financial or otherwise) of any Borrower; (iv) any breach of this Agreement by any Borrower or any other Lender; or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

#### **SECTION 4. GENERAL PROVISIONS APPLICABLE TO DIP LOANS.**

**4.1 Procedure for DIP Loan Borrowings.** Each Borrower may request DIP Loans on any Business Day; provided that, with respect to any Borrowing, such Borrower shall give the Administrative Agent irrevocable written notice, which notice must be received by the Administrative Agent not later than 12:00 noon, Dallas, Texas time, on the Borrowing Date (a "Notice of Borrowing"). Upon receipt of such Notice of Borrowing the Administrative Agent shall promptly notify each Lender. Not later than 2:00 p.m., Dallas, Texas time, on the Borrowing Date specified in such notice, each Lender shall make available to the Administrative

Agent at the office of the Administrative Agent specified in Section 11.2 (or at such other location as the Administrative Agent may direct) an amount in immediately available funds equal to such Lender's Commitment Percentage of any Borrowing. DIP Loan proceeds received by the Administrative Agent hereunder shall promptly be made available to the Borrowers by the Administrative Agent's crediting the account of the Borrowers, at the office of the Administrative Agent specified in Section 11.2, with the aggregate amount actually received by the Administrative Agent from the Lenders and in like funds as received by the Administrative Agent. Each Borrowing shall be in an aggregate minimum amount of \$250,000 and integral multiples of \$50,000.

4.2 Repayments and Prepayments. The Borrowers promise jointly and severally to make payment in full in cash of all unpaid principal of each DIP Loan and all other unpaid obligations hereunder, including, without limitation, the Letter of Credit Liability and all accrued and unpaid interest and fees required to be paid hereunder, on the Termination Date. This Agreement evidences the Borrowers' obligations and no note is required to evidence such obligations. Prior to the Termination Date, the Borrowers:

(a) may prepay the DIP Loans upon not less than one Business Day's prior notice to the Administrative Agent (which shall promptly notify the Lenders), which notice shall specify the prepayment date (which shall be a Business Day) and the amount of the prepayment (which shall be at least \$250,000 or the remaining aggregate principal balance outstanding on the DIP Loans) and shall be irrevocable and effective only upon receipt by the Administrative Agent, provided that interest on the principal prepaid, accrued to the prepayment date, shall be paid on the prepayment date if so requested by the Administrative Agent;

(b) shall make prepayments in accordance with the terms of the Financing Orders; and

(c) shall make a mandatory prepayment of all DIP Loans in an aggregate amount equal to the excess, if any, on any date of

(i) the sum of (x) the aggregate outstanding principal amount of all DIP Loans and (y) the Letter of Credit Liability, over

(ii) the lesser of (A) the Total Credit Commitment (as reduced from time to time in accordance with this Agreement) and (B) the sum of the Budgeted Borrowing Amount plus the Budgeted Borrowing Amount Cushion.

No payment of principal of any DIP Loans shall cause a reduction in the Total Credit Commitment unless otherwise specifically provided. Prepayments permitted or required under this Section 4.2 shall be without premium or penalty.

4.3 Treatment of Asset Sale; Receivable.

(a) All net cash proceeds realized from asset sales during the Chapter 11 Case shall be applied (A) in accordance with the Financing Orders and Bankruptcy Court



orders approving such sales, if applicable, (B) as may be otherwise provided in any consent executed by the Administrative Agent and the requisite Lenders to such sales, except for applications permitted pursuant to Section 8.5(d), or otherwise (C) to the Obligations in the order and manner as the Administrative Agent may elect in its sole discretion (or as may be requested by the requisite Lenders); provided however, (i) the Borrowers may retain any net cash proceeds realized from the transactions described in Sections 8.5(a), (c) and (e), and (ii) the Borrowers may retain any net cash proceeds realized from any casualty insurance or condemnation award so long as (x) no Default or Event of Default has occurred and is continuing or would result therefrom, (y) such proceeds are used within 60 days of receipt to acquire or rebuild the assets subject to such casualty insurance or condemnation award and (z) such proceeds are in an aggregate amount less than \$100,000 during the term hereof.

(b) All proceeds from the collection of the Visteon Receivable during the Chapter 11 case shall be applied first in the amount of \$4,000,000 to the Administrative Agent to cash collateralize the Total Credit Commitment, then to repay the Obligations without any reduction in the Total Credit Commitment, and then to provide cash collateral with respect to all Letter of Credit Liabilities, all pursuant to documents satisfactory to the Administrative Agent.

#### 4.4 Interest Rates and Payment Dates.

(a) Subject to Section 4.4(b) hereof, all DIP Loans shall bear interest at a rate per annum equal to the Adjusted Base Rate (as in effect from time to time) plus the Applicable Margin, but in no event to exceed the Highest Lawful Rate.

(b) Upon the occurrence and during the continuance of an Event of Default, all DIP Loans and all other amounts outstanding under this Agreement, shall bear interest at a rate per annum which is 2.0% above the otherwise applicable rate.

(c) Interest on the DIP Loans shall be payable in arrears on each Monthly Payment Date. Upon the occurrence and during the continuance of an Event of Default, interest shall be payable on demand of the Administrative Agent.

4.5 Computation of Interest and Fees. Interest on the DIP Loans shall be computed on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed (including the first day but excluding the last day) occurring in the period for which such interest is payable.

