UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2009

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number 000-13611

SPARTAN MOTORS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Michigan	**38-2078923**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
1000 Reynolds Road **Charlotte, Michigan**	**48813**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code: **(517) 543-6400**

Securities registered pursuant to Section 12(b) of the Securities Exchange Act

Title of Class	Name of Exchange on which Registered
Common Stock, $.01 Par Value	**NASDAQ Global Select Market**

Securities registered pursuant to Section 12(g) of the Securities Exchange Act: None

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ____ No X

Indicate by check mark whether the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes ____ No X

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ____ No X

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes ____ No ____

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ___

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check One):
Large accelerated filer ____ Accelerated filer X Non-accelerated filer ____ Smaller reporting company ____

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2).
Yes ____ No X

The aggregate market value of the registrant's voting stock held by non-affiliates of the registrant, based on the last sales price of such stock on NASDAQ Global Select Market on June 30, 2009, the last business day of the registrant's most recently completed second fiscal quarter: $265,819,667.

The number of shares outstanding of the registrant's Common Stock, $.01 par value, as of February 26, 2010: 32,892,924 shares

Documents Incorporated by Reference

Portions of the definitive proxy statement for the registrant's May 19, 2010 annual meeting of shareholders, to be filed with the Securities and Exchange Commission no later than 120 days after December 31, 2009, are incorporated by reference in Part III.

FORWARD-LOOKING STATEMENTS

This Form 10-K contains some statements that are not historical facts. These statements are called "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements involve important known and unknown risks, uncertainties and other factors and can be identified by phrases using "estimate," "anticipate," "believe," "project," "expect," "intend," "predict," "potential," "future," "may," "will," "should" and similar expressions or words. Our future results, performance or achievements may differ materially from the results, performance or achievements discussed in the forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions ("Risk Factors") that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence. Therefore, actual results and outcomes may materially differ from what may be expressed or forecasted in such forward-looking statements.

Risk Factors include the risk factors listed and more fully described in Item 1A below, "Risk Factors", as well as risk f actors that we have discussed in previous public reports and other documents filed with the Securities and Exchange Commission. The list in Item 1A below includes all known risks our management believes could materially affect the results described by forward-looking statements contained in this Form 10-K. However, these risks may not be the only risks we face. Our business, operations, and financial performance could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. In addition, new Risk Factors may emerge from time to time that may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, although we believe that the forward-looking statements contained in this Form 10-K are reasonable, we cannot provide you with any guarantee that the anticipated results will be achieved. All forward-looking statements in this Form 10-K are expressly qualified in their entirety by the cautionary statements contained in this section and investors should not place undue reliance on forward-looking statements as a prediction of actual results. The Company undertakes no obligation to update or revise any forward-looking statements to reflect developments or information obtained after the date this Form 10-K is filed with the Securities and Exchange Commission.

PART I

Item 1. Business.

When used in this Form 10-K, "Company" refers to Spartan Motors, Inc. and, depending on the context, could also be used to refer generally to the Company and its subsidiaries, which are described below.

General

Spartan Motors, Inc. was organized as a Michigan corporation on September 18, 1975, and is headquartered in Charlotte, Michigan. Spartan Motors began development of its first product that same year and shipped its first fire truck chassis in October 1975.

The Company is known as a leading, niche market engineer and manufacturer in the heavy-duty, custom vehicles marketplace. The Company has five wholly owned operating subsidiaries: Spartan Motors Chassis, Inc., located at the corporate headquarters in Charlotte, Michigan ("Spartan Chassis"); Crimson Fire, Inc. located in Brandon, South Dakota ("Crimson"); Crimson Fire Aerials, Inc., located in Lancaster, Pennsylvania ("Crimson Aerials"); Road Rescue, Inc., located in Marion, South Carolina ("Road Rescue"); and Utilimaster Corporation, located in Wakarusa, Indiana ("Utilimaster").

Spartan Chassis is a leading designer, engineer and manufacturer of custom heavy-duty chassis. The chassis consist of a frame assembly, engine, transmission, electrical system, running gear (wheels, tires, axles, suspension and brakes) and, for fire trucks and some specialty chassis applications, a cab. Spartan Chassis customers are original equipment manufacturers ("OEMs") who complete their heavy-duty vehicle product by either mounting the body or apparatus on the Company's chassis or integrating the drive train with the armored body. Crimson and Road Rescue engineer and manufacture emergency vehicles built on chassis platforms purchased from either Spartan Chassis or outside sources. Crimson Aerials engineers and manufactures aerial ladder components for fire trucks. Utilimaster, which the Company acquired on November 30, 2009, is a leading manufacturer of specialty vehicles made to customer specifications in the delivery and service market, including walk-in vans and hi-cube vans, as well as truck bodies.

