

02-28-2000

FORM PTO-1618A
Expires 06/30/99
OMB 0651-0027



U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

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MRD
2-17-00

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment License
 - Security Agreement Nunc Pro Tunc Assignment
 - Merger Change of Name
 - Other
- Effective Date
Month Day Year

Conveying Party

Mark if additional names of conveying parties attached
Execution Date
Month Day Year

Name

Formerly

- Individual General Partnership Limited Partnership Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

- Individual General Partnership Limited Partnership Corporation Association
- Other

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

Citizenship/State of Incorporation/Organization

02/28/2000 DMSUYEN 00000034 2102213

FOR OFFICE USE ONLY

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40.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK

REEL: 002026 FRAME: 0364

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

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Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Linda R. Kastner
Name of Person Signing

Linda R. Kastner
Signature

2/16/00
Date Signed

**RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY**

FORM PTO-1618C
Expires 06/30/99
OMB 0651-0027

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

Conveying Party

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship State of Incorporation/Organization

Receiving Party

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City State/Country Zip Code

Individual General Partnership Limited Partnership

Corporation Association

Other

Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached (Designation must be a separate document from the Assignment.)

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

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RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY

Conveying Party

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name Skyjack Equipment, Inc.

11 19 1999

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship State of Incorporation/Organization Iowa

Receiving Party

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name Bank of Nova Scotia, The

DBA/AKA/TA

Composed of

Address (line 1) 1 James Street South

Address (line 2) 9th Floor

Address (line 3) Hamilton Ontario L8P 4R5

City

State/Country

Zip Code

Individual General Partnership Limited Partnership

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached (Designation must be a separate document from the Assignment.)

Corporation Association

Other Federal Chartered Bank

Citizenship/State of Incorporation/Organization Canadian

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

SECURITY AGREEMENT

To: ROYAL BANK OF CANADA, THE BANK OF NOVA SCOTIA AND THE TORONTO-DOMINION BANK (collectively, "Lender")

Dear Sirs/Mesdames:

1. **Security Interest.** For valuable consideration and as security for the Obligations (as hereinafter defined), we, Skyjack Equipment, Inc., hereby grant to you, your successors and assigns, a continuing security interest in our undertaking and in the following property and assets, whether now owned or hereafter acquired by us, wherever located and whether now existing or hereafter arising (all such property and assets herein collectively called the "Collateral"):
 - (a) all of our inventory, including goods, merchandise, raw materials, goods in process, finished goods and other tangible personal property which constitutes inventory under the Uniform Commercial Code ("Inventory"),
 - (b) all of our equipment, machinery, goods and fixtures, including all substitutes, replacements, accessions and additions thereto, all tools, parts, accessories and attachments used in connection therewith and all other tangible personal property which constitutes equipment or fixtures under the Uniform Commercial Code ("Equipment"),
 - (c) all of our accounts and accounts receivable and interest thereon, owing to us at any time and from time to time (the "Receivables"),
 - (d) all of our patents, patent rights, inventions, processes, trade secrets, trademarks, trademark rights, trade names, service marks, logos, statutory and common law copyrights, designs, permits and licenses and all other intellectual property of every nature and kind (the "Intellectual Property"),
 - (e) all of our contracts, contract rights, instruments, documents, bills, notes, drafts, acceptances, chattel paper, choses in action, causes of action at law or in equity, licenses, permits, investment property, securities and all intangible personal property of whatsoever kind and nature and general intangibles,
 - (f) all of our contracts, contract rights, instruments, documents, bills, notes, drafts, acceptances, chattel paper, choses in action and general intangibles, relating to, evidencing or arising out of our Receivables,
 - (g) all of our books and records (including, without limitation, computer programs, tapes and related electronic data processing software),
 - (h) all of our bank accounts, and

- (i) all cash and non-cash proceeds of any of the foregoing, including without limitation all insurance proceeds payable under insurance policies relating to any of the foregoing.

2. **Obligations Secured.** The security interest granted hereby shall secure the payment and performance of (i) all of our present or future indebtedness or liabilities to you or any of you, and any ultimate unpaid balance thereof, of every kind, nature and description, direct or indirect, absolute or contingent, matured or not, extended or renewed, in any currency, due or to become due, now existing or hereafter arising, whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, regardless of how the same arises or by what agreement or instrument, or whether evidenced by any agreement or instrument, and whether we be bound alone or with another or others and whether as principal or surety, including, without limitation, pursuant to a guarantee in your favour, dated of even date herewith, in respect of the obligations of Skyjack Inc. to you or any of you, as such guarantee may be amended, restated, replaced or superseded from time to time, and (ii) to a maximum principal amount of Five Million United States Dollars (US\$5,000,000) plus any interest accrued and unpaid thereon, all of our present or future indebtedness or liabilities to Brenton Bank ("Brenton"), and any ultimate unpaid balance thereof, of every kind, nature and description, direct or indirect, absolute or contingent, matured or not, extended or renewed, in any currency, due or to become due, now existing or hereafter arising, whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again (all the foregoing indebtedness, liabilities and obligations to you or any of you or Brenton being herein, collectively, the "Obligations").