#### 4.6 Pro Rata Treatment and Payments.

(a) Each Borrowing of DIP Loans by the Borrowers from the Lenders and any reduction of the Total Credit Commitment hereunder and any payments in respect of principal, interest or fees hereunder shall be made pro rata according to the Commitment Percentage of the Lenders with respect to the DIP Loans borrowed or the Total Credit Commitment to be reduced.

(b) If any Lender (a "Non-Funding Lender") has (x) failed to make a DIP Loan required to be made by it hereunder, and the Administrative Agent has determined that such Lender is not likely to make such a DIP Loan or (y) given notice to the Borrowers or the Administrative Agent that it will not make, or that it has disaffirmed or repudiated any obligation to make, any DIP Loan, in each case by reason of the provisions of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, or otherwise, any payment made on account of the principal of the DIP Loans outstanding shall be made as follows:

(i) in the case of any such payment made on any date when and to the extent that, in the reasonable determination of the Administrative Agent, the Borrowers would be able, under the terms and conditions hereof, to reborrow the amount of such payment and to satisfy any applicable conditions precedent set forth in Section 6 to such reborrowing, such payment shall be made on account of the outstanding DIP Loans held by the Lenders other than the Non-Funding Lender pro rata according to the respective outstanding principal amounts of the DIP Loans of such Lenders; and

(ii) otherwise, such payment shall be made on account of the outstanding DIP Loans held by the Lenders pro rata according to the respective outstanding principal amounts of such DIP Loans; and

(iii) any payment made on account of interest on the DIP Loans shall be made pro rata according to the respective amounts of accrued and unpaid interest due and payable on the DIP Loans with respect to which such payment is being made.

Each Borrower agrees to give the Administrative Agent such assistance in making any determination pursuant to Section 4.6(b)(i) as the Administrative Agent may reasonably request. Any such determination by the Administrative Agent shall be conclusive and binding on the Lenders absent manifest error.

(c) All payments (including prepayments) to be made by the Borrowers on account of principal, interest and fees shall be made without set-off or counterclaim and shall be made to the Administrative Agent, for the account of the Lenders at the Administrative Agent's office located at 901 Main Street, Dallas, Texas 75202, in Dollars and in immediately available funds. The Administrative Agent shall promptly distribute such payments in accordance with the provisions of this Section 4.6 promptly upon receipt in like funds as received. If any payment hereunder would become due and payable on a day other than a Business Day, such payment would become due and payable on the next succeeding Business Day and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension.

(d) Unless the Administrative Agent shall have been notified in writing by any Lender prior to a Borrowing Date that such Lender will not make the amount that would constitute its Commitment Percentage of the Borrowing on such date available to the Administrative Agent, the Administrative Agent may assume that such Lender has

made such amount available to the Administrative Agent on such Borrowing Date in accordance with Section 4.1 and the Administrative Agent may, in reliance upon such assumption, make available to the Borrowers a corresponding amount. If such amount is made available to the Administrative Agent by such Lender on a date after such Borrowing Date, such Lender shall pay to the Administrative Agent on demand an amount equal to the product of (i) the daily average Federal Funds Rate during such period as quoted by the Administrative Agent, times (ii) the amount of such Lender's Commitment Percentage of such Borrowing, times (iii) a fraction the numerator of which is the number of days that elapse from and including such Borrowing Date to the date on which such Lender's Commitment Percentage of such Borrowing shall have become immediately available to the Administrative Agent and the denominator of which is 360. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this subsection 4.6(d) shall be conclusive, absent manifest error. If such Lender's Commitment Percentage of such Borrowing is not in fact made available to the Administrative Agent by such Lender within three Business Days of such Borrowing Date and the Administrative Agent has made such amount available to the Borrowers, then Administrative Agent shall be entitled to recover such amount with interest thereon at the rate per annum applicable to DIP Loans hereunder, on demand, from the Borrowers, without prejudice to any rights which the Borrowers or the Administrative Agent may have against such Lender hereunder. Nothing contained in this subsection 4.6(d) shall relieve any Lender which has failed to make available its ratable portion of any Borrowing hereunder from its obligation to do so in accordance with the terms hereof.

(e) The failure of any Lender to make any DIP Loan to be made by it on any Borrowing Date shall not relieve any other Lender of its obligation, if any, hereunder to make its DIP Loan on such Borrowing Date, but no Lender shall be responsible for the failure of any other Lender to make any DIP Loan to be made by such other Lender on such Borrowing Date.

#### 4.7 Additional Costs.

(a) Capital Adequacy. Without limiting the effect of the foregoing provisions of this Section 4.7 (but without duplication), each Borrower shall pay directly to any Lender from time to time on request such amounts as such Lender may reasonably determine to be necessary to compensate such Lender or its parent or holding company for any costs which it determines are attributable to the maintenance by such Lender or its parent or holding company (or any applicable lending office), pursuant to any Requirement of Law following any Change in Law, of capital in respect of its Commitment or its DIP Loans or any interest held by it in any Letter of Credit, such compensation to include, without limitation, an amount equal to any reduction of the rate of return on assets or equity of such Lender or its parent or holding company (or any applicable lending office) to a level below that which such Lender or its parent or holding company (or any applicable lending office) could have achieved but for such Requirement of Law. Such Lender will notify the Borrowers that it is entitled to

compensation pursuant to this Section 4.7(a) as promptly as practicable after it determines to request such compensation.