The Company's business strategy is to further diversify product lines and develop innovative design, engineering and manufacturing expertise in order to be the best value producer of custom vehicle products. Spartan Chassis sells its custom chassis to three principal markets: fire truck, motorhome and other product sales which include specialty vehicles and service parts and accessories ("SPA"). The Company's diversification across several sectors gives numerous opportunities while minimizing overall risk. Additionally, the Company's business model provides the agility to quickly respond to market needs, take advantage of strategic opportunities when they arise and correctly size operations to ensure stability and growth.

The Company has an innovative team focused on building lasting relationships with its customers. This is accomplished by striving to deliver premium custom vehicles, vehicle components, and services. The Company believes it can best carry out its long-term business plan and obtain optimal financial flexibility by using a combination of borrowings under the Company's credit facilities, as well as internally or externally generated equity capital, as sources of expansion capital.

Recent Acquisition

On November 30, 2009, the Company completed the merger of its wholly-owned subsidiary, SMI Sub, Inc. (a shell corporation set up solely for the purpose of this acquisition), with and into Utilimaster Holdings, Inc., a Delaware corporation ("Holdings"), pursuant to the terms of the Agreement and Plan of Merger dated November 18, 2009, as amended (the "Merger Agreement"), by and among the Company, SMI Sub, Inc., Holdings, Utilimaster Corporation, a Delaware corporation and wholly owned subsidiary of Holdings, and John Hancock Life Insurance Company, a Massachusetts life insurance company and the then majority stockholder of Holdings ("Hancock"). As a result of the closing of the merger, the Company became the sole shareholder of Holdings, the surviving corporation in the merger, and the owner of 100% of the capital stock of Utilimaster.

The cash consideration paid by the Company at closing totaled approximately $42.3 million. The consideration paid is subject to certain post-closing adjustments, including a net working capital adjustment and additional consideration as described in the Merger Agreement. The net working capital adjustment has since been computed and agreed to by both the Company and Hancock and resulted in a reduction of approximately $0.1 million to the closing purchase price. Pursuant to the Merger Agreement, the shareholders of Holdings may receive additional consideration through 2014 in the form of certain performance-based earn-out payments, up to an aggregate maximum amount of $7.0 million. A copy of the Merger Agreement is attached as Exhibit 10.16 to this Form 10-K.

The Company expects the acquisition of Utilimaster will further diversify its revenue stream into new markets that offer growth potential and are not directly dependent on government funding or consumer spending. The Company believes the acquisition also allows the Company to gain entry into the North American delivery and service market, add fabrication and vehicle body expertise, benefit from Utilimaster's strong brand, market share position, and solid customer base, and create opportunities to leverage future growth in the Company's chassis business.

The Company's Segments

The Company is organized into three reportable segments, Spartan Chassis, the Emergency Vehicle Team ("EVTeam"), and Utilimaster, which was acquired on November 30, 2009. For certain financial information related to each segment, see Note 15, *Business Segments*, of the Notes to Consolidated Financial Statements appearing in Item 8 of this Form 10-K.

Spartan Chassis

Sales by Spartan Chassis represented 81.4%, 92.3% and 90.3% of the Company's consolidated sales for the years ended December 31, 2009, 2008, and 2007, respectively. Spartan Chassis has extensive engineering experience in creating chassis for vehicles that perform specialized tasks. Spartan Chassis engineers, manufactures and markets chassis for fire trucks, motorhomes, ambulances and specialty applications such as military vehicles, trolleys, utility trucks, drill rigs and crash-rescue vehicles. Spartan Chassis manufactures chassis only upon receipt of confirmed purchase orders; thus, it does not have significant amounts of completed product inventory. As a specialized chassis producer, Spartan Chassis believes it holds a unique position for continued growth due to its engineering reaction time, manufacturing expertise and flexibility. This allows Spartan Chassis to profitably manufacture custom chassis with a specialized design that will serve customer needs more efficiently and economically than a standard, commercially-produced chassis. Spartan Chassis markets its products throughout the U.S. and Canada. Spartan Chassis employed approximately 720 associates in Charlotte, Michigan as of February 26, 2010, of which approximately 700 were full-time. Of the full-time associates, 20 were contracted employees.