3. **Unconditional Grant of Security Interest.**

- (a) This Agreement shall be binding upon us, and the grant of the security interest hereunder in the Collateral shall be irrevocable and unconditional, irrespective of the validity, legality or enforceability of the Obligations, the absence of any action to enforce the same, the waiver or consent by you with respect to any provisions thereof, the recovery of any judgment against us or any action to enforce the same or any other similar circumstances. We waive diligence, presentment, demand of payment, filing of claims with a court in the event of our merger or bankruptcy, any right to require a proceeding first against us, protest or notice with respect to any notes evidencing the Obligations, and all demands whatsoever, and covenant that this Agreement will remain in full force and effect so long as any Obligations remain unpaid.
- (b) We agree that without notice to or further assent by us (except as may be required by law), our liability or the liability of any other party for or upon any of the Obligations may, from time to time, in whole or in part, be renewed, extended, modified, prematured, compromised or released by you, as you may deem advisable, and that the Collateral or other collateral or liens for any of the Obligations may, from time to time, in whole or in part, be exchanged, sold or surrendered by you, as you may deem advisable, all without impairing, abridging,

affecting or diminishing this Agreement or your rights hereunder or with respect to the Collateral.

4. **Representations, Covenants and Warranties.** We hereby make the following representations, covenants and warranties, which shall be deemed to be repeated and confirmed upon the creation or acquisition by us of each item of Collateral and upon the creation of any Obligation:

- (a) We (i) are a corporation, duly organized, validly existing and in good standing under the laws of our jurisdiction of incorporation; (ii) have the corporate power to own our properties and to carry on our business as now being conducted; (iii) are duly qualified to engage in business and are in good standing in each jurisdiction in which the character of our properties or the transaction of our businesses makes such qualification necessary; and (iv) have the corporate power to execute and perform this Agreement.
- (b) Our execution and performance of this Agreement and our granting of the security interest in the Collateral have been duly authorized by all requisite corporate actions and will not (i) violate any provisions of law, any order of any court, tribunal or agency of government or our certificate or articles of incorporation, by-laws or other charter documents; (ii) violate, be in conflict with, result in a material breach of or constitute (with due notice or lapse of time or both) a default under any indenture, agreement or other instrument to which we are a party or by which we or any of our properties are bound; (iii) violate any governmental or agency rule or regulation (including, without limitation, regulations U and X of the Board of Governors of the Federal Reserve System); or (iv) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the Collateral, except for the security interest created by this Agreement.
- (c) Save for the encumbrances shown on Schedule "A" or hereafter approved by you in writing (herein "Permitted Encumbrances"), on the date hereof and at any time during the term of this Agreement during which a security interest in your favour in the Collateral shall exist, no financing statement (or similar statement or instrument of registration or filing under the laws of any jurisdiction) is or shall be on file or registered in any public office covering any interest of any kind with respect to the Collateral, or intended so to be, other than relating to the security interest created hereunder. We shall be the lawful owner or lessee of the Collateral and shall have good right to grant you a security interest therein subject, in the case of leased Collateral, to the rights of the subject lessor(s) in same. We shall defend the Collateral against all claims and demands of all other parties claiming the same or an interest therein and none of such Collateral shall be: (i) sold, leased, assigned transferred to any person other than you except in the ordinary course of our business and on commercially reasonable terms; or (ii) in any way pledged, mortgaged or otherwise encumbered except to you or by Permitted Encumbrances;

- (d) We shall promptly notify you if any Receivable becomes evidenced by an instrument as defined in Section 9-105 of the Uniform Commercial Code, and upon your request, promptly deliver said instrument to you, appropriately endorsed in your favour to be held as Collateral hereunder.
- (e) We shall, immediately upon learning thereof, report to you: (i) any material change in the information contained herein relating to us, our business or the Collateral; (ii) the details of any material claims or litigation affecting us or the Collateral; (iii) any material loss of or damage to the Collateral; and (iv) any reclamation, return or repossession of any material part of the Collateral, all material delays in performance, notices of default, claims made or disputes asserted by any account debtor or other obligor and any other matters materially affecting the value, enforceability or collectability of any of the Collateral.
- (f) We shall conduct and carry on our business in a proper and efficient manner so as to protect and preserve the Collateral and maintain, in accordance with generally accepted accounting principles, consistently applied, accurate books and records pertaining to the Collateral and, if so requested by you, will mark each of our ledger cards, books of account and other records relating to the Collateral with appropriate notations, satisfactory to you, disclosing that such Collateral has been assigned and/or transferred to you and that we have granted to you a security interest therein.
- (g) All Collateral presently owned by us is kept at the locations indicated on Schedule B hereto. The location of our principal place of business and chief executive office and the location where the originals of our records pertaining to the Collateral are kept are at the addresses indicated beneath the signature line hereof. We will not change the location of any of the Collateral or of our principal office or chief executive office or the location of the office where the records pertaining to the Collateral are kept or our name, and we will not do business under an assumed name or change our business entity structure, unless twenty (20) days prior written notice of such change is given to you and we have taken such action, satisfactory to you (including, without limitation, the delivery of additional or amended financing statements duly signed by us), to maintain your security interest in the Collateral at all times senior and fully perfected and in full force and effect.
- (h) We shall do or cause to be done all applicable recordings, filings and requirements of giving public notice under any applicable law or ordinance necessary to comply fully with such law or ordinance, including any notices to the United States government under the Federal Assignment of Claims Act, and will from time to time do whatever you may reasonably request by way of obtaining, executing, delivering or filing applicable financing statements, landlord's or mortgagee's waivers and other notices of any kind, and amendments and renewals thereto, and will take any and all steps and will observe such formalities as you may reasonably request, all in order to create, maintain, preserve and protect your valid, enforceable and perfected lien upon, pledge of and paramount security

