

02-28-2000

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

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



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MRO  
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  
11 17 1999

#### Conveying Party

Mark if additional names of conveying parties attached  
Execution Date  
Month Day Year  
11 17 1999

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
- 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 Assignment.)

#### FOR OFFICE USE ONLY

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01 FC:481 40.00 OP  
02 FC:482 75.00 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

REEL: 002026 FRAME: 0815

**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)               |                      |                      |
|---------------------------------------|----------------------|----------------------|--------------------------------------|----------------------|----------------------|
| <input type="text" value="75329530"/> | <input type="text"/> | <input type="text"/> | <input type="text" value="2073859"/> | <input type="text"/> | <input type="text"/> |
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| <input type="text"/>                  | <input type="text"/> | <input type="text"/> | <input type="text" value="2069859"/> | <input type="text"/> | <input type="text"/> |

**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

Signature

2/11/99

Date Signed

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 Inc.

11 17 1999

Formerly

Individual  General Partnership  Limited Partnership  Corporation  Association

Other

Citizenship State of Incorporation/Organization Ontario

**Receiving Party**

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name Toronto - Dominion Bank, The

DBA/AKA/TA

Composed of

Address (line 1) 12 Wyndham Street North

Address (line 2) P.O. Box 576

Address (line 3) Guelph Ontario N1H 6K9  
City State/Country Zip Code

Individual  General Partnership  Limited Partnership

Corporation  Association

Other Federal Chartered Bank

Citizenship/State of Incorporation/Organization Canadian

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)**

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

Mark if additional numbers attached

Trademark Application Number(s)

Registration Number(s)

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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 Skyjack Inc.

11 17 1999

Formerly

Individual  General Partnership  Limited Partnership  Corporation  Association

Other

Citizenship State of Incorporation/Organization Ontario

**Receiving Party**

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name Bank of Novia 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

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Trademark Application Number(s)

Registration Number(s)

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## GENERAL SECURITY AGREEMENT

### 1. SECURITY INTEREST

- (a) For value received, the undersigned ("Debtor"), hereby grants to **Royal Bank of Canada** ("RBC"), **The Bank of Nova Scotia** ("BNS") and **The Toronto-Dominion Bank** ("TD"), collectively "Lender", a security interest (the "Security Interest") in the undertaking of Debtor and in all of Debtor's present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefor (hereinafter collectively called "Collateral"), and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:
- (i) all inventory of whatever kind and wherever situate;
  - (ii) all equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
  - (iii) all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor ("Debts");
  - (iv) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
  - (v) all contractual rights and insurance claims;
  - (vi) all patents, industrial designs, trade-marks, trade secrets and know-how including without limitation environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, plant breeders' rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively "Intellectual Property"); and

- (vii) all property described in Schedule "C" or any schedule now or hereafter annexed hereto.
- (b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.
- (c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Security", "proceed", "Inventory", "accession", "Money", "Account", "financing statement" and "financing change statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in The Personal Property Security Act of the province referred to in Clause 12(r), as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of Debtor as that term is defined in the P.P.S.A., and the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Security Agreement. Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

## **2. INDEBTEDNESS SECURED**

The Security Interest granted hereby secures (i) payment and performance of any and all obligations, indebtedness and liability of Debtor to Lender or any one or more of them, (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether Debtor be bound alone or with another or others and whether as principal or surety (hereinafter called the "Lender Indebtedness") and (ii) to a maximum principal amount of Five Million United States Dollars (US\$5,000,000) plus any interest accrued and unpaid thereon, payment and performance of any and all obligations, debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not of the Debtor to Brenton Bank ("Brenton") arising from a continuing guarantee dated March 22, 1999 and granted by Debtor to Brenton in respect of the obligations of Skyjack Equipment, Inc. to Brenton, as amended or restated from time to time (hereinafter collectively called the "Brenton Indebtedness"). The Lender Indebtedness and Brenton Indebtedness are hereinafter collectively called the "Indebtedness". If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding.