(b) Compensation Procedure. Any Lender notifying the Borrowers of the incurrence of additional costs under this Section 4.7 shall in such notice to the Borrowers and the Administrative Agent set forth in reasonable detail the basis and amount of its request for compensation. Determinations and allocations by each Lender for purposes of this Section 4.7: (i) of the effect of capital maintained pursuant to Section 4.7(a); (A) on its costs or rate of return of maintaining DIP Loans or its obligation to make DIP Loans or issue Letters of Credit; or (B) on amounts receivable by it in respect of DIP Loans or Letters of Credit, and (ii) of the amounts required to compensate such Lender under this Section 4.7, shall be conclusive and binding for all purposes, provided that such determinations and allocations are made on a reasonable basis. Any request for additional compensation under this Section 4.7 shall be paid by the Borrowers promptly upon receipt by the Borrowers of the notice described in this Section 4.7(b).

## SECTION 5. REPRESENTATIONS AND WARRANTIES.

In order to induce the Administrative Agent and the Lenders to enter into this Agreement and to make the DIP Loans and to induce the Issuing Bank to issue, and the Participating Lenders to participate in, the Letters of Credit, each Borrower hereby represents and warrants to each Lender and Administrative Agent that:

5.1 Financial Condition. The audited Consolidated balance sheet of the Parent and its Subsidiaries as at June 30, 2003, and the related audited Consolidated statements of income and of cash flows for the periods ended on such date, certified by independent certified public accountants of recognized national standing or any other independent certified public accountants acceptable to the Administrative Agent, and the unaudited Consolidated balance sheet of the Parent and its Subsidiaries as at February 28, 2004, certified by the chief financial officer of the Parent, copies of which have heretofore been furnished to each Lender, present fairly in all material respects the Consolidated financial condition of the Parent and its Consolidated Subsidiaries as at such dates, and the Consolidated results of their operations and their Consolidated cash flows for the periods then ended. All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by such accountants or such officer, as the case may be, and as disclosed therein).

5.2 No Change. Since February 28, 2004, other than the commencement of the Chapter 11 Case and all events and circumstances leading thereto and associated therewith (including, without limitation, vendors and suppliers to the Parent refusing to extend credit to the Parent and requiring that goods and services be paid for in cash, all of which has caused the Parent to deplete available cash, and the loss of additional business since such date) or as otherwise disclosed in the financial statements previously provided to the Lenders or in the Budget, there has been no change, which has had or could reasonably be expected to have a Material Adverse Effect.

5.3 Corporate Existence; Compliance with Law. Each Borrower, except as such may be affected by the commencement of the Chapter 11 Case and the events and circumstances associated therewith, (a) is a corporation or other Person duly organized and validly existing under the laws of the jurisdiction of its organization, (b) has full legal power and authority and possesses all governmental franchises, licenses, permits, authorizations and approvals necessary to enable it to use its corporate name and to own, lease or otherwise hold its properties and assets and to carry on its business as now conducted other than such franchises, licenses, permits, authorizations and approvals the lack of which, individually or in the aggregate, would not have a Material Adverse Effect, (c) is duly qualified and in good standing to do business in each jurisdiction in which the nature of its business or the ownership, leasing or holding of its properties makes such qualification necessary, except such jurisdictions where the failure so to qualify would not have a Material Adverse Effect, and (d) is in compliance with all applicable Requirements of Law, except where noncompliance would not have a Material Adverse Effect. No Borrower has received any written communication from a Governmental Authority that alleges that any Borrower or any of its Subsidiaries is not in compliance, in all material respects, with all Federal, state, local or foreign laws, ordinances, rules and regulations.

5.4 Corporate Power; Authorization. Subject to the approval of the Bankruptcy Court pursuant to the Financing Orders, each Borrower has legal power and authority to make, deliver and perform each of the DIP Financing Documents to which it is a party, and, subject to the approval of the Bankruptcy Court pursuant to the Financing Orders, each Borrower has the legal power and authority and legal right to borrow hereunder and to have Letters of Credit issued for its account hereunder. Each Borrower has taken all necessary legal action to authorize the execution, delivery and performance of each of the DIP Financing Documents to which it is a party, and such Borrower has taken all necessary legal action to authorize the Borrowings hereunder and the issuance of Letters of Credit for its account hereunder. Except for the approval of the Bankruptcy Court pursuant to the Financing Orders, no consent or authorization of, or filing with, any Person (including, without limitation, any Governmental Authority) is required in connection with the execution, delivery or performance by any Borrower or for the validity or enforceability against any Borrower of any DIP Financing Document except for consents, authorizations and filings which have been obtained or made and are in full force and effect and except such consents, authorizations and filings, the failure to obtain or perform which would not have a Material Adverse Effect.

5.5 Enforceable Obligations. Each DIP Financing Document delivered on or prior to the date hereof (i) has been duly executed and delivered on behalf of each Borrower and (ii) subject to the approval of the Bankruptcy Court pursuant to the Financing Orders, constitutes the legal, valid and binding obligation of each Borrower and is enforceable against such Borrower in accordance with its terms.

5.6 No Legal Bar. Subject to the approval of the Bankruptcy Court pursuant to the Financing Orders, the execution, delivery and performance of each DIP Financing Document, the use of the proceeds of the DIP Loans, and drawings under the Letters of Credit and the transactions contemplated by or in respect of such use of proceeds will not (A) violate any Requirement of Law or any Contractual Obligation other than those violations described on Schedule 5.6 and existing on the Filing Date applicable to or binding upon any Borrower or any

of its respective properties or assets in any manner which, individually or in the aggregate, (i) would have a material adverse effect on the ability of any Borrower to perform its respective obligations under the DIP Financing Documents, (ii) would give rise to any liability on the part of the Administrative Agent or any Lender, or (iii) would have a Material Adverse Effect, and (B) will not result in the creation or imposition of any Lien on any of its properties or assets pursuant to any Requirement of Law applicable to any of them, as the case may be, or any of its Contractual Obligations, except for the Liens arising hereunder and under the Financing Orders.