interest in any and all of the Collateral. We shall pay all reasonable costs for searches and filings in connection therewith. We covenant and agree to execute such financing statements, security agreements or other instruments with respect to any of the Collateral as you may request and authorize you to execute and file at any time such financing statements without our signature to the extent permitted by law and, if upon request we fail to do so, to execute such security agreements or other instruments on our behalf.

- (i) We shall deliver to you from time to time promptly upon reasonable request: (i) copies and after default originals of any documents of title, instruments and chattel paper constituting, representing or relating to the Collateral; (ii) copies and after default originals of all books of account, records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral; (iii) all financial statements prepared by or for us regarding our business; (iv) all policies and certificates of insurance relating to the Collateral; and (v) such information concerning the Collateral and our business and affairs as you may reasonably request.
- (j) We shall take adequate care of the Collateral and pay all costs necessary to preserve the Collateral, including but not limited to all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of us or the Collateral as and when the same becomes due and payable, save and except to the extent and for so long as any such amounts are being contested in good faith by us and any interests in Collateral created thereby are Permitted Encumbrances.
- (k) We shall at our own expense maintain insurance with insurance companies reasonably satisfactory to you on such of our assets, in such amounts and against such risks, as is customarily maintained by similar businesses, provided that, with respect to insurance regarding the Collateral, all such insurance policies shall contain loss payable clauses satisfactory to you naming you as loss payee.

5. **Custody, Inspection, Collection and Handling of Collateral and Records.**

- (a) Subject to compliance with the covenants contained herein, we may, until a default by us hereunder, possess, operate, collect, use and enjoy and deal with the Collateral, in the ordinary course of our business in any manner not inconsistent with the provisions hereof; provided always that you shall have the right at any time and from time to time to verify the existence and state of the Collateral in any reasonable manner and we agree to furnish all assistance and information and to perform all such acts as you may reasonably request in connection therewith and for such purpose to grant to you or your agents, during normal business hours upon reasonable prior notice, access to all places where Collateral may be located and to all premises occupied by our business. You shall be privileged at any time and from time to time, after default, to hire and maintain on any of our premises a custodian or independent contractor selected by you who shall have full authority to do all acts necessary to protect your interests and to report to you thereon. We

hereby agree to co-operate with any such person and to do whatever you may reasonably request by way of leasing warehouses or otherwise preserving the Collateral. All reasonable expenses incurred by you by reason of the employment of any such person shall be charged to our account, shall be secured hereby and shall be a part of the Obligations.

- (b) Until a default by us hereunder, we reserve the right to receive any moneys constituting income from or interest on the Collateral and if you receive any such moneys prior to a default by us hereunder, you shall either credit the same to our account or pay the same promptly to us. After a default by us hereunder, we will not request or receive any moneys constituting income from or interest on the Collateral and if we receive any such moneys, we will receive the same in trust for you and pay the same promptly to you.
- (c) We shall immediately upon your request, at any time or from time to time, and you may in your sole discretion, upon a default by us hereunder, notify our account debtors that payment of all Receivables shall be made to you at such address or addresses as you may from time to time specify. Upon such notification you shall have the right to receive, or your agents or independent contractors shall have the right to receive on your behalf, the proceeds of and all documents, instruments or papers in connection with our Receivables at such address or addresses and to receive, endorse, assign or deliver in your name or our name any and all checks, drafts and other instruments for the payment of money relating to our Receivables, and we hereby waive notice of presentment, protest and non-payment of any instruments so endorsed. We acknowledge that any payments on or other proceeds of the Collateral received by us from account debtors, after default hereunder, whether before or after notification to account debtors of the security interest granted hereunder, shall be received and held by us in trust for you and shall be turned over to you upon request, subject to the provisions of this Agreement. Proceeds of Receivables so received by you or on your behalf shall be credited, subject to collection, to our account with you, subject to your right to withhold credit pending the final collection and settlement of any item and your further right to apply all or part of such proceeds to the then outstanding Obligations. We hereby constitute you or your designee as our attorney, effective after default, with power to endorse our name upon any notes, acceptances, checks, drafts, money orders or other evidences of payment or Collateral that may come into your possession; to sign our name on any invoice or bill of lading relating to our Receivables, drafts against account debtors; assignments and verifications of our Receivables and notices to account debtors; to send verifications of Receivables to any of our account debtors; to notify the Post Office authorities to change the address for delivery of mail addressed to us to such address as you may designate; and to do all other acts and things necessary to carry out this Agreement. All acts of said attorney or designee are hereby ratified and approved, and said attorney or designee shall not be liable for any acts of omission or commission nor for any error of judgment or mistake of