### 3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) the Collateral is lawfully owned or leased by Debtor free of all security interests, mortgages, liens, claims, charges, licences, leases, encumbrances or other adverse claims or interests (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "A" or hereafter approved in writing by Lender, prior to their creation or assumption (hereinafter collectively "Permitted Encumbrances");
- (b) the amount represented by Debtor to Lender from time to time as owing under any Debt, Chattel Paper or Instrument by the party obligated to pay the same (the "Account Debtor") will be the correct amount owing by such Account Debtor, except for normal cash discounts where applicable, and, save as otherwise disclosed to Lender in writing, no Account Debtor will have any defence, set off, claim or counterclaim against Debtor which can be asserted against Lender, whether in any proceeding to enforce Collateral or otherwise;
- (c) except as advised by Debtor from time to time to reflect new locations in the ordinary course of its business, the locations specified in Schedule "B" as to business operations and records are accurate and complete and with respect to Goods (including Inventory) constituting Collateral, the locations specified in Schedule "B" are accurate and complete save for Goods in transit to or from such locations and Inventory on lease or consignment; and all fixtures or Goods about to become fixtures which form part of the Collateral will be situate at one of such locations; and
- (d) the execution, delivery and performance of the obligations under this Security Agreement and the creation of any security interest in or assignment hereunder of Debtor's rights in the Collateral to Lender will not result in a material breach of any agreement to which Debtor is a party.

### 4. COVENANTS OF THE DEBTOR

So long as this Security Agreement remains in effect Debtor covenants and agrees:

- (a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to take all reasonable action to keep the Collateral free from all Encumbrances, except for Permitted Encumbrances and licences which are compulsory under federal or provincial legislation and not to sell, exchange, transfer, assign, lease, license or otherwise dispose of Collateral or any interest therein without the prior written consent of Lender; provided always that, until default, and subject to any other agreement with any of RBC, BNS or TD, Debtor may, in the ordinary course of Debtor's business, and on commercially reasonable terms, sell or lease Collateral and dispose of obsolete

and worn out Collateral and, subject to Clause 7 hereof, use Money available to Debtor;

- (b) to notify Lender promptly of:
  - (i) any change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral,
  - (ii) the details of any significant acquisition of Collateral,
  - (iii) the details of any claims or litigation affecting Debtor or Collateral,
  - (iv) any material loss or damage to Collateral,
  - (v) any default by any significant Account Debtor in payment or other performance of his/her obligations with respect to Collateral, and
  - (vi) the return to or repossession by Debtor of any material Collateral;
- (c) to keep Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance; to keep all agreements, registrations and applications relating to Intellectual Property and intellectual property used by Debtor in its business in good standing and to renew all agreements and registrations as may be necessary or desirable to protect such Intellectual Property, unless otherwise agreed in writing by Lender; to apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so;
- (d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by Lender of or with respect to Collateral in order to give effect to these presents and to pay all reasonable costs for all applicable searches and filings in connection therewith;
- (e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable, save and except to the extent and for so long as any such amounts are being contested in good faith by Debtor and any lien created thereby is a Permitted Encumbrance;
- (f) to insure Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as Lender shall reasonably direct with loss payable to Lender and Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor;



- (g) to prevent Collateral, save Collateral leased as permitted hereby, from being or becoming an accession to other property not covered by this Security Agreement;
- (h) to carry on and conduct the business of Debtor in a proper and efficient manner and so as to protect and preserve Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at Lender's request so as to indicate the Security Interest;
- (i) to deliver to Lender from time to time promptly upon request:
  - (i) copies and, after default, originals of any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral,
  - (ii) copies and, after default, originals of all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral,
  - (iii) all financial statements prepared by or for Debtor regarding Debtor's business, and
  - (iv) all policies and certificates of insurance relating to Collateral.

## **5. USE AND VERIFICATION OF COLLATERAL**

Subject to compliance with Debtor's covenants contained herein and Clause 7 hereof, Debtor may, until default, possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of Debtor's business in any manner not inconsistent with the provisions hereof; provided always that Lender shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner Lender may consider appropriate and Debtor agrees to furnish all assistance and information and to perform all such acts as Lender may reasonably request in connection therewith and for such purpose to grant to Lender or its agents access to all places where Collateral may be located and to all premises occupied by Debtor, during normal business hours upon reasonable prior notice.

## **6. SECURITIES**

If Collateral at any time includes Securities, Debtor authorizes Lender to transfer the same or any part thereof into its own name or that of its nominee(s) so that Lender or its nominee(s) may appear of record as the sole owner thereof; provided that, until default, Lender shall deliver promptly to Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to Debtor or its order a proxy to vote and take all action with respect to such Securities. After default, Debtor waives all rights to receive any notices or communications received by Lender or its nominee(s) as such registered owner and agrees that no proxy issued by Lender to Debtor or its order as aforesaid shall thereafter be effective.

