

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.

Each notice pursuant to this Section 7.7 shall be accompanied by a statement of an Authorized Representative setting forth details of the occurrence referred to therein and (in the cases of clauses (a) through (c)) stating what action the Borrowers propose to take with respect thereto.

7.8 Environmental Laws.

(a) Comply with, and use its reasonable efforts to insure compliance by all its tenants and subtenants, if any, with, all applicable Environmental Laws and obtain and comply with and maintain, and use its reasonable efforts to insure that all its tenants and subtenants obtain and comply with and maintain, any and all licenses, approvals, registrations or permits required by Environmental Laws, except to the extent that failure to do so would not have any reasonable likelihood of having a Material Adverse Effect.

(b) Conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under Environmental Laws and promptly comply with all lawful orders and directives of all Governmental Authorities respecting Environmental Laws, except to the extent that the same are being contested in good faith by appropriate proceedings; and

(c) **DEFEND, INDEMNIFY AND HOLD HARMLESS THE ADMINISTRATIVE AGENT AND EACH LENDER, AND THEIR RESPECTIVE EMPLOYEES, AGENTS, AFFILIATES, ATTORNEYS, OFFICERS AND DIRECTORS (COLLECTIVELY, THE "LENDER PARTIES"), FROM AND AGAINST ANY CLAIMS, DEMANDS, PENALTIES, FINES, LIABILITIES, SETTLEMENTS, DAMAGES, COSTS AND EXPENSES OF WHATEVER KIND OR NATURE KNOWN OR UNKNOWN, CONTINGENT OR OTHERWISE ACTUALLY ASSERTED AGAINST OR INCURRED BY THE LENDER PARTIES (OR ANY ONE OR MORE OF THEM), ARISING OUT OF, OR IN ANY WAY RELATING TO THE VIOLATION OF OR NONCOMPLIANCE WITH ANY ENVIRONMENTAL LAWS APPLICABLE TO THE REAL PROPERTY OWNED OR OPERATED BY ANY BORROWER OR ANY SUBSIDIARY OF ANY BORROWER, OR ANY ORDERS, REQUIREMENTS OR DEMANDS OF GOVERNMENTAL AUTHORITIES RELATED THERETO, INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEY'S AND CONSULTANT'S FEES, INVESTIGATION AND LABORATORY FEES, COURT COSTS AND LITIGATION EXPENSES, EXCEPT TO THE EXTENT THAT ANY OF THE FOREGOING ARISE OUT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE PARTY SEEKING INDEMNIFICATION THEREFOR OR RELATE TO VIOLATIONS OR ALLEGED VIOLATIONS OF ENVIRONMENTAL LAWS OR HAZARDOUS MATERIALS FIRST USED, RELEASED, SPILLED, EMITTED OR OTHERWISE LOCATED ON ANY REAL PROPERTY OWNED OR OPERATED BY ANY BORROWER OR SUBSIDIARY OF ANY BORROWER AFTER SUCH PROPERTY IS TRANSFERRED TO A LENDER PARTY OR ITS SUCCESSOR OR ASSIGN BY FORECLOSURE, DEED-IN-LIEU OF FORECLOSURE OR SIMILAR TRANSFER UNLESS CAUSED BY ANY BORROWER OR SUBSIDIARY OF ANY BORROWER.**

7.9 Cash Concentration Account; Deposit Accounts. All cash collateral and proceeds of DIP Loans together with all Cash Collateral (as defined in the Interim Order) shall be deposited and maintained in only such accounts permitted by the Cash Management Order. Except upon the occurrence and during the continuance of an Event of Default, the Administrative Agent shall not exercise any right of setoff, counterclaim or other similar right against the Borrower's cash concentration account. Borrowers shall promptly use cause all cash on deposit to repay the DIP Loans and shall not at any permit the amount of cash and cash equivalents held by the Borrowers in accounts with any financial institution other than those of the Administrative Agent to exceed \$100,000. Such prepayments will not result in a permanent reduction of the Commitment.

7.10 Subsidiaries. At any time that any Person organized under the laws of a state of the United States of America or the District of Columbia becomes a Subsidiary of any Borrower, (a) such Subsidiary shall execute a joinder agreement adding such Subsidiary to this Agreement as a borrower, and any other DIP Financing Documents for purposes of granting a first priority Lien in all unencumbered assets of such Subsidiary required by the Administrative Agent to be pledged, except, to the extent applicable, for Permitted Liens, to secure the Obligations, (b) 100% of such Subsidiary's capital stock or other equity interests shall be pledged to secure the Obligations and (c) the Lenders shall receive such board resolutions, officers certificates, corporate and other documents and opinions of counsel as the Administrative Agent shall reasonably request in connection with the actions described in this Section 7.10. No new Subsidiaries shall be created under the laws of foreign jurisdictions.

7.11 Management Resources. Each of Parent and Sellers (as defined in the APA) shall at all times maintain in their employment qualified chief executive officers and additional management resources consistent with those engaged prior to the date hereof, which officers and other management resources reasonably satisfactory to Required Lenders shall fulfill the requirements of such positions and shall be subject solely to the direction and authority of the board of directors or other similar governing body of such Borrower.

7.12 Further Assurances. At any time or from time to time upon reasonable request by the Administrative Agent, the Borrowers shall execute and deliver such further documents and do such other acts and things as the Administrative Agent may reasonably request in order to effect fully the purposes of this Agreement and the other DIP Financing Documents and to provide for payment of the Obligations in accordance with the terms of this Agreement and the other DIP Financing Documents.

SECTION 8. NEGATIVE COVENANTS.

Each Borrower hereby agrees that it shall not, directly or indirectly so long as any of the Lenders' Commitments remain in effect or any DIP Loan or L/C Obligation remains outstanding and unpaid, any amount (unless cash in an amount equal to such amount has been deposited indefeasibly in 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 Administrative Agent hereunder (it being understood that each of the permitted exceptions to each of the covenants in this Section 8 is in addition to, and not overlapping with, any other of such permitted exceptions except to the extent expressly provided):

- 8.1 **Indebtedness.** Create, incur, assume or suffer to exist any **Indebtedness**, except:
- (a) **Indebtedness outstanding on the Effective Date;**
 - (b) **Indebtedness owing to any Borrower by any other Borrower;**
 - (c) **Indebtedness consisting of performance bonds or surety or appeal bonds provided by any Borrower or any of its Subsidiaries in the ordinary course of business and which do not secure other Indebtedness;**
 - (d) **Indebtedness in connection with the DIP Loans, the Financing Orders, the Letters of Credit and the DIP Financing Documents;**
 - (e) **Indebtedness in respect of endorsement of negotiable instruments in the ordinary course of business;**
 - (f) **Indebtedness in respect of Financing Leases and Indebtedness incurred to purchase, or to finance the purchase of, assets which constitute personal property, plant and equipment, not to exceed \$100,000 in the aggregate principal amount outstanding at any time so long as (i) at the time of the incurrence of such Indebtedness, no Default or Event of Default has occurred or will result therefrom and (ii) the third party financing provided in connection with such Indebtedness shall be in an amount not less than 75% of the purchase price of the assets to be acquired; and**
 - (g) **Other unsecured Indebtedness not to exceed \$100,000 in the aggregate at any time outstanding.**

Provided that nothing herein shall permit the incurrence of Indebtedness prohibited under the APA.