fact or law; this power being coupled with an interest is irrevocable as long as any of the Obligations remain outstanding or unpaid.

- (d) Nothing herein contained shall be construed to constitute you as our agent for any purpose whatsoever except for the limited purposes of receiving proceeds of Receivables as provided above and forwarding to us the original or copies of papers or documents received with such proceeds, and you shall not be responsible or liable for any shortage, discrepancy, damage, loss or destruction of any part of the Collateral wherever the same may be located and regardless of the cause thereof except for gross negligence or wilful misconduct of you or those for whom you are legally responsible. Except as herein provided, you shall not, under any circumstances or in any event whatsoever, have any liability for any error or omission or delay of any kind occurring in the settlement, collection or payment of any of our Receivables or any instrument received in payment thereof or for any damage resulting therefrom. You may, after default, without notice to or consent from us, sue upon or otherwise collect, extend the time of payment of or compromise or settle for cash, credit or otherwise upon any terms, any of our Receivables, or any securities, instruments or insurance applicable thereto and/or release the obligor thereon. You do not, by anything herein or in any assignment or otherwise, assume any of our obligations under any contract or agreement assigned to you, and you shall not be responsible in any way for our performance of any of the terms and conditions thereof. Neither you nor any of your directors, officers, agents or employees shall be liable to any person for any action taken or omitted by you or them under or with respect to any transaction contemplated by this Agreement, except for your or their own gross negligence or wilful misconduct.

6. **Default.** If (a) we default in the payment or performance of any of the Obligations when due, whether on demand, at maturity, upon acceleration or otherwise (beyond any applicable cure period), or (b) we default in the observance or performance (beyond any applicable grace or cure periods) of any obligation, covenant, term, provision or condition contained in this Agreement or any other agreement between us and you or Brenton evidencing or relating to any of the Obligations, or (c) Skyjack Inc. defaults in the payment, observance or performance (beyond any applicable grace or cure periods) of any obligation, covenant, term, provision or condition contained in any agreement with you or any of you or Brenton, then we shall be in default under this Agreement.

7. **Rights and Remedies Upon Default.**

- (a) Upon our default under this Agreement, you shall have the right, without notice to or assent by us, but without affecting the Obligations, in our name or in your name or otherwise to: (i) ask for, demand, collect, receive, compound and give discharge for the Receivables, or any part thereof; (ii) extend the time of payment of, compromise or settle for cash, credit or otherwise, and upon any terms and conditions, any of the Receivables; (iii) endorse our name on any checks, drafts or other orders or instruments for the payment of moneys payable to us which shall be issued in respect of any Receivables; (iv) file any claims, commence, maintain

or discontinue any actions, suits or other proceedings deemed by you to be necessary or advisable for the purpose of collecting or enforcing payment of any Receivables; (v) execute any instrument and do any and all other things necessary and proper to protect and preserve and realize upon the Receivables, and the other rights contemplated hereby; (vi) notify any or all account debtors, under any or all of the Receivables, to make payment thereof directly to you for our account or to you and to require us to forthwith account for and transmit to you in the same form as received all proceeds (other than physical property) of collection of Receivables received by us and until so transmitted, to hold the same in trust for you and not commingle such proceeds with any other of our funds and such retention shall not be deemed in satisfaction of the Obligations under Section 9-505 of the Uniform Commercial Code.

- (b) Upon our default you shall also have the right, without notice to or assent by us, but without affecting the Obligations, in our name or in your name or otherwise:
- (i) upon notice to such effect, to require us to deliver, at our expense, any or all of the Collateral and all books of account, records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral (the "Collateral Documents") to you at a place designated by you;
 - (ii) to take possession of any or all of the Collateral and all Collateral Documents and, for such purpose, to enter, with the aid and assistance of any person or entity, any premises where the Collateral or any part thereof is, or may be, placed or assembled, and remove any of such Collateral;
 - (iii) to execute any instrument and do all other things necessary and proper to protect and preserve and realize upon the Collateral and the other rights contemplated hereby;
 - (iv) without obligation to resort to other security, at any time and from time to time, to sell, re-sell, assign and deliver all or any of the Collateral, in one or more parcels at the same or different times, and all right, title and interest, claim and demand therein and right of redemption thereof, at public or private sale, for cash, upon credit or for future delivery, and at such price or prices and on such terms as you may determine, with the amounts realized from any such sale to be applied in the manner provided in Section 9 hereof, all subject to the provisions of applicable law.
- (c) In addition to any rights and remedies contained herein or now or hereafter granted under applicable law and not by way of limitation of any such rights and remedies, you shall have all of the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any applicable jurisdiction in addition to the rights and remedies provided herein. You may take legal proceedings for the appointment of a receiver or receivers (to which you shall be entitled as a matter of right) to take possession of the Collateral pending the sale thereof pursuant either to the powers of sale granted by this Agreement or to a judgment, order or decree made in any judicial proceeding for the foreclosure or involving the enforcement of this Agreement.
- (d) We hereby agree that all of the foregoing rights and actions specified in subparagraphs (a), (b) and (c) of this Section 7 may be executed or effected without demand, advertisement or notice (except as required in Section 8 hereof