## **7. COLLECTION OF DEBTS**

After default under this Security Agreement, Lender may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to Lender. Debtor acknowledges that any payments on or other proceeds of Collateral received by Debtor from Account Debtors after default, whether before or after notification of this Security Interest to Account Debtors, shall be received and held by Debtor in trust for Lender and shall be turned over to Lender upon request.

## **8. INCOME FROM AND INTEREST ON COLLATERAL**

Any money constituting income from or interest on Collateral received by Debtor after default under this Security Agreement shall be held in trust for Lender and shall be turned over to Lender upon request.

## **9. DISPOSITION OF MONEY**

Subject to any applicable requirements of the P.P.S.A., all Money collected or received by Lender after default pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as Lender deems best or, at the option of Lender, may be held unappropriated in a collateral account or released to Debtor, all without prejudice to the liability of Debtor or the rights of Lender hereunder, and any surplus shall be accounted for as required by law.

## **10. EVENTS OF DEFAULT**

The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as "default":

- (a) the non-payment when due, whether by acceleration or otherwise, of any Indebtedness (beyond any applicable grace periods); or
- (b) the failure of Debtor to observe or perform (beyond any applicable grace or cure periods) any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between Debtor and Lender evidencing or relating to any Indebtedness.

## **11. REMEDIES**

- (a) Upon default, Lender may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of Lender or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his/her stead. Any such Receiver shall, so far as concerns responsibility for his/her acts, be deemed the agent of Debtor and not Lender, and Lender shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his/her

servants, agents or employees. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable the Receiver to carry on Debtor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by Lender, all Money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to Lender. Every such Receiver may, in the discretion of Lender, be vested with all or any of the rights and powers of Lender.

- (b) Upon default, Lender may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).
- (c) Upon default, Lender may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, Lender may sell, license, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to Lender may seem reasonable.
- (d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and Lender and in addition to any other rights Lender may have at law or in equity, Lender shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that Lender shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, Lender shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in Lender's possession and shall not be liable or accountable for failure to do so.
- (e) Debtor acknowledges that Lender or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from Lender or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.
- (f) Debtor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by Lender or any Receiver appointed by it, whether directly

or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by Lender or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

- (g) Lender will give Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the P.P.S.A.
- (h) Upon default and receiving written demand from Lender, Debtor shall take such further action as may be necessary to evidence and effect an assignment or licensing of Intellectual Property to whomever Lender directs, including to Lender. Debtor appoints any officer or director or branch manager of Lender upon default to be its attorney in accordance with applicable legislation with full power of substitution and to do on Debtor's behalf anything that is required to assign, license or transfer, and to record any assignment, licence or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

## 12. MISCELLANEOUS

- (a) Debtor hereby authorizes Lender to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any Permitted Encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situate) as Lender may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and, upon default, to realize upon the Security Interest and Debtor hereby irrevocably constitutes and appoints the Manager or Acting Manager from time to time of the herein mentioned branch of RBC the true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever it may be deemed necessary or expedient.
- (b) Without limiting any other right of Lender, whenever Indebtedness is immediately due and payable or Lender has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), Lender may, in its sole discretion, set off against Indebtedness any and all amounts then owed to Debtor by Lender in any capacity, whether or not due, and Lender shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on Lender's records subsequent thereto.

- (c) Upon Debtor's failure to perform any of its duties hereunder, Lender may, but shall not be obligated to, perform any or all of such duties, and Debtor shall pay to Lender, forthwith upon written demand therefor, an amount equal to the expense incurred by Lender in so doing plus interest thereon from the date such expense is incurred until it is paid at the rates applicable to Indebtedness.
- (d) Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Debtor, sureties and others and with Collateral and other security as Lender may see fit without prejudice to the liability of Debtor or Lender's right to hold and realize the Security Interest. Furthermore, Lender may, after default, demand, collect and sue on Collateral in either Debtor's or Lender's name, at Lender's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other Instruments pertaining to or constituting Collateral.
- (e) No delay or omission by Lender in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, Lender may remedy any default by Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of Lender granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (f) Debtor waives protest of any Instrument constituting Collateral at any time held by Lender on which Debtor is in any way liable and, subject to Clause 12(g) hereof, notice of any other action taken by Lender.
- (g) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. In any action brought by an assignee of this Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against Lender.
- (h) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.
- (i) Subject to the requirements of Clauses 12(g) and 13(j) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of Lender, if delivered to

it or sent by prepaid registered mail or by telecopier addressed to it at the addresses herein set forth or as changed pursuant hereto, and, in the case of Debtor, if delivered to it or if sent by prepaid registered mail or by telecopier addressed to it at its last address known to Lender. Either party may notify the other pursuant hereto of any change in such party's principal address or telecopier number to be used for the purposes hereof.