- 8.2 **Limitation on Liens.** Create, incur, assume or suffer to exist any Lien upon any of its property, assets, income or profits, whether now owned or hereafter acquired, except:
- (a) **Liens in favor of the Administrative Agent and the Lenders pursuant to the DIP Financing Documents and bankers' liens arising by operation of law;**
 - (b) **Liens existing on the Effective Date; and**
 - (c) **Liens permitted under the Financing Orders;**
 - (d) **Liens described in Section 5.12(ii)(A)-(E);**
 - (e) **Liens for taxes, assessments, governmental charges, levies or claims that are not yet delinquent or that are being diligently contested in good faith by appropriate proceedings and for which adequate reserves shall have been set aside on such Borrower's books, but only so long as no foreclosure, restraint, sale or similar proceedings have been commenced with respect thereto;**

(f) Liens of carriers, warehousemen, mechanics, laborers, landlords and materialmen and other similar Liens incurred in the ordinary course of business or by operation of law for sums not yet due or being contested in good faith, if such reserve or appropriate provision, if any, as shall be required by GAAP shall have been made herefor;

(g) Liens incurred or deposits made in the ordinary course of business in connection with worker's compensation, unemployment insurance, pensions or other social security programs or similar legislation;

(h) the Carve-Out;

(i) Liens created to secure the purchase price of assets acquired by such Person which secure Indebtedness permitted by Section 8.1(f), which is incurred solely for the purpose of financing the acquisition of such assets and incurred at the time of acquisition or within 90 days thereafter, so long as each such Lien shall at all times be confined solely to the asset or assets so acquired (and the proceeds thereof), and refinancings, refundings, renewals or extensions thereof so long as any such Lien remains solely on the asset or assets acquired and the amount of Indebtedness related thereto is not increased;

(j) Liens in respect of judgments or awards not constituting an Event of Default under Section 9.1(o);

(k) Liens arising from precautionary UCC financing statements with respect to operating leases or consignment arrangements in the ordinary course of business;

(l) Deposits in an aggregate amount not to exceed \$100,000 to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, insurance contracts, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business; and

(m) any obligations or duties affecting any of the property of any Borrower or its Subsidiaries to any municipality or public authority with respect to any franchise, grant, license or permit which do not materially impair the use of such property for the purposes for which it is held and do not materially impair the value of the Collateral.

Provided that nothing herein shall permit the incurrence of Liens prohibited under the APA.

8.3 Limitation on Contingent Obligations. Create, incur, assume or suffer to exist any Contingent Obligation except:

(a) Contingent Obligations existing on the Effective Date; and

(b) Contingent Obligations in favor of the Issuing Bank or any Lender in respect of Letters of Credit.

Provided that nothing herein shall permit the incurrence of Contingent Obligations prohibited under the APA.

8.4 Prohibition of Fundamental Changes. Enter into any merger or consolidation or amalgamation (other than in connection with a plan of reorganization), or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or engage in any type of business other than of the same general type now conducted by it, except any Borrower may liquidate or dissolve into any other Borrower and may consummate the transactions contemplated by the APA upon receipt of a Bankruptcy Court order authorizing same to which the Administrative Agent or the Lenders do not object.

8.5 Prohibition on Sale of Assets. Convey, sell, lease, assign, transfer or otherwise dispose of (including through a transaction of merger or consolidation of any Subsidiary of any Borrower) any of its property, business or assets (including, without limitation, tax benefits, receivables and leasehold interests), whether now owned or hereafter acquired, except for (a) sales of Inventory made in the ordinary course of business, (b) sales of assets approved by requisite Lenders and the Bankruptcy Court after a hearing, provided that the proceeds of any such sale are applied in accordance with this Agreement, the Financing Orders, any Bankruptcy Court orders approving such sales, and consents of the requisite Lenders, (c) conveyances, sales, leases, assignments, transfers or other dispositions of property, business or assets of any Borrower to any other Borrower; (d) sales, transfers or other dispositions of worn-out or obsolete assets no longer useful in any Borrower's business in the ordinary course of business so long as the proceeds of any such sale are used within 60 days of such sale to purchase assets of similar value, quality and business utility as those assets sold; provided however, (i) the proceeds of any sale permitted under clause (d) shall be deposited into a non-interest bearing cash collateral account maintained with the Administrative Agent without any right of withdrawal by any Borrower until the time of purchase of new replacement assets, (ii) no Default or Event of Default has occurred or will result therefrom and (iii) the proceeds of any such sale or sales permitted under clause (d) shall not in the aggregate exceed \$100,000 during the term of this Agreement; (e) sales of cash and Cash Equivalents in the ordinary course of business so long as no Default or Event of Default has occurred or will result therefrom; (f) transfers resulting from any casualty or condemnation of property or assets so long as (i) the net cash proceeds thereof are paid to the Administrative Agent unless permitted to be retained by the Borrower pursuant to Section 4.3 and (ii) no Default or Event of Default has occurred or will result therefrom; (g) licenses or sublicenses of intellectual property and general intangibles and licenses, leases or subleases of other property in each case in the ordinary course of business and which do not materially interfere with the business of any Borrower and its Subsidiaries so long as no Default or Event of Default has occurred or will result therefrom; and (h) the sale or discount of overdue accounts receivable in the ordinary course of business on commercially reasonable terms in connection with the compromise or collection thereof so long as (i) the net cash proceeds of such sale are applied in accordance with Section 4.3 and (ii) no Default or Event of Default has occurred or will result therefrom.

8.6 Limitation on Investments, Loans and Advances. Make any advance, loan, extension of credit or capital contribution to, or purchase any stock, bonds, notes, debentures or other securities of, or make any other investment in (including, without limitation, any

acquisition of all or any substantial portion of the assets, and any acquisition of a business or a product line, of other companies, other than the acquisition of inventory in the ordinary course of business), any Person (other than a Borrower), except:

- (a) any of the foregoing existing on the Effective Date;
- (b) any of the foregoing permitted by the Cash Management Order;
- (c) such Borrower may invest in, acquire and hold Cash Equivalents;
- (d) Investments arising from transactions by such Borrower with customers or suppliers in the ordinary course of business, including endorsements of negotiable instruments, debt obligations and other investments received in connection with the bankruptcy or reorganization of customers and suppliers and in settlement of delinquent obligations of, and other disputes with, customers and suppliers;
- (e) such Borrower may acquire and hold receivables owing to it, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; and
- (f) Investments permitted under Sections 8.1 and 8.10.

8.7 Limitation on Dividends. Declare any dividends (other than dividends payable solely in stock and not cash) on any shares of any class of stock, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, retirement or other acquisition of any shares of any class of stock, or any warrants or options to purchase such stock, whether now or hereafter outstanding, make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of such Borrower or any of its Subsidiaries or make any payment (whether voluntary or otherwise) or prepayment of the principal of or interest on, or any other amount owing in respect of any Indebtedness which is subordinate to the Obligations hereunder on terms and provisions which are acceptable to the Administrative Agent, except its Subsidiaries may pay dividends to such Borrower.

8.8 Transactions with Affiliates. Enter into any transaction, including, without limitation, any purchase, sale, lease or exchange of property or the rendering of any service, with any Affiliate, including without limitation employment agreements and/or employee retention plans for the benefit of Affiliates of any Borrower, except for transactions described on Schedule 8.8 and which are not prohibited under this Agreement and transactions which are in the ordinary course of such Borrower's or applicable Subsidiary's business and which are upon fair and reasonable terms no less favorable to such Borrower or such Subsidiary than it would obtain in a hypothetical comparable arm's length transaction with a Person not an Affiliate (but excluding further employment agreements and employee retention plans). No Borrower shall enter into further agreements with its Affiliates, or establish further employee retention plans, or amend or consent to an amendment to the agreements described on Schedule 8.8, nor enter into any additional or similar agreements, without the prior written consent of Required Lenders.

8.9 Foreign Exchange Contracts. Enter into any foreign currency exchange contracts, except as permitted under the Cash Management Order or otherwise approved by the Bankruptcy Court after a hearing.

8.10 Limitation on Creation of and Investments in Subsidiaries. Except as set forth in the Budget or the Cash Management Order, make any advance, loan, extension of credit or capital contribution to, purchase any stock, bonds, notes, debentures or other securities of, or make any other investment in, any Subsidiary not a Borrower, or create, merge or consolidate with, or sell or otherwise transfer all or any assets of any Borrower to, any Subsidiary not a Borrower.

8.11 DIP Financing. Incur or apply to the Bankruptcy Court for authority to incur, or suffer to exist, any (i) indebtedness having the priority afforded by Section 364(e) or (d) of the Bankruptcy Code (including any Superpriority Claims) other than the financing provided for under this Agreement and the other DIP Financing Documents or as authorized pursuant to the Financing Orders or (ii) obligation to make adequate protection payments, or otherwise provide adequate protection, other than (A) as contemplated by the Financing Orders or (B) as approved by the Required Lenders.