5.7 No Material Litigation. Except as set forth on Schedule 5.7 and for the motion(s) brought by the Parent seeking entry of the Financing Orders by the Bankruptcy Court, no litigation by, investigation known to any Borrower by, or proceeding of, any Governmental Authority is pending against any Borrower with respect to the validity, binding effect or enforceability of any DIP Financing Document to which it is a party, the DIP Loans made hereunder or pursuant to the Financing Orders, the use of proceeds thereof or of any drawings under a Letter of Credit and the other transactions contemplated hereby or in respect of such use of proceeds. Except as set forth on Schedule 5.7 and for the commencement of the Chapter 11 Case and the filing and prosecution of claims therein, no lawsuits, claims, proceedings or investigations are pending or, to the best knowledge of each Borrower, threatened as of the Effective Date against or affecting any Borrower or any of its Subsidiaries or any of their respective properties, assets, operations or businesses, in which there is a probability of an adverse determination, which is reasonably likely, if adversely decided, to have a Material Adverse Effect, which is not stayed by the filing of the Voluntary Bankruptcy Case.

5.8 Investment Company Act. Neither any Borrower nor any of its Subsidiaries is an "investment company" or a company "controlled" by an "investment company" (as each of the quoted terms is defined or used in the Investment Company Act of 1940, as amended).

5.9 Federal Regulation. No part of the proceeds of any of the DIP Loans or any drawing under a Letter of Credit will be used for any purpose which violates the provisions of Regulation S, U or X. Neither any Borrower nor any of its Subsidiaries is engaged or will engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U.

5.10 Taxes. Except as set forth on Schedule 5.10, each Borrower has filed or caused to be filed all material tax returns which, to the best knowledge of each Borrower, are required to be filed and have paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its property and all other taxes, fees or other charges imposed on them or any of their property by any Governmental Authority (other than (i) for which an extension for filing is available and such Borrower has taken necessary steps to qualify for such extension, (ii) where the failure to file would not have a Material Adverse Effect, and (iii) the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of such Borrower or its Subsidiaries, as the case may be); except Permitted Liens, no tax Lien has been filed, and, to the best knowledge of each Borrower, no written claim is being asserted, with respect to any such tax, fee or other charge.

5.11 Subsidiaries. The Subsidiaries of each Borrower listed on Schedule 5.11 constitute all of the Subsidiaries of such Borrower as of the Effective Date. DTI Systems, Inc. has neither issued shares of stock nor appointed a board of directors and has no assets.

5.12 Ownership of Property; Liens. Each Borrower has good title to all its material assets (other than real property or interests in real property, or goods sold on a consignment basis), except where the failure to have such title would not have a Material Adverse Effect, in each case free and clear of all Liens of any nature whatsoever except Permitted Liens. With respect to real property or interests in real property, each Borrower has (i) good and marketable fee title to all of its owned real property, except where the failure to have such title would not have a Material Adverse Effect (each, a "Fee Property"), and (ii) a valid leasehold interest in all of the real property leased by it, except where the failure to have such leasehold interest would not have a Material Adverse Effect (each, a "Leased Property", each such Fee Property and each such Leased Property being referred to individually as a "Company Property" in this Section 5.12), in each case free and clear of all Liens, easements, covenants, rights-of-way and other similar restrictions of any nature whatsoever, except (A) Permitted Liens, (B) easements, covenants, rights-of-way and other similar restrictions of record, (C) any conditions that may be shown by a current, accurate survey or physical inspection of any Company Property made prior to the Effective Date, (D) any immaterial condemnation or eminent domain proceeding affecting any real property that does not prevent such real property from being utilized by any Borrower or any of its Subsidiaries substantially for the purposes for which it was being utilized prior to such proceeding, and (E) (I) zoning, building and other similar restrictions, (II) Liens that have been placed by any developer, landlord or other third party on property over which any Borrower or any of its Subsidiaries have easement rights or on any Leased Property and subordination or similar agreements relating thereto, and (III) unrecorded easements, covenants, rights-of-way or other similar restrictions, none of which items set forth in clauses (I), (II) and (III), individually or in the aggregate, materially impair the continued use and operation of the property to which they relate in the business of any Borrower and its Subsidiaries, taken as a whole, as now conducted. All such real property or interests in real property which are locations where a Borrower has assets are listed on Schedule 5.12 attached hereto.

5.13 ERISA. Except as set forth on Schedule 5.13, neither any Borrower nor any of its Subsidiaries nor any Commonly Controlled Entity would be liable for any amount pursuant to Sections 4062, 4063 or 4064 of ERISA if any Plan were to terminate. Neither any Borrower nor any Commonly Controlled Entity has incurred any material liability under Title IV of ERISA in connection with the termination of, withdrawal from or failure to fund any Plan or Multiemployer Plan which will remain a liability of such Borrower after the Effective Date. To the best knowledge of each Borrower, neither any Borrower nor any of its Subsidiaries or any director, officer or employee of any of the foregoing, or any of the Plans, or any trust created thereunder, or any fiduciary thereof, has engaged in a transaction in connection with which any Borrower, any of its Subsidiaries, or any director, officer or employee of any of the foregoing, or any fiduciary of the Plans or any such trust could be subject to either a material liability or civil penalty assessed pursuant to Sections 409, 502(i) or 502(l) of ERISA or a material tax imposed pursuant to Sections 4975 or 4976 of the Code with respect to any Plan. Except as set forth on Schedule 5.13, to the best knowledge of each Borrower, each of the Plans has been operated and administered in all material respects in accordance with applicable laws, including but not