or as required by law), all of which (to the extent permitted by law) are hereby expressly waived. You shall not be obligated to do any of the acts hereinabove authorized, but in the event that you elect to do any such act, you shall not be responsible to us except for your gross negligence or wilful misconduct.

- (e) You shall have the right in your sole discretion to determine which rights, security, liens, guarantees, security interests or remedies you shall retain, pursue, release, subordinate, modify or take any other action with respect to without in any way modifying or affecting any of the other of them or any of your rights hereunder. Any of our moneys, deposits, Receivables, balances or other property which may come into your possession at any time or in any manner, after default, may in your sole discretion be retained by you and applied to any of the Obligations then due. Notwithstanding any other rights which you may have under applicable law and hereunder, we agree that, should we at any time be in default hereunder, you shall have the right to apply (including, without limitation, by way of setoff) any of our property held by you (including, without limitation, deposit account balances) to a reduction of the Obligations. You shall be deemed to have exercised such right of setoff immediately at the time of making your decision to do so even though any charge therefore is made or entered on your records subsequent thereto.

- 8. **Sale of Collateral.** Upon any sale of any of the Collateral, whether made under the power of sale hereby given or under judgment, order or decree in any judicial proceeding for foreclosure or involving the enforcement of this Agreement: (i) you may bid for a purchase of the property being sold, and upon compliance with the terms of sale may hold, retain and possess and dispose of such property in your own absolute right without further accountability, and may, in paying the purchase money therefor, deliver any notes evidencing the obligations or claims for interest thereon in lieu of cash in payment of the amount which shall be payable thereon; (ii) you may make and deliver to the purchaser or purchasers a good and sufficient deed, bill of sale and instrument of assignment and transfer of the property sold; (iii) you are hereby irrevocably appointed our true and lawful attorney-in-fact in our name and stead, to make all necessary deeds, bills of sale and instruments of assignment and transfer of the property thus sold and for such other purposes as are necessary or desirable to effectuate the provisions of this Agreement, and for that purpose you may execute and deliver all necessary deeds, bills of sale and instruments of assignment and transfer, and may substitute one or more persons or entities with like power, and we hereby ratify and confirm all that our said attorney, or such substitute or substitutes, shall lawfully do by virtue hereof, but if so requested by you or by any purchaser we shall ratify and confirm any such sale or transfer by executing and delivering to you or to such purchaser all property, deeds, bills of sale, instruments of assignment and transfer and releases as may be designated in any such request; (iv) all our right, title, interest, claim and demand whatsoever, either at law or in equity or otherwise, in and to the property so sold shall be divested, such sale shall be a perpetual bar both at law and in equity against us, our successors and assigns, and against any and all persons or entities claiming or who may claim the property sold or any part thereof from, through or under us or our entities, successors or assigns; (v) your receipt or

a receipt of the officer making such sale shall be a sufficient discharge to the purchaser or purchasers at such sale for his or their purchase money, and such purchaser or purchasers, and his, its or their assigns or personal representatives, shall not, after paying such purchase money and receiving such receipt therefor, be obligated to see to the application of such purchase money or be in anywise answerable to any loss, misapplication or non-application, thereof; and (vi) to the extent that we may lawfully do so, we agree that we will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any appraisalment, valuation, stay, extension or redemption laws, or any law permitting us to direct the order in which the Collateral or any part thereof shall be sold, now or at any time hereafter in force, which may delay, prevent or otherwise affect the performance or enforcement of this Agreement or the Obligations, and we hereby expressly waive all benefit or advantage of any such laws and covenant that we will not hinder, delay or impede the execution of any power granted or delegated to you in this Agreement, but will suffer and permit the execution of every such power as though no such laws were in force. In the event of any sale of Collateral, you shall, at least ten (10) days before such sale, give us written or telefax notice of your intention to sell, except that, if you shall determine in your sole discretion that any of the Collateral threatens to decline speedily in value, any such sale may be made upon three (3) days' written or telefax notice to us, and we agree that these periods are reasonable.