8.12 Alteration of Rights of Lenders. Limit, affect or modify, or apply to the Bankruptcy Court to limit, affect or modify, any of the Administrative Agent's or the Lenders' rights with respect to the Obligations, including rights with respect to the Post-Petition Collateral and the priority thereof.

8.13 Chapter 11 Claims. Except as permitted under the Financing Orders, apply to the Bankruptcy Court for the authority to incur, create, assume, suffer or permit any claim, Lien or encumbrance (other than Permitted Liens) against any Borrower, or any of its assets in the Chapter 11 Case to be *pari passu* with, or senior to, the Liens and claims of the Lenders granted and arising hereunder and under the Financing Orders.

8.14 Capital Expenditures. Make Capital Expenditures in excess of those contemplated by the Budget, if any.

8.15 Financial Covenants. Permit the Borrowers' Consolidated cumulative cash outflow (cash receipts minus cash disbursements) (as reflected in the then effective Budget) to at any time be greater than 110% of the Consolidated cumulative cash outflow contemplated by such Budget.

SECTION 9. EVENTS OF DEFAULT.

9.1 Events of Default. Upon the occurrence and during the continuance of any of the following events:

- (a) Any Borrower shall fail to (i) pay any principal of any DIP Loan when due in accordance with the terms hereof or to reimburse the Issuing Bank for any draw under any Letter of Credit in accordance with Section 3.3 or (ii) pay any interest on any DIP

Loan or any other amount payable hereunder when any such interest or other amount becomes due in accordance with the terms hereof; or

(b) Any representation or warranty made or deemed made by any Borrower in any DIP Financing Document shall prove to have been incorrect in any material respect on or as of the date made or deemed made; or

(c) Any Borrower shall default in the observance or performance of any covenant, agreement, obligation or restriction applicable to such Borrower contained in Sections 7.3, 7.4, 7.6, 7.8, 7.10, 7.11, or 7.12 (other than as described in clauses (a) and (b) above), and such default shall not be cured within a period of five days after the earlier of (i) the date on which such failure or neglect first becomes known to an officer of any Borrower or (ii) the date on which Administrative Agent has sent notice of such default to any Borrower; or

(d) Any Borrower shall default in the observance or performance of any covenant, agreement, obligation or restriction applicable to such Borrower contained in this Agreement or any other DIP Financing Document (other than as described in clauses (a), (b) and (c) above), and Administrative Agent has sent notice of such default to the Borrowers; or

(e) The Bankruptcy Court shall enter an order with respect to any Borrower dismissing its Chapter 11 Case or converting it to a case under Chapter 7 of the Bankruptcy Code, or, without the prior written consent of the Administrative Agent, appointing a trustee in its Chapter 11 Case or appointing a responsible officer or an examiner with enlarged powers relating to the operation of any Borrower's business (beyond those set forth in Section 1106(a)(3) or (4)) under Bankruptcy Code Section 1106(b); or

(f) The Bankruptcy Court shall enter an order granting relief from the automatic stay applicable under Section 362 of the Bankruptcy Code to the holder of any Lien in any assets of the Borrowers; or

(g) Any Borrower shall apply for authority to amend, supplement, stay, vacate or otherwise modify any of the Financing Orders without the consent of the Required Lenders and the Administrative Agent, and Administrative Agent has sent notice of such default to the Borrowers; or

(h) Any Borrower shall support (in any such case by way of any motion or other pleading filed with the Bankruptcy Court or any other writing to another party-in-interest executed by or on behalf of any Borrower) any other Person's opposition of, any motion made in the Bankruptcy Court by any Lender seeking confirmation of the amount of such Lender's claim or the validity and enforceability of the Liens in favor of such Lender (including, without limitation, the Liens securing Pre-Petition Indebtedness owed to such Lender); or

(i) Any Borrower shall seek to, or shall support (in any such case by way of any motion or other pleading filed with the Bankruptcy Court or any other writing to another party-in-interest executed by or on behalf of any Borrower) any other Person's motion to, disallow in whole or in part any Lender's claim in respect of the Pre-Petition Indebtedness or the Obligations or to challenge the validity, perfection and enforceability of the Liens in favor of the Pre-Petition Agent or any Lender (including, without limitation, the Liens securing Pre-Petition Indebtedness owed to such Lender); or

(j) From and after the date of entry thereof, the Interim Order shall cease to be in full force and effect (or shall have been vacated, stayed, reversed, modified or amended), in each case without the consent of the Required Lenders and the Administrative Agent, and the Final Order shall not have been entered prior to such cessation (or vacatur, stay, reversal, modification or amendment); or

(k) The Final Order shall not have been entered by the Bankruptcy Court on or before 20 days from the date of entry of the Interim Order, or failure to file a plan of reorganization acceptable to the Required Lenders within 90 days after May __, 2004; or

(l) From and after the date of entry thereof, the Final Order shall cease to be in full force and effect or shall have been vacated, stayed, reversed, modified or amended, in each case without the consent of the Required Lenders and the Administrative Agent; or

(m) Any Borrower shall make any payments on any Indebtedness of such Person (other than as permitted under the Financing Orders or permitted hereunder) arising before the Filing Date, except as expressly allowed by order of the Bankruptcy Court; or

(n) Any Borrower shall fail to comply with the terms of the Financing Orders; or

(o) One or more judgments or decrees shall be entered against any Borrower or any of its Subsidiaries involving in the aggregate a post-Filing Date liability (not paid or fully covered by insurance) of \$100,000 or more or which would reasonably be expected to have a Material Adverse Effect, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within the time required by the terms of such judgment; or

(p) Any DIP Financing Document shall cease, for any reason, to be in full force and effect or any Borrower or any of its Subsidiaries shall so assert in writing, or any DIP Financing Document shall cease to be effective to grant a perfected Lien on any item of collateral described therein with the priority purported to be created thereby; or

(q) Upon the occurrence of (i) Parent or any other Borrower party thereto shall fail to comply with the terms of the APA in a material respect or become in default under the APA or (ii) the APA shall terminate or consummation of transactions

thereunder shall be rendered impracticable to occur in a timely manner or (iii) the transactions contemplated by the APA shall fail to close and fund by July 15, 2004;

then, and in any such event, so long as any such Event of Default shall be continuing, either or both of the following actions may be taken by the Administrative Agent to any Borrower (without further order of or application to the Bankruptcy Court): (i) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall declare the Commitment and the Letter of Credit Commitment to be reduced to zero, and the Lenders' Commitments, including, the Issuing Bank's obligations to issue the Letters of Credit, to be terminated forthwith, whereupon the Commitment and the Letter of Credit Commitment shall be immediately reduced to zero and the Lenders' Commitments and such obligations shall be immediately terminated; provided that the Lenders shall not be obligated to lend hereunder, and the Issuing Bank shall have no obligation to issue Letters of Credit, at any time after an Event of Default has occurred and is continuing, irrespective of whether the Commitments have been terminated; and (ii) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall (A) declare all or a portion of the DIP Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement to be due and payable forthwith, whereupon the same shall immediately become due and payable, without notice, demand, presentment, notice of dishonor, notice of acceleration, notice of intent to accelerate, protest, or other formalities of any kind, all of which are hereby expressly waived by each Borrower, (B) declare all or a portion of the obligations of each Borrower in respect of the Letters of Credit, although contingent and unmatured, to be due and payable forthwith, whereupon the same shall immediately become due and payable and/or demand that each Borrower discharges any or all of the obligations supported by the Letters of Credit by paying or prepaying any amount due or to become due in respect of such obligations, and (C) subject to the applicable Financing Order, foreclose or otherwise enforce any lien granted to the Administrative Agent for the benefit of itself and the Lenders to secure payment and performance of the Obligations in accordance with the terms of the DIP Financing Documents. All payments under this Section 9 on account of undrawn Letters of Credit shall be made by each Borrower directly to a cash collateral account established by the Administrative Agent for such purpose for application to such Borrower's reimbursement obligations under Section 3, the applicable I/C Application and this Section 9 as drafts are presented under the Letters of Credit with the balance, if any (after reserving adequate funds to pay all reimbursement obligations that may arise as a result of outstanding, undrawn, Letters of Credit), to be applied to such Borrower's obligations under this Agreement as the Administrative Agent shall determine with the approval of the Required Lenders. Except as expressly provided above in this Section 9, presentment, notice, notice of dishonor, notice of acceleration, notice of intent to accelerate, demand, protest and all other notices of any kind are hereby expressly waived. Furthermore, notwithstanding anything contained in this Section 9, upon the occurrence of an Event of Default under subsection (e), (f), (i), (j) or (q) of Section 9.1, the Commitments and Letter of Credit Commitments of all of the Lenders shall automatically terminate, and the outstanding principal of and accrued unpaid interest on the DIP Loans and all other obligations of each Borrower under the DIP Financing Documents shall thereupon become immediately due and payable without notice, demand, presentment, notice of dishonor, notice of acceleration, notice of intent

to accelerate, protest, or other formalities of any kind, all of which are hereby expressly waived by each Borrower.