Fire Truck Chassis

Spartan Chassis custom manufactures fire truck and ambulance chassis and cabs in response to exact customer specifications. These specifications vary based on such factors as application, terrain, street configuration and the nature of the community, state or country in which the fire truck will be utilized. Spartan Chassis has three fire truck models within this product line: (1) the "Gladiator" chassis; (2) the "Metro Star" chassis; and (3) the "Furion" chassis.

Spartan Chassis strives to develop innovative engineering solutions to meet customer requirements, and designs new products anticipating the future needs of the marketplace. New vehicle systems and components are regularly introduced by Spartan Chassis that incrementally improve the level of product performance, reliability, and safety for all vehicle occupants. Spartan Chassis monitors the availability of new technology and works closely with its component manufacturers to apply new technology to its products.

Over the past few years, there have been several examples of such innovations. Spartan Chassis has introduced innovations such as: heavy duty air ride independent front suspensions, vehicle data recorder, Furion 4-door ambulance cab/chassis, side rollover air bags, computer navigation systems, electronic stability control, low profile cab designs and electronic fluid level checks.

In addition, more recent efforts are focused on the redesign of the chassis and cab to house the new 2010 emissions compliant engine. Spartan Chassis is investing more than $3.0 million which included approximately 50,000 hours to update its three emergency response chassis models. This ground up redesign will allow integration of the 2010 emission compliant engines, as well as allowing quicker customization of the cabs and chassis to meet specialty and export market requirements. The simultaneous redesign of the chassis frame, cooling packages, and cabs also resulted in the highest power levels available in the industry in an emergency response chassis with a 94" cab.

Motorhome Chassis

Spartan Chassis custom manufactures chassis to the individual specifications of its motorhome chassis OEM customers. These specifications vary based on specific interior and exterior design specifications, power requirements, horsepower and electrical needs of the motorhome bodies to be attached to the Spartan chassis. Spartan Chassis' motorhome chassis are separated into four models: (1) the "NVS" series chassis; (2) the "Mountain Master" series chassis; (3) the "K2" series chassis and (4) the "K3" series chassis.

Versions of these four basic product models are designed and engineered in order to meet exact customer requirements. This allows the chassis to be adapted to the specific floor plan and manufacturing process used by the OEM. Spartan Chassis seeks to develop innovative engineering solutions to meet customer requirements and strives to anticipate future market needs by working closely with OEMs and listening to end users. Spartan Chassis monitors the availability of new technology and works closely with its component manufacturers to apply new technology to its products. Over the past few years there have been several new innovations. Some examples of these would be: electronic steering control, heavy duty air ride independent front suspension and multiplexed electrical controls.

Specialty Vehicle Chassis

Spartan Chassis develops specialized chassis to unique customer requirements and actively seeks additional applications of its existing products and technology in the specialty vehicle market. In 2005, the Company produced its first specialty chassis for the defense market. From 2005 to 2009, Spartan Chassis produced over 6,000 mine resistant wheeled vehicles for the U.S. Department of Defense. Of the nearly 16,000 Mine Resistant Ambush Protected vehicles ordered from 2005 through 2009 by the Department of Defense, almost one-third were manufactured at Spartan Chassis. Additionally, Spartan Chassis continues to be the sole assembler of the Iraqi Light Armored Vehicle and this contract is expected to be extended for another two years. Military vehicle chassis are the primary type of specialty chassis currently produced. With the large number of military vehicles that Spartan Chassis has produced, a corresponding increase in demand for spare parts for military vehicles has developed. Additionally, the Company is increasingly selling military spare parts directly to the U.S. Government as the Defense Logistics Agency increasingly understands the Company's delivery speed, quality and high value of the parts it can provide. Sales for specialty vehicle chassis for military vehicles depend on U.S. Government contracts awarded to Spartan Chassis customers.

In 2009, Spartan Chassis also expanded its specialty vehicle business into the off-road market, such as drill rigs. Spartan Chassis is competing in the premium segment of this market, which requires high power / high capability chassis engineered to the exact requirements of our OEM customer. In addition to commercial applications, potential exists for contracts issued by the U.S. Government in this vocation.