- (j) This Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by Lender and is intended to be a continuing Security Agreement and shall remain in full force and effect until the Managers or Acting Managers from time to time of the herein mentioned branches of Lender shall actually receive written notice of its discontinuance; and, notwithstanding such notice, shall remain in full force and effect thereafter until all Indebtedness contracted for or created before the receipt of such notice by Lender, and any extensions or renewals thereof (whether made before or after receipt of such notice) together with interest accruing thereon after such notice, shall be paid in full.
- (k) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.
- (l) 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 and grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.
- (m) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.
- (n) Nothing herein contained shall in any way obligate Lender to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.
- (o) The Security Interest created hereby is intended to attach when this Security Agreement is signed by Debtor and delivered to Lender.
- (p) Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby
  - (i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and

- (ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to Lender at the time of amalgamation and any "Indebtedness" of the amalgamated company to Lender thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with Debtor, and by the amalgamated company, at the time of the amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.
- (q) In the event that Debtor is a body corporate, it is hereby agreed that The Limitation of Civil Rights Act of the Province of Saskatchewan, or any provision thereof, shall have no application to this Security Agreement or any agreement or instrument renewing or extending or collateral to this Security Agreement. In the event that Debtor is an agricultural corporation within the meaning of The Saskatchewan Farm Security Act, Debtor agrees with Lender that all of Part IV (other than Section 46) of that Act shall not apply to Debtor.
- (r) This security agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the province of Ontario, as the same may from time to time be in effect, including, where applicable, the P.P.S.A.
- (s) The rights and interests of RBC, BNS and TD in the Security Interest granted hereby shall rank equally and rateably, without preference and *pari passu* as to one another. Each of RBC, BNS and TD shall hold this Security 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 Indebtedness. Any proceeds arising from the enforcement or realization of this Security Agreement shall, after payment of costs of enforcement and realization, be paid to RBC, BNS, TD and Brenton in the proportions of the outstanding Indebtedness owing by Debtor to each of them and secured by this Security Agreement at the time of payment.

### **13. DEFINITION OF LENDER**

References to "Lender" herein shall mean all or any one or more of them as the context may require.

### **14. COPY OF AGREEMENT**

- (a) Debtor hereby acknowledges receipt of a copy of this Security Agreement.

15. Debtor represents and warrants that the following information is accurate:

### **BUSINESS DEBTOR**

|   |
|---|
| <b>NAME OF BUSINESS DEBTOR:</b> SKYJACK INC.                                  |
| <b>ADDRESS OF BUSINESS DEBTOR:</b> 55 Campbell Road, Guelph, Ontario, N1H 1B9 |
| <b>FACSIMILE NO. OF DEBTOR:</b> (519) 837-1398                                |

IN WITNESS WHEREOF Debtor has executed this Security Agreement this  
 17<sup>th</sup> day of November, 1999.

**SKYJACK INC.**

Linda DePree  
 WITNESS

Per: Ed Henderson  
 Name: Ed Henderson  
 Position: Secretary and Treasurer

Linda DePree  
 WITNESS

Per: Joe Nessman  
 Name: JOE NESSMAN  
 Position: J.P. FINANCE

I/We have authority to bind the Corporation.

|   |
|---|
| <b>RBC ADDRESS:</b> Business Banking, 20 King St. W., 9th Floor, Toronto, Ontario, M5H 1C4                        |
| <b>TD ADDRESS:</b> The Toronto-Dominion Bank, 12 Wyndham Street North, P.O. Box 576, Guelph, Ontario, N1H 6K9     |
| <b>BNS ADDRESS:</b> The Bank of Nova Scotia, 1 James St. South, 9 <sup>th</sup> Floor, Hamilton, Ontario, L8P 4R5 |



**SCHEDULE "A"**

(ENCUMBRANCES AFFECTING COLLATERAL)