9.2 Application of Monies Upon an Event of Default. After the occurrence and during the continuance of an Event of Default, any amounts received on account of the Obligations shall be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including attorney costs) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders (including attorney costs and amounts payable under Section 4.7), ratably among them in proportion to the amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the DIP Loans and L/C Obligations, ratably among the Lenders in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to the Administrative Agent for the account of the Issuing Bank, to cash collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit;

Fifth, to payment of that portion of the Obligations constituting unpaid principal of the DIP Loans and L/C Obligations, ratably among the Lenders in proportion to the respective amounts described in this clause Fifth held by them; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Law.

Subject to Section 3.3, amounts used to cash collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fourth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as cash collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above.

SECTION 10. THE ADMINISTRATIVE AGENT; ISSUING BANK.

10.1 Appointment. Each Lender hereby irrevocably (i) designates and appoints Bank of America as the Administrative Agent under this Agreement, and (ii) irrevocably authorizes Bank of America, as Administrative Agent for such Lender, each to take such actions on its behalf under the provisions of the DIP Financing Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of the DIP Financing Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any

fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into the DIP Financing Documents or otherwise exist against the Administrative Agent.

10.2 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement and each of the other DIP Financing Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by any of them with reasonable care.

10.3 Exculpatory Provisions. Neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with the DIP Financing Documents (except for its or such Person's own gross negligence or willful misconduct), or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Borrower or any officer thereof contained in the DIP Financing Documents or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, the DIP Financing Documents or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of the DIP Financing Documents or for any failure of any Borrower to perform its obligations thereunder. The Administrative Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, any DIP Financing Document, or to inspect the properties, books or records of any Borrower.

10.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, telecopy, telex or teletype message, statement, order or other document or conversation reasonably believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrowers), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any DIP Loan as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under any DIP Financing Document unless it shall first receive such advice or concurrence of the Required Lenders (or, where unanimous consent of the Lenders is expressly required hereunder, such Lenders) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under any DIP Financing Document in accordance with a request of the Required Lenders (or such other number of Lenders as is expressly required thereby), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the DIP Loans.

10.5 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the Administrative Agent has received written notice from a Lender or a Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall promptly give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders; provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as they shall deem advisable in the best interests of the Lenders.

10.6 Non-Reliance on Administrative Agent and Other Lenders. Each Lender expressly acknowledges that neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact, financial advisors, or Affiliates has made any representations or warranties to it and that no act by the Administrative Agent hereafter taken, including any review of the affairs of the Borrowers, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Lender. Each Lender represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of each Borrower and its Subsidiaries and made its own decision to make its DIP Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under the DIP Financing Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of each Borrower and its Subsidiaries. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, financial and other condition or creditworthiness of the Borrowers which may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact, financial advisors, or Affiliates.

10.7 Indemnification. **THE LENDERS AGREE TO INDEMNIFY THE ADMINISTRATIVE AGENT IN ITS CAPACITY AS SUCH (TO THE EXTENT NOT REIMBURSED BY THE BORROWERS AND WITHOUT LIMITING THE OBLIGATION OF THE BORROWERS TO DO SO), RATABLY IN ACCORDANCE WITH EACH LENDER'S COMMITMENT PERCENTAGE, FROM AND AGAINST ANY AND ALL LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES OR DISBURSEMENTS OF ANY KIND WHATSOEVER WHICH MAY AT ANY TIME (INCLUDING WITHOUT LIMITATION AT ANY TIME FOLLOWING THE PAYMENT OF THE DIP LOANS) BE IMPOSED ON, INCURRED BY OR ASSERTED AGAINST THE**

ADMINISTRATIVE AGENT IN ANY WAY RELATING TO OR ARISING OUT OF THE DIP FINANCING DOCUMENTS OR ANY DOCUMENTS CONTEMPLATED BY OR REFERRED TO HEREIN OR THE TRANSACTIONS CONTEMPLATED HEREBY OR ANY ACTION TAKEN OR OMITTED BY THE ADMINISTRATIVE AGENT UNDER OR IN CONNECTION WITH ANY OF THE FOREGOING; PROVIDED THAT NO LENDER SHALL BE LIABLE FOR THE PAYMENT OF ANY PORTION OF SUCH LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES OR DISBURSEMENTS RESULTING FROM THE ADMINISTRATIVE AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. THE AGREEMENTS IN THIS SECTION 10.7 SHALL SURVIVE THE PAYMENT OF THE DIP LOANS AND ALL OTHER AMOUNTS PAYABLE HEREUNDER.

10.8 The Administrative Agent in its Individual Capacity. The Administrative Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Borrower and its Subsidiaries as though the Administrative Agent was not the Administrative Agent hereunder. With respect to its DIP Loans made or renewed by it and its I/C Participating Interests, the Administrative Agent shall have the same rights and powers, duties and liabilities under the DIP Financing Documents as any Lender and may exercise the same as though it was not the Administrative Agent and the terms "Lender" and "Lenders" shall include the Administrative Agent in its individual capacity.

10.9 Successor Administrative Agent. The Administrative Agent may resign as Administrative Agent upon 30 days' notice to the Lenders. If the Administrative Agent shall resign as Administrative Agent under the DIP Financing Documents, then the Required Lenders shall appoint from among the Lenders a successor agent to the Administrative Agent for the Lenders which successor agent so long as no Default or Event of Default has occurred and is continuing shall be approved by the Borrowers, which shall not unreasonably withhold its approval, whereupon such successor agent shall succeed to the rights, powers and duties of the resigning Administrative Agent and the term "Administrative Agent" shall mean such successor agent effective upon its appointment, and the former Administrative Agent's rights, powers and duties as the Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement. After the retiring Administrative Agent's resignation hereunder as Agent the provisions of this Section 10 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under the DIP Financing Documents.

10.10 Bank of America as Issuer of Letters of Credit. Each Lender hereby acknowledges that the provisions of this Section 10 shall apply to Bank of America and to any Lender that succeeds Bank of America as the Issuing Bank, in their respective capacities as issuers of the Letters of Credit, in the same manner as such provisions are expressly stated to apply to the Administrative Agent.

10.11 Deemed Consent. For purposes of determining compliance with the conditions specified in Section 6, each Lender that has executed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter either sent by the Administrative Agent to such Lender for consent, approval, acceptance or

satisfaction, or required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender.

SECTION 11. MISCELLANEOUS.

11.1 Amendments and Waivers. No DIP Financing Document nor any terms thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 11.1. With the written consent of the Required Lenders and the Administrative Agent, the Borrowers may, from time to time, (i) revise the Budget, and (ii) enter into written amendments, supplements or modifications hereto for the purpose of adding any provisions to any DIP Financing Document in which they are parties or changing in any manner the rights of the Lenders or of any Borrower or any Subsidiary of any Borrower thereunder or waiving, on such terms and conditions as the Administrative Agent may specify in such instrument, any of the requirements of any such DIP Financing Document or any Default or Event of Default and its consequences; provided, however, that:

(a) no such waiver and no such amendment, supplement or modification shall extend the maturity of any DIP Loan or L/C Obligation, or reduce the rate or extend the time of payment of interest thereon, or change the method of calculating interest thereon, or reduce any fee payable to the Lenders hereunder, or reduce the principal amount of any DIP Loan or L/C Obligation, or increase the Commitment or the Letter of Credit Commitment, or change the Commitment Percentages, or amend, modify or waive any provision of this Section 11.1 or reduce the percentage specified in the definition of Required Lenders or consent to the assignment or transfer by any Borrower of any of its rights and obligations under any DIP Financing Document or effect the release of all or a substantial part of the Post-Petition Collateral, or fund an amount equal to \$300,000 of the Total Credit Commitment, without the written consent of each Lender affected thereby;

(b) no such waiver and no such amendment, supplement or modification shall amend, modify or waive any provision of Section 10 without the written consent of the Administrative Agent and the Issuing Bank; and

(c) no such waiver and no such amendment, supplement or modification shall amend, modify or waive any provision of Section 3 without the written consent of the Issuing Bank.