EVTeam

The Company's EVTeam consists of its three wholly owned subsidiaries, Crimson, Crimson Aerials and Road Rescue. Crimson and Road Rescue engineer and manufacture emergency vehicles built on chassis platforms purchased from either Spartan Chassis or outside sources. Crimson Aerials engineers and manufactures aerial ladder components for fire trucks. The EVTeam members manufacture products only upon receipt of confirmed purchase orders; thus they do not have significant amounts of completed product inventory. The EVTeam employed approximately 340 associates as of February 26, 2010 of which approximately 335 were full-time.

Crimson Fire, Inc.

Crimson engineers, manufactures and markets its custom and commercial fire apparatus products through a network of dealers throughout North America. Crimson's headquarters are located in Brandon, South Dakota. Crimson's product lines include pumpers and aerial fire apparatus, heavy- and light-duty rescue units, tankers and quick attack units. Created by the merger on January 1, 2003 of two of the Company's wholly owned subsidiaries - Luverne Fire Apparatus, Ltd. and Quality Manufacturing, Inc. (two of the industry's oldest brands) - the Crimson Fire brand builds on more than 130 years of heritage. Crimson is recognized in the industry for its innovative design and engineering. Crimson's signature features - such as Tubular Stainless Steel body structure (known as the Trix-MaxTM body frame), Vibra-TorqTM mounting system, and Smart Access pump panels - are designed to offer the safety, reliability and durability that firefighters need to get the job done.

Crimson Fire Aerials, Inc.

Crimson Aerials engineers, manufactures and markets aerial ladder components for fire trucks at its headquarters in Lancaster, Pennsylvania. The Company began operations in the later half of 2003 and has developed a full line of aerial products. Crimson Aerials introduced its first models in 2004 and is poised to produce the next generation of aerial devices in terms of technology, operation and serviceability. Crimson Aerials primarily sells its products to Crimson Fire, Inc.

Road Rescue, Inc.

Road Rescue engineers, manufactures and markets a complete line of premium, custom advanced-care ambulances and rescue vehicles at its headquarters in Marion, South Carolina. Road Rescue is a market leader in the design of Type I and Type III high-performance, modular ambulances that fit all emergency transport requirements and offer the latest in technology. Road Rescue was the originator of many features that are now industry standards, such as the recessed flip bumper and restocking cabinets. Another feature improvement originating at Road Rescue was an all wood free interior. These vehicles are built with safety, performance and ease-of-maintenance in mind. Road Rescue markets its products through a dealer network throughout the United States and Canada.

Utilimaster

The Company acquired Utilimaster on November 30, 2009. Utilimaster, which was established in 1973, designs, develops, and manufactures products to customer specifications for use in the package delivery, one-way truck rental, bakery/snack delivery, utility, and linen/uniform rental businesses. Utilimaster serves a diverse customer base and also sells aftermarket parts and accessories. The majority of its revenues are in the delivery and service market, which includes walk-in vans for the package delivery, bakery/snack delivery and linen/uniform rental markets. Its remaining revenues are attributable to commercial truck bodies, along with service parts and accessories. Utilimaster employed approximately 540 associates as of February 26, 2010, of which approximately 50 were contracted employees.

The Company's sales and distribution efforts are designed to sell to national, fleet and commercial dealer accounts within these niches under the Aeromaster®, Trademaster®, Metromaster® and Utilivan® brand names. Utilimaster markets its products throughout the U.S. and Canada.

The principal types of commercial vehicles manufactured by Utilimaster are walk-in vans, cutaway vans and truck bodies. Walk-in vans are assembled on a "stripped" truck chassis supplied with engine and drive train components, but without a cab. Walk-in vans are sold under the Aeromaster® brand, and are typically used in multi-stop applications that include the delivery of packages, the distribution of food products and the delivery of uniforms/linens. Cutaway vans are installed on "cutaway" van chassis, and are sold under the Utilimaster, Utilivan®, Metromaster® and Trademaster® brand names. Cutaway bodies are primarily used for local delivery of parcels, freight and perishable food. Utilimaster's truck bodies are typically fabricated with pre-painted panels, aerodynamic front and side corners, hardwood floors and various door configurations to accommodate end-user loading and unloading requirements. Utilimaster installs its truck bodies on a chassis that is supplied with a finished cab. Utilimaster's truck bodies are sold under the Utilimaster brand name and are used for diversified dry freight transportation.