- (a) existing security in respect of which a financing statement has been filed under the *Personal Property Security Act* ("PPSA") as Registration No. 19951115 1134 1638 9521 in favour of Commcorp Financial Services Inc;
- (b) existing security in respect of which a financing statement has been filed under the PPSA as Registration No. 19960109 1541 1638 0344 in favour of Commcorp Financial Services Inc., as amended by financing change statement filed as Registration No. 19981215 1751 1424 5308;
- (c) existing security in respect of which a financing statement has been filed under the PPSA as Registration No. 19960410 0925 1638 1377 in favour of Commcorp Financial Services Inc.;
- (d) existing security in respect of which a financing statement has been filed under the PPSA as Registration No. 19980120 1137 1638 3993 in favour of Newcourt Financial Ltd (*sic*);
- (e) existing security in respect of which a financing statement has been filed under the PPSA as Registration No. 19980825 1725 1513 8601 in favour of Gary Cooper Chevrolet Geo Oldsmobile Ltd (*sic*);
- (f) existing security in respect of which a financing statement has been filed under the PPSA as Registration No. 19990107 1505 7036 3563 in favour of Gary Cooper Chevrolet Geo Oldsmobile Ltd.;
- (g) existing security in respect of which a financing statement has been filed under the PPSA as Registration No. 19990107 1511 7036 3564 in favour of Gary Cooper Chevrolet Geo Oldsmobile Ltd.;
- (h) existing security in respect of which a financing statement has been filed under the PPSA as Registration No. 19990226 1434 1530 7155 in favour of Newcourt Financial Ltd.;
- (i) 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 the Borrower's 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;
- (j) 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;
- (k) 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 the Borrower's 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;

(l) 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 the Borrower's 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;

(m) 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 the Borrower's ability to carry on its business or the Lender's rights and remedies hereunder;

(n) 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;

(o) the rights reserved to or vested in any Person by the terms of any lease, licence, franchise, grant or permit acquired by the Borrower 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;

(p) any other lien, Security Interest or encumbrance in favour of the Lender.

SCHEDULE "B"

**1. Locations of Debtor's Business Operations**

55 Campbell Road  
Guelph, Ontario  
N1H 1B9

**2. Locations of Records relating to Collateral (If different from 1. above)**

*Same as above*

**3. Locations of Collateral (If different from 1. above)**

*Same as above*

Any other place or places where Collateral may be located.

**SCHEDULE "C"**

(DESCRIPTION OF PROPERTY)

## GENERAL SECURITY AGREEMENT AMENDMENT

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

**SKYJACK 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 General Security Agreement dated November 17, 1999 (the "GSA"), Debtor granted to Lender a security interest in Intellectual Property as defined in the GSA.

B. AND WHEREAS Debtor and Lender wish to amend the GSA to add a list of trade-marks forming part of Intellectual Property to Schedule "C" of the GSA.

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 GSA to add the following list of trade-marks to Schedule "C" of the GSA.

**Canadian registered Trade-marks in the name of Skyjack Inc.**

| Trade-mark          | Application No. | Registration No. | Registration Date |
|---------------------|-----------------|------------------|-------------------|
| ELEVATING THE WORLD | 847,893         | TMA518,789       | October 27, 1999  |
| SKYDECK             | 631,033         | TMA395,772       | March 20, 1992    |
| SKYJACK             | 631,034         | TMA375,441       | November 9, 1990  |
| SKYJACK & Design    | 812,855         | TMA480,223       | August 12, 1997   |

**U.S. registered Trade-marks in the name of Skyjack Inc.**

| Trade-mark       | Application No. | Registration No. | Registration Date |
|------------------|-----------------|------------------|-------------------|
| SKYDECK          | 75/134,298      | 2,073,859        | June 24, 1997     |
| SKYJACK          | 74/475,090      | 1,866,750        | December 13, 1994 |
| SKYJACK & Design | 75/140,150      | 2,069,859        | June 10, 1997     |

**U.S. Trade-mark Application in the name of Skyjack Inc.**

| Trade-mark          | Application No. | Filing Date   |
|---------------------|-----------------|---------------|
| ELEVATING THE WORLD | 75/329,530      | July 23, 1997 |

The parties have executed this Agreement.

**SKYJACK INC.**

Per: [Signature]  
Name: Ed Henderson  
Title: Secretary and Treasurer

Per: [Signature]  
Name: Joe Nessman  
Title: V.P. Finance

I/We have authority to bind the Corporation.

**ROYAL BANK OF CANADA**

Per: [Signature]  
Name: [Signature]  
Title: [Signature]

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: CHRISTOPHE USAY  
Title: ASSOCIATE DIRECTOR

Per: [Signature]  
Name: Adam Kenzie  
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: [Signature]  
Title: [Signature]

I/We have authority to bind the Bank.