Any such waiver and any such amendment, supplement or modification described in this Section 11.1 shall apply equally to each of the Lenders and shall be binding upon each Borrower and each of its Subsidiaries, the Lenders, the Administrative Agent and all future holders of DIP Loans. Any extension of a Letter of Credit by the Issuing Bank shall be treated hereunder as a new Letter of Credit. In the case of any waiver, the Borrowers, the Lenders and the Administrative Agent shall be restored to their former position and rights hereunder and under the outstanding DIP Loans, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon. Notwithstanding anything to the contrary contained herein, the Borrowers and the Administrative Agent (without the consent of

any Lender) may supplement Schedule A to update the Commitment or the Commitment Percentage of each Lender to reflect changes due to the addition of a new Lender pursuant to Section 2.7.

11.2 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand, or three Business Days after being deposited in the mail, postage prepaid, or one day after being entrusted to a reputable commercial overnight delivery service, or, in the case of telecopy notice, when sent, confirmation of receipt received, addressed as follows in the case of the Borrowers, the Administrative Agent, the Issuing Bank and the Lenders, or to such other address as may be hereafter notified by such respective parties hereto:

The Borrowers: 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.,
VANGUARD TECHNICAL SOLUTIONS, INC.
907 West Fifth Street
Dayton, OH 45407
Attn: Chief Financial Officer
Telephone: (937) 586-5607
Facsimile: (937) 586-5605

With a copy to:

Katten Muchin Zavis Rosenman
525 W. Monroe St., Suite 1600
Chicago, IL 60661-3693
Attn: Jeffrey L. Elegant
Telephone: (312) 902-5265
Facsimile: (312) 577-4676

Bank of America, in its capacities as Administrative Agent, Issuing Bank and Lender:

Bank of America, N.A.
Mail Code TX1-492-66-01
901 Main Street, 66th Floor
Dallas, TX 75202
Attn: Michael W. Colon
Telephone: (214) 209-0931
Facsimile: (214) 209-3533

With a copy to:

Winstead Sechrest & Minick, P.C.
5400 Renaissance Tower
1201 Elm Street
Dallas, Texas 75270
Attn: Valinda B. Wolfert, Esq.
and C. Mark Brannum, Esq.
Telephone: (214) 745-5400
Facsimile: (214) 745-5390

The other Lenders: At the addresses set forth on the signature pages hereof and the signature page of each Commitment Transfer Supplement

provided that any notice, request or demand to or upon the Administrative Agent, the Issuing Bank or the Lenders, as the case may be, shall not be effective until received.

11.3 No Waiver, Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

11.4 Survival of Representations and Warranties. All representations and warranties made hereunder and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement, the making of the DIP Loans and the issuance of Letters of Credit.

11.5 Payment of Expenses and Taxes. Each Borrower agrees (a) jointly and severally to pay or reimburse the Administrative Agent on a monthly basis, for all its reasonable out-of-pocket costs and expenses incurred in connection with the development, preparation and execution of, and any amendment, supplement or modification to, the DIP Financing Documents and any other documents prepared in connection herewith, and the consummation of the transactions contemplated hereby and thereby, including, without limitation, the reasonable fees and disbursements of counsel to the Administrative Agent, and accountants, financial advisors,

engineers and environmental consultants to the Administrative Agent, (b) to pay or reimburse the Lenders for all of their reasonable out-of-pocket costs and expenses (including travel expenses but excluding fees and expenses of outside counsel) incurred in connection with the enforcement or preservation of any rights under any DIP Financing Document, (c) after an Event of Default has occurred and is continuing, to pay or reimburse each Lender, the Issuing Bank and the Administrative Agent for all their reasonable costs and expenses incurred in connection with, and to pay, indemnify, and hold the Administrative Agent, the Issuing Bank and each Lender harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever arising out of or in connection with, the enforcement or preservation of any rights under any DIP Financing Document and any such other documents, including, without limitation, reasonable fees and disbursements of counsel to the Administrative Agent, the Issuing Bank and each Lender incurred in connection with the foregoing and in connection with advising the Administrative Agent and the Issuing Bank with respect to their respective rights and responsibilities under this Agreement and the documentation relating thereto, (d) to pay, indemnify, and to hold the Administrative Agent, the Issuing Bank and each Lender harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other similar taxes (other than Excluded Taxes), if any, which may be payable or determined to be payable in connection with the execution and delivery of, or consummation of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, any DIP Financing Document and any such other documents, and (e) **TO PAY, INDEMNIFY, AND HOLD THE ADMINISTRATIVE AGENT, THE ISSUING BANK AND EACH LENDER AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AFFILIATES, AGENTS, ATTORNEYS AND FINANCIAL ADVISORS HARMLESS FROM AND AGAINST ANY AND ALL OTHER LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES OR DISBURSEMENTS OF ANY KIND OR NATURE WHATSOEVER (INCLUDING, WITHOUT LIMITATION, REASONABLE FEES AND DISBURSEMENTS OF COUNSEL WHICH MAY BE INCURRED BY OR ASSERTED AGAINST THE ADMINISTRATIVE AGENT, THE ISSUING BANK OR THE LENDERS (X) ARISING OUT OF OR IN CONNECTION WITH ANY INVESTIGATION, LITIGATION OR PROCEEDING RELATED TO THIS AGREEMENT, THE OTHER DIP FINANCING DOCUMENTS, THE PROCEEDS OF THE DIP LOANS AND THE TRANSACTIONS CONTEMPLATED BY OR IN RESPECT OF SUCH USE OF PROCEEDS, OR ANY OF THE OTHER TRANSACTIONS CONTEMPLATED HEREBY, WHETHER OR NOT THE ADMINISTRATIVE AGENT, THE ISSUING BANK OR ANY OF THE LENDERS IS A PARTY THERETO, OR (Y) WITHOUT LIMITING THE GENERALITY OF THE FOREGOING BY REASON OF OR IN CONNECTION WITH THE EXECUTION AND DELIVERY OR TRANSFER OF, OR PAYMENT OR FAILURE TO MAKE PAYMENTS UNDER, LETTERS OF CREDIT (IT BEING AGREED THAT NOTHING IN THIS SECTION 11.5 IS INTENDED TO LIMIT ANY BORROWER'S OBLIGATIONS PURSUANT TO SECTION 3.3) (ALL THE FOREGOING, COLLECTIVELY, THE "INDEMNIFIED LIABILITIES"); PROVIDED THAT NO BORROWER SHALL HAVE ANY OBLIGATION HEREUNDER WITH RESPECT TO INDEMNIFIED LIABILITIES OF THE ADMINISTRATIVE AGENT, THE ISSUING**

BANK OR ANY LENDER OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AFFILIATES, AGENTS, ATTORNEYS AND FINANCIAL ADVISORS ARISING SOLELY FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE ADMINISTRATIVE AGENT, THE ISSUING BANK OR THE LENDERS OR THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AFFILIATES, AGENTS, ATTORNEYS OR FINANCIAL ADVISORS. THE AGREEMENTS IN THIS SECTION 11.5 SHALL SURVIVE REPAYMENT OF THE DIP LOANS AND ALL OTHER AMOUNTS PAYABLE HEREUNDER.

11.6 Successors and Assigns; Participations; Purchasing Lenders.

(a) This Agreement shall be binding upon and inure to the benefit of the Borrowers, the Lenders, the Issuing Bank and the Administrative Agent, and their respective successors and assigns, except that no Borrower may assign or transfer any of its rights or obligations under this Agreement without the prior written consent of each Lender.