9. **Application of Moneys.** Except as otherwise provided herein, all moneys which you shall receive in accordance with the provisions hereof shall be applied in the following manner: First, to the payment of all costs and expenses incurred in connection with the administration and enforcement of, or the preservation of any rights under, this Agreement and the realization on the Collateral (including, without limitation, the fees and disbursements of your counsel and agents); and Second, to the payment of all other Obligations in such order as you shall determine in your sole discretion. Any surplus shall be accounted for as required by law.
10. **Waivers, Amendments, Required Notice.** We hereby waive notice of acceptance of this Agreement, notice of non-payment of any of our Receivables, demand, presentment, protest and notice thereof with respect to any and all instruments, notice of Collateral received or delivered, or any other action taken in reliance hereon and all other demands and notices of any description, except such as are expressly provided for herein or which by applicable law may not be waived on the date hereof. No failure on your part to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof or of any default by us hereunder, nor shall any single or partial exercise by you of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. No amendment or modification of this Agreement nor any waiver of any provision of this Agreement or consent to any departure by us therefrom shall in any event be effective unless the same shall be in writing and signed by you, and then any such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on us in any case shall, of itself, entitle us to any other or further notice or demand in similar or other circumstances. Except as otherwise provided herein, if notice, whether before or after any default by us hereunder has occurred, is required by law to be

given by you to us, we agree that five (5) days' notice given in the manner provided below shall be reasonable notice.

11. **Cumulative Rights and Remedies.** This Agreement and the security interest hereunder are in addition to and not in substitution for any other security interest now or hereafter held by you and is, and is intended to be, a continuing agreement and shall not operate as a merger of any contract debt or suspend the fulfilment of or affect your rights, remedies or powers in respect of any obligation or other security interest held by you for the fulfilment thereof. The remedies herein provided are cumulative and are not exclusive of any remedy provided by law.
12. **Notices.** Any notice given hereunder shall be given in writing (including telecopied communication), telecommunicated or delivered by the party giving such notice to the other party at the relevant address(es), set forth in Schedule "C" hereto or, as to each party, at such other address as shall be designated by such party by notice complying with the terms of this paragraph. All notices hereunder shall be deemed given when delivered or telecommunicated addressed as aforesaid. Notices given to you hereunder shall not be effective until given to all of you.
13. **Costs and Expenses.** We agree to pay, on demand, whether any default by us hereunder shall have occurred and regardless of whether any proceeding to enforce this Agreement or the Obligations shall have been commenced, your reasonable costs and expenses, including without limitation reasonable fees and disbursements of your legal counsel incurred in connection with the preparation and enforcement of this Agreement, the security interest given hereunder, the receipt of proceeds hereunder, the care and preservation of the Collateral or the preparation of any requested amendments to this Agreement, modifications hereof or waivers or consents in connection herewith. Any such expenses so incurred by you shall be secured hereby and be a part of the Obligations.

Except for Permitted Encumbrances, if any lien or tax shall be claimed with respect to the Collateral which in your opinion may possibly create a valid obligation having priority over the security interest granted to you herein, you may in your sole discretion and without notice to us, but you shall have no obligation to, pay such taxes, assessments, charges or claims, and the amount thereof shall be charged to our account and added to the Obligations.

Upon our failure to perform any of our duties hereunder, you may, but shall not be obligated to perform any or all of such duties, and we shall pay to you, forthwith upon written demand therefor, an amount equal to the cash or out-of-pocket expense incurred by you in so doing plus interest thereon from the date such expense is incurred until it is paid at the applicable rate(s) of interest payable by us from time to time on the Obligations.

14. **Submission to Jurisdiction.**

- (a) We hereby expressly submit to the non-exclusive jurisdiction of the courts of the Province of Ontario, Canada, or the courts of the State of Illinois in Cook County or the federal courts of the northern district of the State of Illinois in connection with any action, suit or proceeding relating to this agreement, or any other instrument or document referred to herein or related hereto, and in connection therewith, agree that any process or notice of motion or other application to any of said courts or a judge thereof may be served upon us within or without such court's jurisdiction, by registered or certified mail, at our address specified in section 12 hereof (or at such other address as we shall specify by a prior notice in writing to you), provided a reasonable time for appearance is allowed.
- (b) We hereby irrevocably waive any objection which we may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this agreement or any instrument or document referred to herein or related hereto brought to a court sitting in the State of Illinois and hereby further irrevocably waive any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.
- (c) Notwithstanding the foregoing, you may sue us in any jurisdiction where we or any of our assets may be found and may serve legal process upon us in any other manner permitted by law.

15. **Waiver of Jury Trial.** We hereby waive any right we may have to a trial by jury of any dispute arising hereunder or relating to this agreement or any instrument or document referred to herein or related hereto and we agree that any such dispute shall be tried by a judge sitting without a jury.