limited to ERISA and the Code. There are no material pending or, to the best knowledge of each Borrower, threatened claims by or on behalf of any of the Plans or any fiduciary thereof with respect to a Plan, by any employee or beneficiary covered under any such Plan or fiduciary of any such Plan, or otherwise involving any such Plan or any such fiduciary (other than routine claims for benefits). No condition exists and no event has occurred with respect to any Multiemployer Plan which presents a material risk of a complete or partial withdrawal under Subtitle E of Title IV of ERISA, nor have any Borrower or any Commonly Controlled Entity been notified that any such Plan is insolvent or in reorganization within the meaning of Section 4241 of ERISA. Except as set forth on Schedule 5.13, neither any Borrower nor any Commonly Controlled Entity has been a party to any transaction or agreement to which the provisions of Section 4204 of ERISA were applicable. Except as set forth on Schedule 5.13, neither any Borrower nor any of its Subsidiaries are obligated to contribute, on behalf of any current or former employee of any Borrower, to a Multiemployer Plan. None of the Plans or any trust established thereunder which is sponsored by any Borrower or any of its Subsidiaries has incurred any "accumulated funding deficiency" (as defined in Section 302 of ERISA and Section 412 of the Code), whether or not waived, as of the last day of the most recent fiscal year of each of the Plans. No contribution failure has occurred with respect to any Plan sufficient to give rise to a lien under Section 302(f) of ERISA.

5.14 Environmental Matters. Except for facts and circumstances disclosed on Schedule 5.14 that could not reasonably be expected to have a Material Adverse Effect:

(a) To the best knowledge of each Borrower, (i) the Fee Properties do not contain, in, on or under, including, without limitation, the soil and groundwater under the Properties, any Hazardous Materials, and (ii) neither any Borrower nor any of its Subsidiaries have placed any Hazardous Materials on any Leased Properties, in each case which result in a currently existing violation of Environmental Laws.

(b) To the best knowledge of each Borrower, each Borrower and its Subsidiaries are not in material violation of any Environmental Law which violation could reasonably be expected to materially interfere with the continued operation of any of the Properties or materially impair the fair saleable value of any thereof.

(c) Neither any Borrower nor any of its Subsidiaries has received any complaint, notice of violation, alleged violation, notice of investigation or of potential liability under Environmental Laws with regard to any of the Properties which has not been cured, nor do any Borrower or any of its Subsidiaries have knowledge that any Governmental Authority is contemplating delivering to such Borrower or any of its Subsidiaries any such notice.

(d) Except for violations which have been cured, to the best knowledge of each Borrower, Hazardous Materials have not been generated, treated, stored, disposed of (in the case of Leased Properties, by any Borrower or any of its Subsidiaries), at, on or under any of the Properties in violation of any Environmental Laws nor, to the best knowledge of each Borrower, have any Hazardous Materials been transported (in the case of Leased Properties, by any Borrower or any of its Subsidiaries) from any of the Properties to any other location in violation of any Environmental Laws.



(c) There are no governmental administrative actions or judicial proceedings pending under any Environmental Law to which any Borrower or any Subsidiary thereof is a party with respect to any of the Properties, nor, to the best knowledge of each Borrower, are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding against any Borrower or any Subsidiary thereof under any Environmental Law with respect to any of the Properties.

5.15 Accuracy and Completeness of Information. The factual statements contained in the financial statements referred to in Section 7.1, the DIP Financing Documents and any other certificates or documents furnished or to be furnished to the Administrative Agent or the Lenders from time to time in connection with this Agreement, taken as a whole, do not and will not, to the best knowledge of each Borrower, as of the date when made, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances in which the same were made, all except as otherwise qualified herein or therein, such knowledge qualification being given only with respect to factual statements made by Persons other than any Borrower.

5.16 Post-Petition Collateral. Pursuant to the DIP Financing Documents, each Borrower has granted to the Administrative Agent for the benefit of the Lenders perfected Liens upon all of its assets.

## SECTION 6. CONDITIONS PRECEDENT.

6.1 Conditions to Initial DIP Loans and Letters of Credit. The obligation of each Lender to make its initial DIP Loan, or the obligation of the Issuing Bank to issue its initial Letter of Credit, whichever occurs first, is subject to the satisfaction or waiver pursuant to Section 11.1 immediately prior to or concurrently with the making of such DIP Loan or the issuance of such Letter of Credit, as the case may be, of the following conditions:

(a) the Administrative Agent shall have received a counterpart of this Agreement for each Lender duly executed and delivered by a duly authorized officer of each Borrower;

(b) the consummation of the transactions contemplated hereby or entered into in contemplation hereof, shall not contravene, violate or conflict with any Requirement of Law;

(c) all consents, authorizations and filings, if any, required in connection with the execution, delivery and performance by each Borrower, and the validity and enforceability against each Borrower, of the DIP Financing Documents, shall have been obtained or made, and such consents, authorizations and filings shall be in full force and effect, except such consents, authorizations and filings, the failure to obtain which would not have a Material Adverse Effect;

(d) the Administrative Agent shall have received each additional document and other information regarding the assets, business, liabilities, financial position,

projection, results of operations or business prospects of each Borrower as are customary for transactions of this type or are reasonably requested by the Lenders;