(b) Any Lender may, in the ordinary course of its business and in accordance with applicable law, at any time sell to one or more Lenders or other entities ("Participants") participating interests in any DIP Loan owing to such Lender, any L/C Participating Interest of such Lender, or any Commitment or other interest of such Lender hereunder. In the event of any such sale by a Lender of participating interests to a Participant, such Lender's obligations under this Agreement to the other parties to this Agreement shall remain unchanged, such Lender shall remain solely responsible for the performance thereof, such Lender shall remain the holder of any such DIP Loan for all purposes under this Agreement and the Borrowers and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Each Borrower agrees that if amounts outstanding under this Agreement and the DIP Loans are due and unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of setoff in respect of its participating interest in amounts owing under this Agreement and any DIP Loan to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement or any DIP Loan; provided that, such right of setoff shall be subject to the obligation of such Participant to share with the Lenders, and the Lenders agree to share with such Participant, as provided in Section 11.7. Each Borrower also agrees that each Participant shall be entitled to the benefits of Sections 3.4 and 4.6 with respect to its participation in the Commitment, the Letter of Credit Commitment, the DIP Loans and the Letters of Credit, outstanding from time to time; provided that, no Participant shall be entitled to receive any greater amount pursuant to such subsections than the transferor Lender would have been entitled to receive in respect of the amount of the participation transferred by such transferor Lender to such Participant had no such transfer occurred. Each Lender agrees that the participation agreement pursuant to which any Participant acquires its participating interest (or any other document) may afford voting rights to such Participant only with respect to matters requiring the consent of all of the Lenders hereunder; provided however, that anything herein to the contrary

notwithstanding, a Participant shall not be entitled to receive any greater payment under Section 11.22 or Section 11.5(d) than the amount the applicable transferor Lender would have been entitled to receive with respect to the amount of the participation transferred by such transferor Lender to such Participant had no such transfer occurred.

(c) Any Lender may, in the ordinary course of its business and in accordance with applicable law, (i) at any time sell all or any part of its rights and obligations under this Agreement and the DIP Loans to any Lender or any Affiliate thereof or any Related Fund; provided that, such assigning Lender gives notice of such sale to the Borrowers and the Administrative Agent, and no such sale shall be effective unless such notice is given to and accepted by the Administrative Agent for recording in the Register and in the event of a sale of less than all of such rights and obligations, such sale shall be of corresponding proportions of the Commitments, DIP Loans and L/C Participating Interests held by such assigning Lender immediately prior to such sale, and, (ii) with the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed), sell to one or more additional banks, funds or financial institutions (such banks, funds or financial institutions, together with any transferee Lender under clause (i) above, hereinafter referred to as the "Purchasing Lenders"), all or any part of its rights and obligations under this Agreement and the DIP Loans, pursuant to a Commitment Transfer Supplement, executed by such Purchasing Lender and such transferor Lender (and, in the case of a Purchasing Lender that is not then a Lender or an Affiliate thereof or a Related Fund, by the Administrative Agent), and delivered to the Administrative Agent for its acceptance and recording in the Register together with a registration and processing fee to the Administrative Agent of \$3,500 in cash; provided that such sale shall be of corresponding proportions of the Commitments, DIP Loans and L/C Participating Interests held by such assigning Lender immediately prior to such sale. Upon such execution, delivery, acceptance and recording, from and after the Transfer Effective Date as defined in the Commitment Transfer Supplement, (x) the Purchasing Lender thereunder shall be a party hereto and, to the extent provided in such Commitment Transfer Supplement, have (in addition to any such rights and obligations theretofore held by it) the rights and obligations of a Lender hereunder with Commitments as set forth therein, and (y) the transferor Lender thereunder shall, to the extent of the interest transferred, as reflected in such Commitment Transfer Supplement, be released from its obligations under this Agreement (and, in the case of a Commitment Transfer Supplement covering all or the remaining portion of a transferor Lender's rights and obligations under this Agreement, such transferor Lender shall cease to be a party hereto). Such Commitment Transfer Supplement shall be deemed to amend this Agreement to the extent, and only to the extent, necessary to reflect the addition of such Purchasing Lender and the resulting adjustment of Commitment Percentages arising from the purchase by such Purchasing Lender of all or a portion of the rights and obligations of such transferor Lender under this Agreement and the DIP Loans.

(d) The Administrative Agent, acting solely for this purpose as agent of the Borrowers and the Lenders, shall maintain at its address referred to in Section 11.2 a copy of each Commitment Transfer Supplement delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders and the

Commitment of, the principal amount of DIP Loans owing to, and the L/C Participating Interests of, each Lender from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrowers, the Administrative Agent, the Issuing Bank and the Lenders may treat each Person whose name is recorded in the Register as the owner of the DIP Loan or L/C Participating Interest recorded therein for all purposes of this Agreement. The Register shall be available for inspection by the Borrowers, the Administrative Agent, the Issuing Bank and the Lenders at any reasonable time and from time to time upon reasonable prior notice and, upon request by the Borrowers, the Administrative Agent will provide a copy of the Register promptly to the Borrowers or their counsel.

(c) Upon its receipt of a Commitment Transfer Supplement executed by a transferor Lender and a Purchasing Lender (and, in the case of a Purchasing Lender that is not then a Lender or an Affiliate thereof or a Related Fund, by the Administrative Agent), together with payment to the Administrative Agent of a registration and processing fee of \$3,500 (with only one such fee payable in connection with simultaneous arrangements to two or more Related Funds), the Administrative Agent shall (i) promptly accept such Commitment Transfer Supplement and (ii) on the Transfer Effective Date determined pursuant thereto record the information contained therein in the Register and give notice of such acceptance and recordation to the Lenders and the Borrowers.

(f) Each Lender and the Administrative Agent shall use reasonable efforts to protect the confidentiality of any confidential information concerning the Borrowers and their Affiliates in accordance with such Lender's or the Administrative Agent's, as the case may be, customary practices. Notwithstanding the foregoing, each Borrower authorizes each Lender to disclose to any Participant or Purchasing Lender (each, a "Transferee") and any prospective Transferee any and all financial information in such Lender's possession concerning such Borrower and its Affiliates which has been delivered to such Lender by or on behalf of such Borrower pursuant to this Agreement or which has been delivered to such Lender by or on behalf of such Borrower in connection with such Lender's credit evaluation of such Borrower and its Affiliates prior to becoming a party to this Agreement, subject to any such Transferee or prospective Transferee agreeing to use reasonable efforts to protect the confidentiality of any confidential information concerning such Borrower and its Affiliates in accordance with practices and procedures not materially less favorable to such Borrower than the confidentiality practices and procedures of the Lender from whom such Transferee received such information.

(g) If, pursuant to this Section 11.6, any interest in this Agreement or any DIP Loan is transferred to any Transferee which is organized under the laws of any jurisdiction other than the United States or any State thereof, the transferor Lender shall cause such Transferee, concurrently with the effectiveness of such transfer, (i) to represent to the transferor Lender (for the benefit of the transferor Lender, the Administrative Agent, the Issuing Bank and the Borrowers) that under applicable law and treaties no taxes will be required to be withheld by any Agent, the Issuing Bank, the

Borrowers or the transferor Lender with respect to any payments to be made to such Transferee in respect of the DIP Loans or L/C Participating Interests, (ii) to furnish to the transferor Lender (and, in the case of any Purchasing Lender or any other Lender registered in the Register, the Administrative Agent, the Issuing Bank and the Borrowers) two properly completed copies of either U.S. Internal Revenue Service Form W-8ECI or U.S. Internal Revenue Service Form W-8BEN or any successor form (wherein such Transferee claims entitlement to complete exemption from U.S. Federal withholding tax on all interest payments hereunder), and (iii) to agree (for the benefit of the transferor Lender, the Administrative Agent, the Issuing Bank and the Borrowers) to provide the transferor Lender (and, in the case of any Purchasing Lender or any other Lender registered in the Register, the Administrative Agent, the Issuing Bank and the Borrowers) a new Form W-8ECI or Form W-8BEN or any successor form upon the expiration or obsolescence and upon the invalidity of any previously delivered form and comparable statements and after the occurrence of any event requiring a change in the most recently provided form and statements, and upon the reasonable request by the Borrowers, the Administrative Agent, the Issuing Bank and the transferor Lender in accordance with applicable U.S. laws and regulations and amendments duly executed and completed by such Transferee, and to comply from time to time with all applicable U.S. laws and regulations with regard to such withholding tax exemption.