16. **Successors and Assigns, Governing Law, Term and Survival.** This Agreement, which shall enure to the benefit of and shall be binding upon each of us and our respective successors and assigns, shall be governed by and construed in accordance with the laws, excluding the conflict of laws rules, of the State of Illinois, except to the extent that the laws of any other jurisdiction are applicable as a matter of law to the Collateral or remedies in respect thereof. All covenants, agreements, representations and warranties made herein by us shall survive the execution and delivery of the Agreement and shall continue in full force and effect so long as any of the Obligations remain unpaid. If any part of this Agreement is contrary to, prohibited by or deemed invalid under applicable law or regulations, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given full force and effect so far as possible, and any such prohibition or invalidity in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

17. **Other Currencies.** If for the purpose of obtaining judgment in any court or for any other related purpose under this Agreement, it is necessary to convert any amount owing or payable to you under this Agreement from the currency in which it is due (the "Agreed

Currency”) into a particular currency (the “Judgment Currency”), the rate of exchange applied in such conversion shall be that at which you, in accordance with your normal procedures, could purchase the Agreed Currency with the Judgment Currency at or about noon on the business day immediately preceding the date on which judgment is given. The obligation of us in respect of any amount owing or payable under this Agreement to you in the Agreed Currency shall, notwithstanding any judgment and payment in the Judgment Currency, be satisfied only to the extent that you, in accordance with your normal procedures, could purchase the Agreed Currency with the amount of the Judgment Currency so paid at or about noon on the next business day following such payment; and if the amount of the Agreed Currency which you could so purchase is less than the amount originally due in the Agreed Currency, we shall, as a separate obligation and notwithstanding any such judgment or payment, indemnify you against such loss.

18. **No Assumptions of Duties; Limitation on Liabilities.**

- (a) Nothing herein contained shall be construed to constitute you as our agent for any purpose whatsoever except for the limited purposes of receiving proceeds of the Collateral as provided above and forwarding to us the original or copies of papers or documents received with such proceeds. You do not, by anything contained herein or in any assignment or otherwise, assume any of our obligations under any Collateral or any contract or agreement relating thereto, and you shall not be responsible in any way for performance of any of the terms and conditions thereof.
- (b) Neither you nor any of your directors, officers, agents or employees shall be liable to any person or entity for any action taken or omitted by you or your officers, directors, employees or agents hereunder or with respect to any transaction contemplated by this Agreement, except for your or such officers’, directors’, employees’ or agents’ gross negligence or wilful misconduct. Without limiting the generality of the foregoing, you shall not be responsible or liable for any shortage, discrepancy, damage, loss or destruction of any part of the Collateral wherever the same may be located and regardless of the cause thereof unless due to your gross negligence or wilful misconduct or as provided by law. You shall not, under any circumstances or in any event whatsoever, have any liability for any error or omission or delay of any kind occurring in the settlement, collection or payment of any Receivables or any instrument received in payment thereof or for any damage resulting therefrom.

19. **Headings; Construction.** The headings used in this Agreement are for convenience only and are not to be considered a part of this Agreement and do not in any way limit or amplify the terms and provisions of this Agreement. When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

20. **Definition.** The term "Agreement" as used herein means this agreement, including the attached schedules, as amended, supplemented or restated from time to time and, if this agreement is replaced, any such replacement agreement.
21. The rights and interests of Royal Bank of Canada ("RBC"), The Bank of Nova Scotia ("BNS") and The Toronto-Dominion Bank ("TD") under this Agreement shall rank equally and rateably, without preference and *pari passu* as to one another. Each of RBC, BNS and TD shall hold this Agreement and the security interest granted hereby on behalf of itself, the others of them and Brenton, and their respective successors and assigns, to the extent of the respective interests of RBC, BNS, TD and Brenton in the Obligations. Any proceeds arising from the enforcement or realization of this Agreement shall, after payment of costs of enforcement and realization, be paid to RBC, BNS, TD and Brenton in the proportions of the outstanding Obligations owing by us to each of them and secured by this Agreement at the time of payment.
22. All references to "you" in this Agreement are references to RBC, BNS and TD or any one or more of them as the context requires.

Dated as of this 19th day of November, 1999.

SKYJACK EQUIPMENT, INC.

By: Ed Henderson

Name: Ed Henderson

Title: Secretary

By: Joe Nessman

Name: JOE NESSMAN

Title: V.P. FINANCE

I/We have authority to bind the Corporation.