(e) the Administrative Agent shall have received, with a copy for each Lender, the Budget, which shall be in form and substance satisfactory to the Administrative Agent and the Lenders;

(f) the Borrowers shall have paid all fees then due and payable under this Agreement, including, without limitation, the unpaid reasonable fees and expenses of Winstead Sechrest & Minick P.C. and KPMG LLP and the Administrative Agent's fee for May 2004;

(g) the Administrative Agent shall have received, with a copy for each Lender, a copy of the Cash Management Order entered by the Bankruptcy Court satisfactory to the Lenders, and the Cash Management Order shall be in full force and effect and shall not have been vacated, stayed, reversed, modified or amended;

(h) the Administrative Agent shall have received, with a copy for each Lender, a copy of the Interim Order, entered by the Bankruptcy Court and the Interim Order shall be in full force and effect and shall not have been vacated, stayed, reversed, modified or amended;

(i) the Administrative Agent shall have received resolutions of the Board of Directors of each Borrower and certified by its respective Secretary, an Assistant Secretary or other officer which authorize the execution, delivery, and performance by such Borrower of this Agreement and the other DIP Financing Documents to which such Borrower is or is to be a party;

(j) the Administrative Agent shall have received a certificate of incumbency certified by the Secretary, an Assistant Secretary or other officer of each Borrower certifying the names of the officers of such Borrower authorized to sign this Agreement and each of the other DIP Financing Documents to which such Borrower is or is to be a party (including the certificates contemplated herein) together with specimen signatures of such officers;

(k) the Administrative Agent shall have received evidence of the Borrowers' cash and cash equivalents as of a current date and a schedule of cash disbursements on or about the date hereof, all of which shall be satisfactory to the Administrative Agent;

(l) the Administrative Agent shall have received a copy of the Cash Collateral Order in form satisfactory to the Pre-Petition Lenders, the Administrative Agent and the Lenders;

(m) the Administrative Agent shall have received an executed copy of that certain Asset Purchase Agreement by and among DT Acquisition Company, Detroit Tool and Engineering Company, Assembly Technology & Test, Inc., Advanced Assembly Automation, Inc. and the Parent, in form and substance satisfactory to the Lenders (the

"APA") and the Deposit (as defined in the APA) shall have been paid as required thereunder.

**6.2 Conditions to All DIP Loans and Letters of Credit.** The obligation of each Lender to make any DIP Loan and the obligation of the Issuing Bank to issue any Letter of Credit is subject to Section 2.3 and fulfillment of the following conditions precedent on the relevant Borrowing Date:

(a) the Administrative Agent shall have received a Notice of Borrowing which shall certify, among other things, the fulfillment of the condition specified in Section 6.2(g);

(b) each of the representations and warranties made in or pursuant to Section 5 or which are contained in any other DIP Financing Document shall be true and correct in all material respects on and as of such Borrowing Date as if made on and as of such date (unless stated to relate to a specific earlier date, in which case, such representations and warranties shall be true and correct in all material respects as of such earlier date);

(c) in the case of the issuance of Letters of Credit, a Borrower shall have executed and delivered to the Issuing Bank a L/C Application in form and substance reasonably acceptable to the Issuing Bank, together with such other instruments and documents as it shall request;

(d) no Default or Event of Default shall have occurred and be continuing on such Borrowing Date or after giving effect to such DIP Loan to be made or such Letter of Credit to be issued on such Borrowing Date;

(e) there has been no event or occurrence since February 28, 2004, which has or would cause a Material Adverse Effect, other than the commencement of the Chapter 11 Case and all events and circumstances leading thereto and associated therewith (including, without limitation, vendors and suppliers to the Parent refusing to extend credit to the Parent and requiring that goods and services be paid for in cash, all of which has caused the Parent to deplete available cash, and the loss of additional business since such date);

(f) if the amount of the DIP Loan or Letter of Credit requested in a Notice of Borrowing or L/C Application, as applicable, together with the aggregate outstanding principal amount of all DIP Loans and the Letter of Credit Liability would exceed the amount approved under the Interim Order after the entry thereof then (x) the Administrative Agent shall have received a date stamped copy of the Final Order entered by the Bankruptcy Court, in form and substance reasonably satisfactory to the Lenders with such changes thereto as may be approved by the Administrative Agent and their counsel and (y) the Final Order shall be in full force and effect and shall not have been vacated, stayed, reversed, modified or amended;

(g) after giving effect to such DIP Loan or the issuance of such Letter of Credit, as the case may be, (i) the sum of (A) the aggregate outstanding principal amount of all DIP Loans, plus (B) the Letter of Credit Liability, does not exceed the sum of the Budgeted Borrowing Amount plus the Budgeted Borrowing Amount Cushion as of the date of such Borrowing; (ii) such DIP Loan or such Letter of Credit, as the case may be, shall be used for purposes consistent with the Budget, and (iii) the Budget as of such date and for the subsequent 9 week period shall have been approved by Required Lenders; and

(h) the Borrowers shall have paid all reasonable fees, costs, taxes and expenses due under this Agreement, including those required by Section 11.5 hereof.

Each Borrowing hereunder shall constitute a representation and warranty by the Borrowers as of the date of such Borrowing that the conditions in clauses (b), (d), (e) and (g) of this Section 6.2 have been satisfied.