(b) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release a Lender from any of its obligations hereunder or substitute any such pledge or assignee for such Lender as a party hereto.

11.7 Adjustments; Set-Off. If any Lender (a "Benefited Lender") shall at any time receive any payment of all or part of any of its DIP Loans or L/C Participating Interests, as the case may be, or interest thereon, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by setoff, or otherwise) in a greater proportion than any such payment to and collateral received by any other Lender, if any, in respect of such other Lender's DIP Loans or L/C Participating Interests, as the case may be, or interest thereon, such Benefited Lender shall purchase for cash from the other Lenders such portion of each such other Lender's DIP Loans or L/C Participating Interests, as the case may be, or shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such collateral or proceeds ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest. Each Borrower agrees that each Lender so purchasing a portion of another Lender's DIP Loans and/or L/C Participating Interests may exercise all rights of payment (including, without limitation, rights of setoff) with respect to such portion as fully as if such Lender were the direct holder of such portion. The Administrative Agent shall promptly give the Borrowers notice of any set-off; provided that the failure to give such notice shall not affect the validity of such set-off.

11.8 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrowers and the Administrative Agent. This Agreement shall become effective with respect to the Borrowers, the Administrative Agent, the Issuing Bank and the Lenders when the Administrative Agent shall have received copies of this Agreement executed by the Borrowers, the Administrative Agent, the Issuing Bank and the Lenders, or, in the case of any Lender, shall have received telephonic confirmation from such Lender stating that such Lender has executed counterparts of this Agreement or the signature pages hereto and sent the same to the Administrative Agent.

11.9 Governing Law; No Third-Party Rights. This Agreement and the rights and obligations of the parties under this Agreement, including, without limitation, the DIP Loans, shall be governed by, and construed and interpreted in accordance with, the law of the State of New York, except to the extent governed by the Bankruptcy Code. This Agreement is solely for the benefit of the parties hereto and their respective successors and assigns, and, except as set forth in Section 11.6, no other Persons shall have any right, benefit, priority or interest under, or because of the existence of, this Agreement.

11.10 WAIVER OF JURY TRIAL. EACH OF THE BORROWERS, THE ISSUING BANK, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO ANY OF THE DIP FINANCING DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY.

11.11 Additional Grant of Lien. All loans, advances and any other indebtedness or obligations, contingent or absolute (including, without limitation, the principal thereof, interest thereon, and costs and expenses owing in connection therewith) which may now or from time to time hereafter be owing by any Borrower to the Administrative Agent or the Lenders under any of the DIP Financing Documents shall be secured as set forth in the Financing Orders.

11.12 Interest. It is the intention of the parties hereto that each Lender shall conform strictly to usury laws applicable to it. Accordingly, if the transactions contemplated hereby would be usurious as to any Lender under laws applicable to it (including the laws of the United States of America and the State of Texas or any other jurisdiction whose laws may be mandatorily applicable to such Lender notwithstanding the other provisions of this Agreement), then, in that event, notwithstanding anything to the contrary in any of the DIP Financing Documents or any agreement entered into in connection with or as security for the DIP Financing Documents, it is agreed as follows: (i) the aggregate of all consideration which constitutes interest under law applicable to any Lender that is contracted for, taken, reserved, charged or received by such Lender under any of the DIP Financing Documents or agreements or otherwise in connection with the DIP Financing Documents shall under no circumstances exceed the maximum amount allowed by such applicable law, and any excess shall be canceled automatically and if theretofore paid shall be credited by such Lender on the principal amount of the Indebtedness (or, to the extent that the principal amount of the Indebtedness shall have been or would thereby be paid in full, refunded by such Lender to the Borrowers); and (ii) in the event that the maturity of the DIP Financing Documents is accelerated by reason of an election of the

holder thereof resulting from any Event of Default under this Agreement or otherwise, or in the event of any required or permitted prepayment, then such consideration that constitutes interest under law applicable to any Lender may never include more than the maximum amount allowed by such applicable law, and excess interest, if any, provided for in this Agreement or otherwise shall be canceled automatically by such Lender as of the date of such acceleration or prepayment and, if theretofore paid, shall be credited by such Lender on the principal amount of the Indebtedness (or, to the extent that the principal amount of the Indebtedness shall have been or would thereby be paid in full, refunded by such Lender to the Borrowers). All sums paid or agreed to be paid to any Lender for the use, forbearance or detention of sums due hereunder shall, to the extent permitted by law applicable to such Lender, be amortized, prorated, allocated and spread throughout the full term of the DIP Loans evidenced by the DIP Financing Documents until payment in full so that the rate or amount of interest on account of any DIP Loans hereunder does not exceed the maximum amount allowed by such applicable law. If at any time and from time to time (i) the amount of interest payable to any Lender on any date shall be computed at the Highest Lawful Rate applicable to such Lender pursuant to this Section 11.12 and (ii) in respect of any subsequent interest computation period the amount of interest otherwise payable to such Lender would be less than the amount of interest payable to such Lender computed at the Highest Lawful Rate applicable to such Lender, then the amount of interest payable to such Lender in respect of such subsequent interest computation period shall continue to be computed at the Highest Lawful Rate applicable to such Lender until the total amount of interest payable to such Lender shall equal the total amount of interest which would have been payable to such Lender if the total amount of interest had been computed without giving effect to this Section 11.12. To the extent that Chapter 303 of the Texas Finance Code is relevant for the purpose of determining the Highest Lawful Rate, such Lender elects to determine the applicable rate ceiling under such Chapter by the indicated weekly rate ceiling from time to time in effect.

11.13 No Duty. All attorneys, accountants, appraisers, and other professional Persons and consultants retained by the Administrative Agent and the Lenders shall have the right to act exclusively in the interest of the Administrative Agent and the Lenders and shall have no duty of disclosure, duty of loyalty, duty of care, or other duty or obligation of any type or nature whatsoever to any Borrower or any of any Borrower's shareholders or any other Person.

11.14 No Fiduciary Relationship. The relationship between each Borrower and each Lender is solely that of debtor and creditor, and neither the Administrative Agent nor any Lender has any fiduciary or other special relationship with any Borrower, and no term or condition of any of the DIP Financing Documents shall be construed so as to deem the relationship between any Borrower and any Lender to be other than that of debtor and creditor.

11.15 Equitable Relief. Each Borrower recognizes that in the event any Borrower fails to pay, perform, observe, or discharge any or all of the Indebtedness, any remedy at law may prove to be inadequate relief to the Administrative Agent and the Lenders. Each Borrower therefore agrees that the Administrative Agent and the Lenders, if the Administrative Agent or the Lenders so request, shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages.

11.16 No Waiver; Cumulative Remedies. No failure on the part of the Administrative Agent or any Lender to exercise and no delay in exercising, and no course of dealing with

respect to, any right, power, or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies provided for in this Agreement and the other DIP Financing Documents are cumulative and not exclusive of any rights and remedies provided by law.

11.17 Severability. Any provision of this Agreement held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this Agreement and the effect thereof shall be confined to the provision held to be invalid or illegal.

11.18 Headings. The headings, captions, and arrangements used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

11.19 [Intentionally deleted.]

11.20 Construction. Each Borrower, the Administrative Agent, and each Lender acknowledges that each of them has had the benefit of legal counsel of its own choice and has been afforded an opportunity to review this Agreement and the other DIP Financing Documents with its legal counsel and that this Agreement and the other DIP Financing Documents shall be construed as if jointly drafted by the parties hereto.

11.21 Independence of Covenants. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or be otherwise within the limitations of, another covenant shall not avoid the occurrence of an Event of Default if such action is taken or such condition exists.