Marketing

Spartan Chassis markets its specialty manufactured chassis and fire trucks throughout the U.S. and Canada, primarily through the direct contact of its sales department with OEMs, dealers and end users. The EVTeam maintains dealer organizations that establish close working relationships through their sales departments with end users. These personal contacts focus on the quality of the group's specialty products and allow the Company to keep customers updated on new and improved product lines and end users' needs.

Utilimaster sells its products to commercial vehicle dealers, leasing companies and directly to end-users. Utilimaster markets its products directly to several national and fleet accounts (national accounts typically have 1,000+ vehicle fleets and fleet accounts typically have 100+ vehicle fleets), and through a network of independent truck dealers in the U.S. and, to a lesser extent, in Canada. Utilimaster has organized its sales force and product engineering staff into market teams. Utilimaster also provides aftermarket support, including part sales and field service, to all of its customers through its Customer Service Department located in Wakarusa, Indiana, as well as maintaining the only online parts resource among the major delivery and service vehicle manufacturers. Utilimaster does not provide financing to dealers, fleet or national accounts. Utilimaster also maintains multi-year supply agreements with certain key fleet customers in the parcel and linen/uniform rental industries.

In 2009 and consistent with prior years, representatives from the Company attended trade shows, rallies and expositions throughout North America as well as Europe and Asia to promote its products. Trade shows provide the opportunity to display products and to meet directly with OEMs who purchase chassis, dealers who sell finished vehicles and consumers who buy the finished products. Participation in these events also allows the Company to better identify what customers and end users are looking for in the future. The Company uses these events to create a competitive advantage by relaying this information back to its advanced product development team for future projects.

The Company's sales and marketing team is responsible for promoting and selling its manufactured goods and producing product literature. The sales group consists of approximately 65 salespeople based in Company locations in Charlotte, Michigan; Brandon, South Dakota; Marion, South Carolina; Lancaster, Pennsylvania; and Wakarusa, Indiana; and 15 additional salespeople located throughout North America.

Competition

The principal methods of building competitive advantages utilized by the Company include short engineering reaction time, custom design capability, high product quality, superior customer service and quick delivery. The Company competes with companies that manufacture for similar markets, including some divisions of large diversified organizations that have total sales and financial resources exceeding those of the Company. Certain competitors are vertically integrated and manufacture their own chassis and/or apparatuses, although they generally do not sell their chassis to outside customers (other OEMs). The Company's direct competitors in the emergency vehicle apparatus market are principally smaller manufacturers. The Company's competition in the delivery vehicle market, primarily walk-in vans, comes from a small number of manufacturers.

Because of the lack of reliable published statistics, the Company is unable to state with certainty its position in most of its markets compared to its competitors. The emergency vehicle market and, to a lesser degree, the custom chassis market are fragmented. The Company believes that no one company has a dominant position in either of those markets. The Company is the leading manufacturer of walk-in vans in the United States. The Company believes it has a market share of over 60% in this market. The cutaway and truck body markets are highly fragmented, making the determination of the Company's market share difficult. However, the Company believes it is one of the top five manufacturers of these products in the United States.

Manufacturing

Spartan Chassis currently has seven principal assembly facilities in Charlotte, Michigan for its custom chassis products. Most of these facilities have been updated over the past few years in order to increase efficiencies and to improve the quality of our manufacturing process. Due to the custom nature of its business, the Company's chassis are hand crafted to customer specifications on non-automated assembly lines. Generally, Spartan Chassis designs, engineers and assembles its specialized heavy-duty truck chassis using commercially available components purchased from outside suppliers rather than producing components internally. Approximately 96% of fire truck and motorhome material costs and approximately 50% of other product material costs, primarily related to the military market, were directly attributable to purchased components that are commercially available from outside vendors. This approach facilitates prompt serviceability of finished products, reduces production costs, expedites the development of new products and reduces the potential of costly down time for the end user.

The EVTeam products are manufactured and assembled in each of the subsidiaries' respective manufacturing facilities, represented by four plants in total. The chassis for the products are purchased from Spartan Chassis and from outside commercial chassis manufacturers. The EVTeam facilities do not use automated assembly lines since each vehicle is manufactured to meet specifications of an end user customized order. The chassis is rolled down the production line as other components are added and connected. The body is manufactured at the facility with components such as pumps, tanks, aerial ladders and electrical control units purchased from outside suppliers.