SCHEDULE A

PERMITTED ENCUMBRANCES

- (a) any lien created by, or arising under, any statute or regulation or common law (in contrast with liens voluntarily granted) in connection with, without limiting the foregoing, workers' compensation, unemployment insurance, employers' health tax or other social security or statutory obligations that secure amounts that are not yet due or which are being contested in good faith by proper proceedings diligently pursued and as to which adequate reserves have been established on our books and records and 1) a stay of enforcement of the lien is in effect or 2) there is no material risk of loss or forfeiture of the property subject to the lien;
- (b) liens made or incurred in the ordinary course of business to secure the performance of bids, tenders, contracts (other than for the borrowing of money), leases, statutory obligations or surety and performance bonds;
- (c) any mechanics', workers', materialmens' or other like lien created by law (in contrast with liens voluntarily granted), arising in connection with construction or maintenance in the ordinary course of business, in respect of obligations which are not due or which are being contested in good faith by proper proceedings diligently pursued and as to which adequate reserves have been established on our books and records and 1) a stay of enforcement of the lien is in effect or 2) there is no material risk of loss or forfeiture of the property subject to the lien;
- (d) any lien for taxes not due or being contested in good faith by appropriate proceedings diligently pursued and as to which adequate reserves have been established on our books and records and 1) a stay of enforcement of the lien is in effect or 2) there is no material risk of loss or forfeiture of the property subject to the lien;
- (e) minor imperfections in title on real property that do not materially detract from the value of the real property subject thereto and do not materially impair our ability to carry on our business or your rights and remedies hereunder;
- (f) any purchase money lien on equipment (including capital leases) to secure the payment of the purchase price of the equipment where the amount of the obligations secured does not exceed 100% of the lesser of the cost or fair market value of the equipment; and extensions, renewals or replacements thereof upon the equipment if the amount of the obligations secured thereby is not increased;
- (g) the rights reserved to or vested in any person by the terms of any lease, licence, franchise, grant or permit acquired by us or by any statutory provision, to terminate the lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;
- (h) any other lien, security interest or encumbrance in your favour.

SCHEDULE B

Location of Collateral Records:

Skyjack Equipment Inc.
1501 Skyjack Avenue
Atlantic, Iowa 50022
U.S.A.

Skyjack Kansas Manufacturing
990 Vernon Road
P.O. Box 399
Wathena, Kansas 66090
U.S.A.

Skyjack Manufacturing
Highway 4 South
P.O. Box 249
Emmetsburg, Iowa 50536
U.S.A.

Skyjack Service
3451 Swenson Avenue
St. Charles, Illinois 60174
U.S.A.

SCHEDULE C

NOTICE ADDRESSES AND FAX NUMBERS

Debtor:

Skyjack Equipment, Inc.
1501 Skyjack Avenue
Atlantic, Iowa 50022
U.S.A.

Facsimile: (712) 243-4944

Lender:

Royal Bank of Canada
20 King Street West
9th Floor
Toronto, Ontario
M5H 1C4

Facsimile: (416) 974-8508

The Bank of Nova Scotia
1 James St. South, 9th Floor
Hamilton, Ontario
L8P 4R5

Facsimile: (905) 577-8535

The Toronto-Dominion Bank
12 Wyndham Street North
P.O. Box 576
Guelph, Ontario
N1H 6K9

Facsimile: (519) 822-2402

THK\RBC\SKYJACK INC\DOCUMENTS\SECURITY AGREEMENT-04.DOC

SECURITY AGREEMENT AMENDMENT

This Agreement is made as of *December 30*, 1999, between

SKYJACK EQUIPMENT, INC.

as Debtor

and

**ROYAL BANK OF CANADA, THE BANK OF NOVA
SCOTIA and THE TORONTO-DOMINION BANK**

collectively as Lender

RECITALS

A. WHEREAS by a Security Agreement dated November 19, 1999 (the "Security Agreement"), Debtor granted to Lender a security interest in Intellectual Property (as defined in the Security Agreement).

B. AND WHEREAS Debtor and Lender wish to amend the Security Agreement to add a list of trade-marks forming part of Intellectual Property.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the sum of Two Dollars (\$2.00) now paid by each of the parties hereto to the other, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party, the parties hereto agree to amend the Security Agreement to include as part of the definition of Intellectual Property the following:

U.S. Trade-mark registration in the name of Skyjack Equipment, Inc.

Trade-mark	Application No.	Registration No.	Registration Date
TK	75/077,968	2, 102,213	September 30, 1997

The parties have executed this Agreement.

SKYJACK EQUIPMENT, INC.

Per: *Ed Henderson*
 Name: *Ed Henderson*
 Title: *Secretary and Treasurer*

Per: *Joe Nessman*
 Name: *Joe Nessman*
 Title: *V.P. Finance*

I/We have authority to bind the Corporation.

ROYAL BANK OF CANADA

Per: [Signature]
Name: _____
Title: **M. S. PATRICKSON
SENIOR MANAGER**

Per: [Signature]
Name: **J. C. COOPER**
Title: **Senior Manager**

I/We have authority to bind the Bank.

THE BANK OF NOVA SCOTIA

Per: [Signature]
Name: **CHRISTOPHER USAS**
Title: **ASSOCIATE DIRECTOR**

Per: [Signature]
Name: **B.D. McKezic**
Title: **Managing Director**

I/We have authority to bind the Bank.

THE TORONTO-DOMINION BANK

Per: [Signature]
Name: **A. R. RUMBLES**
Title: **Manager, Commercial Loans**

Per: [Signature]
Name: _____
Title: **P. E. BOWEN
Director & Senior
Special for Unit, Toronto
Group Risk Management**

I/We have authority to bind the Bank.