#### SECTION 7. AFFIRMATIVE COVENANTS.

Each Borrower hereby agrees that, so long as any of the Lenders' Commitments remain in effect, any DIP Loan, L/C Obligation or Letter of Credit remains outstanding and unpaid, any amount (unless cash in an amount equal to such amount has been deposited to a cash collateral account established by the Administrative Agent) remains available to be drawn under any Letter of Credit or any other amount is owing to any Lender or the Administrative Agent, each Borrower shall:

7.1 Financial Statements. Furnish to the Administrative Agent in accordance with a reporting format acceptable to the Administrative Agent:

(a) as soon as practical, but in any event within 90 days after the end of each fiscal year of the Parent thereafter, the unaudited Consolidated balance sheet of the Parent and its Subsidiaries as at the end of such fiscal year and the related audited Consolidated statements of stockholders' equity, cash flows and income of the Parent and its Subsidiaries for such fiscal year, setting forth in each case in comparative form the figures for the previous year, all of which are prepared in accordance with GAAP, and certified by the president or chief financial officer of the Parent to have been prepared in accordance with GAAP;

(b) as soon as practical, but in any event not later than 45 days after the end of each quarterly period of each fiscal year of the Parent, the unaudited Consolidated balance sheet of the Parent and its Subsidiaries as at the end of such quarter and the related unaudited Consolidated statements of income and cash flows of the Parent and its Subsidiaries for such quarterly period and the portion of the fiscal year of the Parent and its Subsidiaries through such date subject only to usual year-end adjustments and the absence of footnotes, setting forth in each case in comparative form the figures for the corresponding quarter in, and year to date portion of, the previous year, certified by the president or chief financial officer of the Parent, to be, in his or her opinion acting solely in his or her capacity as an officer of the Parent, complete and correct in all material respects and to present fairly in all material respects, in accordance with GAAP, the

financial position and results of income and cash flows of the Parent and its Subsidiaries at the end of and for such fiscal quarter, and for the elapsed portion of the fiscal year ended with the last day of such fiscal quarter;

(c) as soon as practical, but in any event within 30 days after the end of each fiscal month of each year, commencing as of the fiscal month ending on May 31, 2004, the unaudited Consolidated balance sheet of the Parent and its Subsidiaries as at the end of such month and the related unaudited Consolidated statement of income of the Parent and its Subsidiaries for such month and for the portion of the fiscal year of the Parent and its Subsidiaries through such date in the form and detail similar to those customarily prepared by management of the Parent for internal use, setting forth in each case (a) detailed results of operations, cash flow and receipts and disbursements, and (b) in comparative form the Consolidated figures for the corresponding month of, and year to date portion of, the previous year and the figures for such periods in the Budget, along with an explanation of any variances (other than immaterial variances, provided that, upon the Administrative Agent's request, the Borrower shall provide explanation of any variances, whether material or otherwise, satisfactory to the Administrative Agent) between the Budget (including without limitation cash flow statement and receipts and disbursement statement) and the figures for such period, certified by the president or chief financial officer of the Parent, to be, in his or her opinion acting solely in his or her capacity as an officer of the Parent, complete and correct in all material respects and to present fairly in all material respects in accordance with GAAP, the financial position and results of income of the Parent and its Subsidiaries at the end of and for the corresponding fiscal month, and for the elapsed fiscal year ended with the last day of such fiscal month;

(d) as soon as practical, but in any event no later than Wednesday of each calendar week, an updated Budget and an operating plan, including information similar to the information provided pursuant to the initial Budget, detailing projected operations and cash flow of the Parent and its Subsidiaries for the following nine (9) week period, and including a variance of actual to plan for the preceding week, which updated Budget shall be subject to the approval of Required Lenders and shall be in form and detail satisfactory to the Administrative Agent;

(e) as soon as practical, but in any event no later than Wednesday of each calendar week of the Parent, beginning on May 19, 2004, a certificate of an Authorized Representative of the Parent, in form and detail satisfactory to the Administrative Agent, demonstrating compliance with Section 8.15 as of the end of the prior week;

(f) prior to entry of the Final Order, supplemental information with respect to the Budget including without limitation additional detail with respect to projected disbursements thereunder in form and substance satisfactory to the Administrative Agent and its financial advisor; and

(g) any other information that the Administrative Agent or any Lender may reasonably request.

All financial statements and reports required to be delivered pursuant to this Section 7.1 shall be complete and correct in all material respects (subject, in the case of interim statements, to normal year-end audit adjustments and absence of footnotes) and shall be prepared in reasonable detail and in accordance with GAAP.

7.2 Certificates; Other Information. Furnish to the Administrative Agent:

(a) concurrently with the delivery of the Consolidated financial statements referred to in Section 7.1(a), a letter from the Parent's independent certified public accountants reporting on such financial statements stating that in making the examination necessary to express their opinion on such financial statements no knowledge was obtained of any Default or Event of Default, except as specified in such letter;

(b) concurrently with each delivery of the financial statements referred to in Section 7.1(a), (b) and (c), a certificate of an Authorized Representative of each Borrower stating that, to the best of such officer's knowledge, the Borrowers and their Subsidiaries have observed or performed all of their covenants and other agreements, and satisfied every material condition, contained in this Agreement and the other DIP Financing Documents to be observed, performed or satisfied by them, and that such officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate;

(c) promptly upon receipt thereof, copies of all final reports submitted to the Parent or to any of its Subsidiaries by the Parent's independent certified public accountants in connection with each annual, interim or special audit of the books of the Parent or its Subsidiaries made by such accountants, including, without limitation, any final comment letter submitted by such accountants to management in connection with their annual audit;

(d) promptly upon their becoming available, copies of all financial statements, reports, notices and proxy statements sent or made available to the public generally by the Parent and all regular and periodic reports and all final registration statements and final prospectuses, if any, filed by the Parent with any securities exchange or with the Securities and Exchange Commission or any Governmental Authority succeeding to any of its functions;

(e) all materials, statements and reports required of the Parent pursuant to the Financing Orders; and

(f) promptly, such additional financial and other information as the Administrative Agent or any Lender may from time to time reasonably request.