Utilimaster's manufacturing operations are located in Wakarusa, Indiana. Utilimaster builds commercial vehicles and installs other related equipment on truck chassis. These commercial vehicles are built on an assembly line from engineered structural components, such as floors, roofs, and wall panels. After assembly, Utilimaster installs optional equipment and finishes based on customer specifications. At each step of the manufacturing, installation and finish process, Utilimaster conducts quality control procedures to ensure product and specification integrity. Utilimaster's products are highly engineered and generally produced to firm orders. Order levels will vary depending upon price, competition, prevailing economic conditions and other factors.

Suppliers

The Company is dedicated to establishing long-term and mutually beneficial relationships with its suppliers. Through these relationships, the Company benefits from new innovations, higher quality, reduced lead times, smoother/faster manufacturing ramp-up of new vehicle introductions and lower total costs of doing business. The combined buying power of the Company's subsidiaries and a corporate supply chain management initiative allow the Company to benefit from economies of scale and to focus on a common vision.

The single largest commodity utilized in production is aluminum, which the Company purchases under purchase agreements similar to steel. To a lesser extent the Company is dependent upon suppliers of lumber, fiberglass and steel for its manufacturing and has no significant related long-term material contracts. There are several readily available sources for the majority of these raw materials. However, the Company is heavily dependent on specific component part products from a few single source vendors. The Company maintains an extensive qualification, on-site inspection, assistance, and performance measurement system to control risks associated with reliance on suppliers. The Company has not experienced any significant shortages of raw materials or component parts and normally does not carry inventories of such raw materials or components in excess of those reasonably required to meet production and shipping schedules. Material and component cost increases are passed on to the Company's customers whenever possible. However, there can be no assurance that there will not be any supply issues over the long-term.

In the assembly of commercial vehicles, the Company uses chassis supplied by third parties, and generally does not purchase these chassis for inventory. For this market, the Company typically accepts shipment of truck chassis owned by dealers or end users, for the purpose of installing and/or manufacturing its specialized commercial vehicles on such chassis. In the event of a labor disruption or other uncontrollable event adversely affecting the limited number of companies which manufacture and/or deliver such commercial truck chassis, Utilimaster's level of manufacturing could be substantially reduced.

Research and Development

The Company's success depends on its ability to respond quickly to changing market demands and new regulatory requirements. Thus, it emphasizes research and development and commits significant resources to develop and adapt new products and production techniques. The Company dedicates a portion of its facilities to research and development projects and focuses on implementing the latest technology from component manufacturers into existing products and manufacturing prototypes of new product lines. The Company spent $17.7 million, $19.5 million, and $15.9 million on research and development in 2009, 2008, and 2007, respectively.

Product Warranties

The Company's subsidiaries all provide limited warranties against assembly/construction defects. These warranties generally provide for the replacement or repair of defective parts or workmanship for a specified period following the date of sale. The end users also may receive limited warranties from suppliers of components that are incorporated into the Company's chassis and vehicles. For more information concerning the Company's product warranties, see Note 12, *Commitments and Contingent Liabilities*, of the Notes to Consolidated Financial Statements appearing in this Form 10-K.

Patents, Trademarks and Licenses

The Company and its subsidiaries have 13 United States patents, which include rights to the design and structure of chassis and certain peripheral equipment, and have two pending patent applications in the United States and one pending with the World Intellectual Property Organization. The existing patents will expire on various dates from 2016 through 2025 and all are subject to payments of required maintenance fees. The Company and its subsidiaries also own 17 United States trademark registrations and three United States service mark registrations, as well as two trademark registrations in each of Canada, New Zealand, and Peru, and one trademark registration in each of Mexico and Papua New Guinea. The trademark and service mark registrations are generally renewable under applicable laws, subject to payment of required fees and the filing of affidavits of use. In addition, the Company has three pending Canadian trademark applications.

The Company believes its products are identified by the Company's trademarks and that its trademarks are valuable assets to all of its business segments. The Company is not aware of any infringing uses or any prior claims of ownership of its trademarks that could materially affect its business. It is the policy of the Company to pursue registration of its primary marks whenever possible and to vigorously defend its patents, trademarks and other proprietary marks against infringement or other threats to the greatest extent practicable under applicable laws.