11.22 Taxes.

(a) Except as required by law, any and all payments by the Borrowers under each DIP Financing Document shall be made free and clear of and without deduction for any Taxes or Excluded Taxes. If any Taxes shall be required by law to be deducted from or in respect of any sum payable under any DIP Financing Document to any Lender or the Administrative Agent, (i) the sum payable shall be increased as may be necessary so that after making all required deductions for Taxes (including deductions for Taxes applicable to additional sums payable under this Section 11.22) such Lender or the Administrative Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions for Taxes been made, (ii) the Borrowers shall make such deductions for Taxes and Excluded Taxes, and (iii) the Borrowers shall pay the full amount deducted to the relevant taxing authority or other authority in accordance with applicable law. Within 60 days after the date of any payment of Taxes or Excluded Taxes, the Borrowers will furnish to the Administrative Agent the original or a certified copy of a receipt evidencing payment thereof.

(b) In addition, the Borrowers agree to pay any and all stamp and documentary taxes and any and all other excise and property taxes, charges and similar levies (other than Excluded Taxes) that arise from any payment made hereunder or from

the execution, delivery or registration of, or otherwise with respect to, this Agreement or any other DIP Financing Document.

(c) The Borrowers indemnify each Lender and the Administrative Agent for the full amount of Taxes paid by such Lender or the Administrative Agent (as the case may be) and any liability (including for penalties, additions to tax, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally asserted, other than penalties, additions to tax, interest and expenses arising as a result of gross negligence on the part of such Lender or the Administrative Agent; provided, however, that no Borrower shall have any obligation to indemnify such Lender or the Administrative Agent (i) for any such amounts payable to any Non-U.S. Lender if such Lender fails to comply with the requirements of Section 11.6(g) or Section 11.22(d) and (ii) unless and until such Lender or the Administrative Agent shall have delivered to the Borrowers a certificate setting forth in reasonable detail the basis of the Borrowers' obligation to indemnify such Lender or the Administrative Agent pursuant to this Section 11.22. This indemnification shall be made within 30 days from the date such Lender or the Administrative Agent (as the case may be) makes written demand therefor.

(d) Each Non-U.S. Lender (a) shall provide, prior to, or on, the date of this Agreement, in the case of each Non-U.S. Lender that is a signatory hereto, and prior to, or on, the date of a transfer to a Transferee, in the case of each Transferee that is a Non-U.S. Lender, and prior to, or on, the date pursuant to which a Non-U.S. Lender becomes a party hereto, in the case of a Non-U.S. Lender which becomes a party hereto after the date of this Agreement, and from time to time thereafter if requested by the Borrowers or the Administrative Agent, to the Administrative Agent and the Borrowers with two properly completed copies of: (i) Internal Revenue Service Form W-8ECI (claiming complete exemption from United States withholding tax because the income is effectively connected with a U.S. trade or business) (or any successor form); (ii) Internal Revenue Service Form W-8BEN (claiming complete exemption from United States withholding tax under an income tax treaty) (or any successor form); (iii) in the case of a Non-U.S. Lender claiming exemption under Sections 871(h) or 881(c) of the Code, Internal Revenue Service Form W-8BEN (claiming complete exemption from United States withholding tax under the portfolio interest exemption) (or successor form); or (iv) or other applicable form, certificate or document prescribed by the Internal Revenue Service certifying as to such Non-U.S. Lender's entitlement to such complete exemption from United States withholding tax with respect to all payments to be made to such Non-U.S. Lender under the DIP Financing Documents; and (b) agrees to the extent permissible by then-current law to provide the Administrative Agent and the Borrowers with two new properly completed copies of Form W-8ECI or Form W-8BEN, or any successor form, or other applicable form, certificate or document upon the expiration or obsolescence, and promptly upon the invalidity, of any previously delivered form, certificate or document and after the occurrence of any event requiring a change in the most recently provided form, certificate or document. Unless the Borrowers and the Administrative Agent have received forms or other documents reasonably satisfactory to them indicating that payments under any DIP Financing Document to or for a Non-U.S. Lender are not subject to United States withholding tax, the Borrowers or the

Administrative Agent shall withhold taxes from such payments at the applicable statutory rate and the Borrowers shall not be required to pay any additional amounts to any such Non-U.S. Lender in respect of the United States withholding tax under this Section 11.22 or otherwise.

(c) Any Lender claiming any additional amounts payable pursuant to this Section 11.22 shall use its reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to change the jurisdiction of its applicable lending office if the making of such a change would avoid the need for, or reduce the amount of, any such additional amounts which would be payable or may thereafter accrue and would not, in the reasonable determination of such Lender, be otherwise disadvantageous to such Lender.

11.23 Substitution of Lender. In the event that any of the Borrowers is required to make any payment pursuant to Subsection 11.5(d) or Section 11.22 that is attributable to any Lender (the "Affected Lender"), the Borrowers may substitute another entity for such Affected Lender hereunder, upon reasonable prior written notice by the Borrowers to the Administrative Agent and the Affected Lender that the Borrowers intend to make such substitution, by causing such Affected Lender to (and such Affected Lender shall) sell pursuant to Section 11.6(c) and the substitute entity shall purchase all rights and claims of such Affected Lender under the DIP Financing Documents and the substitute entity shall assume all obligations of the Affected Lender under the DIP Financing Documents. Upon the effectiveness of such sale, the substitute entity shall become a "Lender" hereunder for all purposes of this Agreement.

11.24 NO ORAL AGREEMENTS. THIS AGREEMENT AND THE OTHER DIP FINANCING DOCUMENTS REFERRED TO HEREIN REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES HERETO AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES HERETO. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES HERETO.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

BORROWERS:

DT INDUSTRIES, INC.

By: _____
Name: _____
Title: _____

ADVANCED ASSEMBLY AUTOMATION, INC.

By: _____
Name: _____
Title: _____

DTI MASSACHUSETTS SUBSIDIARY, INC.

By: _____
Name: _____
Title: _____

ASSEMBLY MACHINES, INC.

By: _____
Name: _____
Title: _____

ASSEMBLY TECHNOLOGY & TEST, INC.

By: _____
Name: _____
Title: _____

DETROIT TOOL AND ENGINEERING
COMPANY

By: _____
Name: _____
Title: _____

DTI LEBANON SUBSIDIARY, INC.

By: _____
Name: _____
Title: _____

DTI RESOURCES, INC.

By: _____
Name: _____
Title: _____

HANSFORD MANUFACTURING
CORPORATION

By: _____
Name: _____
Title: _____

DTI LEOMINSTER SUBSIDIARY, INC.

By: _____
Name: _____
Title: _____

MID-WEST AUTOMATION ENTERPRISES,
INC.

By: _____
Name: _____
Title: _____

Post-Petition Credit Agreement
Signature Page

MID-WEST AUTOMATION SYSTEMS, INC.

By: _____
Name: _____
Title: _____

DTI PENNSYLVANIA SUBSIDIARY, INC.

By: _____
Name: _____
Title: _____

VANGUARD TECHNICAL SOLUTIONS, INC.

By: _____
Name: _____
Title: _____

Post-Petition Credit Agreement
Signature Page

ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A., as Administrative
Agent, Issuing Bank and a Lender

By: _____
Name: _____
Title: _____

LENDERS:

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

SCHEDULE A

COMMITMENT PERCENTAGES

[See Attached]

SCHEDULE 5.6

LEGAL BAR

[See Attached]

SCHEDULE 5.7

LITIGATION

[See Attached]

SCHEDULE 5.10

TAX MATTERS

[See Attached]

SCHEDULE 5.11

SUBSIDIARIES

[See Attached]

SCHEDULE 5.12

REAL PROPERTY

[See Attached]

SCHEDULE 5.13

ERISA

[See Attached]

SCHEDULE 5.14

ENVIRONMENTAL MATTERS

[See Attached]

SCHEDULE 8.8

TRANSACTIONS WITH AFFILIATES

[See Attached]

EXHIBIT A

CASH MANAGEMENT ORDER

[See Attached]

EXHIBIT B

COMMITMENT TRANSFER SUPPLEMENT

[See Attached]

EXHIBIT C
INTERIM ORDER

[See Attached]

EXHIBIT D

CREDIT AGREEMENT SUPPLEMENT

[See Attached]