7.3 Payment of Obligations. Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its post-Filing Date obligations and liabilities of whatever nature, except (a) when the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of the Borrowers or any of their Subsidiaries, as

the case may be, (b) for delinquent obligations which do not have a Material Adverse Effect or (c) for trade and other accounts payable in the ordinary course of business which are not overdue for a period of more than 60 days or, if overdue for more than 60 days, as to which (i) a dispute exists and adequate reserves in conformity with GAAP have been established on the books of the Borrowers or any of their Subsidiaries, as the case may be, or (ii) would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

7.4 Conduct of Business and Maintenance of Existence. Except as otherwise provided in Section 8.4, continue to engage in business of the same general type as now conducted by it, and preserve, renew and keep in full force and effect its corporate existence and take all reasonable action to maintain all rights, privileges, franchises, copyrights, trademarks and trade names necessary or desirable in the normal conduct of its business except for rights, privileges, franchises, copyrights, trademarks and trade names the loss of which would not in the aggregate reasonably be expected to have a Material Adverse Effect, and except as otherwise permitted hereunder; and comply with all applicable Requirements of Law except to the extent that the failure to comply therewith would not, in the aggregate reasonably be expected to have a Material Adverse Effect.

7.5 Maintenance of Property; Insurance. Subject to Sections 8.4 and 8.5, keep all property useful and necessary in its business in good working order and condition (ordinary wear and tear excepted); and maintain with financially sound and reputable insurance companies insurance on all its property in at least such amounts and with only such deductibles as are usually maintained by, and against at least such risks (but including, in any event, public liability and product liability insurance) as are usually insured against in the same general area, by companies engaged in the same or a similar business; and furnish to the Administrative Agent, upon reasonable written request of the Administrative Agent or any Lender, full information as to the insurance carried.

7.6 Inspection of Property; Books and Records; Discussions.

(a) Keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities which permit financial statements to be prepared in conformity in all material respects with GAAP and all Requirements of Law; and permit representatives of Administrative Agent or any Lender upon reasonable advance notice to visit and make a reasonable inspection of any of its properties and reasonably examine and make abstracts from any of its books and records at any reasonable time and as often as may reasonably be requested upon reasonable advance notice, and to discuss the business, operations, assets and financial and other condition of a Borrower and its Subsidiaries with officers and employees thereof and with their independent certified public accountants; provided that, so long as no Default or Event of Default has occurred and is continuing, the Administrative Agent or such Lender shall notify such Borrower prior to any contact with such Borrower's independent certified public accountants and shall provide such Borrower the opportunity to participate in such discussions.

(b) Permit representatives of the Administrative Agent upon reasonable notice to conduct a field audit of any Borrower's properties on or about the date hereof and not

less frequently than once each fiscal quarter, and at the request of the Administrative Agent, shall promptly pay any reasonable cost or expense incurred in connection with such audit.

7.7 Notices. Promptly upon becoming aware thereof give notice to the Administrative Agent:

- (a) of the occurrence of any Default or Event of Default;
- (b) of any (i) default or event of default under any instrument or other agreement, guarantee or collateral document of any Borrower or any Subsidiary of such Borrower which default or event of default has arisen after the Filing Date and has not been waived and would reasonably be expected to have a Material Adverse Effect, or (ii) litigation, investigation or proceeding which may exist at any time between any Borrower or any Subsidiary of such Borrower and any Governmental Authority, or receipt of any notice of any environmental claim or assessment against any Borrower or any Subsidiary of such Borrower by any Governmental Authority, which in either case would reasonably be expected to have a Material Adverse Effect;
- (c) of the commencement of any litigation or proceeding against any Borrower or any Subsidiary of any Borrower (i) in which more than \$500,000 of the amount claimed is not covered by insurance or (ii) in which injunctive or similar relief is sought which if obtained would reasonably be expected to have a Material Adverse Effect;
- (d) of the following events, as soon as practicable after, and in any event within 30 days after, any Borrower knows or has reason to know thereof: (i) the occurrence of any Reportable Event with respect to any Single Employer Plan which Reportable Event could reasonably result in material liability to such Borrower and its Subsidiaries taken as a whole, or (ii) the institution of proceedings or the taking of any other action by PBGC, such Borrower or any Commonly Controlled Entity to terminate, withdraw or partially withdraw from any Plan and, with respect to a Multiemployer Plan, the Reorganization or Insolvency of the Plan, in each of the foregoing cases which could reasonably result in material liability to such Borrower and its Subsidiaries taken as a whole, and in addition to such notice, deliver to the Administrative Agent and each Lender whichever of the following may be applicable: (A) a certificate of an Authorized Representative of such Borrower setting forth details as to such Reportable Event and the action that each Borrower or such Commonly Controlled Entity proposes to take with respect thereto, together with a copy of any notice of such Reportable Event that may be required to be filed with PBGC, or (B) any notice delivered by PBGC evidencing its intent to institute such proceedings or any notice to PBGC that such Plan is to be terminated, as the case may be; and
- (e) of a Material Adverse Effect arising after the Filing Date known to any Borrower, including, without limitation, the default in any license or other agreement, other than such a default arising solely from commencement of the Chapter 11 Case and all events and circumstances leading thereto and associated therewith.