Environmental Matters

Compliance with federal, state and local environmental laws and regulations has not had, nor is it expected to have, a material effect on the Company's capital expenditures, earnings or competitive position.

Associates

The Company and its subsidiaries employed approximately 1,620 associates as of February 26, 2010, of which approximately 1,600 were full-time. Included in the full-time counts are an approximate 70 contracted associates. Management presently considers its relations with associates to be positive.

Customer Base

In 2009, the Company's customer base included one major customer, as defined by sales of more than 10% of total net sales. Sales in 2009 to BAE Systems ("BAE"), which is a customer of Spartan Chassis, were $91.5 million. This compares to 2008 major customer sales of $313.8 million to BAE, $134.0 million to General Dynamics and $105.2 million to Force Protection.

In 2007, sales to major customers were $52.3 million to BAE, $79.1 million to General Dynamics, $131.5 million to Force Protection, $85.6 million to Newmar Corp. ("Newmar") and $74.4 million to Fleetwood Motor Homes of Indiana, Inc. ("Fleetwood"). Sales to Newmar and Fleetwood in 2008 and 2009 were less than 10% and thus they are not considered major customers in those years. Sales to these customers decreased primarily related to the economic climate. In addition, 2009 sales to General Dynamics and Force Protection were less than 10% of total 2009 sales and thus were also not classified as major customers in 2009. The decline in sales to these customers was driven by the completion of a large military contract in 2008, specifically that under the Mine Resistant Ambush Protection program.

Sales to customers classified as major amounted to 21.3%, 65.5%, and 54.3% of total revenues in 2009, 2008, and 2007, respectively. Although the loss of a major customer could have a material adverse effect on Spartan Chassis and its future operating results, the Company believes that it has developed strong relationships with its customers. In addition, while no other customer individually comprises more than 10% of total net sales, the Company does have other significant customers which, if the relationship changes significantly, could have a material adverse impact on the Company's financial position and results of operations. See related risk factors in Item 1A of this Form 10-K.

Sales made to external customers outside the United States were $11.1 million, $11.2 million, and $8.2 million for the years ended December 31, 2009, 2008, and 2007, respectively, or 2.6%, 1.3%, and 1.2%, respectively, of sales for those years. All of the Company's long-lived assets are located in the United States.

Backlog Orders

At December 31, 2009, the Company had backlog orders for Spartan Chassis of approximately $172.3 million, compared with a backlog of $87.5 million at December 31, 2008. At December 31, 2009, the Company had backlog orders for the EVTeam of $72.4 million, compared with a backlog of $96.4 million at December 31, 2008. At December 31, 2009, the Company had backlog orders for Utilimaster of approximately $34.1 million, compared with Utilimaster's backlog of $49.4 million at December 31, 2008 (which was prior to the Company's acquisition of Utilimaster on November 30, 2009). The Company believes that the backlog levels at December 31, 2009, particularly at its Spartan Chassis segment, are positively affected by orders placed in advance of the 2010 engine emissions change. The Company expects to fill all of the backlog orders at December 31, 2009 during 2010.

Although the backlog of unfilled orders is one of many indicators of market demand, several factors, such as changes in production rates, available capacity, new product introductions and competitive pricing actions, may affect actual sales. Accordingly, a comparison of backlog from period to period is not necessarily indicative of eventual actual shipments.

Available Information

The address of the Company's web site is www.spartanmotors.com. The Company's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other reports (and amendments thereto) filed or furnished pursuant to Section 13(a) of the Securities Exchange Act are available on its web site as soon as reasonably practicable after the Company electronically files or furnishes such materials with the Securities and Exchange Commission. In addition, paper copies of these materials are available without charge upon written request to Joseph M. Nowicki, Spartan Motors, Inc., 1000 Reynolds Road, Charlotte, Michigan 48813.

Item 1A. Risk Factors.

The Company's financial condition, results of operations, and cash flows are subject to various risks, many of which are not exclusively within the Company's control that may cause actual performance to differ materially from historical or projected future performance. The risks described below are the risks known to us that we believe could materially affect our business, financial condition, results of operations, or cash flows. However, these risks may not be the only risks we face. Our business could also be affected by additional factors that are not presently known to us, factors we currently consider to be immaterial to our operations, or factors that emerge as new risks in the future.

The global economic and financial market crisis has had and may continue to have a negative effect on our business and operations.

The global economic and financial market crisis has caused, among other things, a general tightening in the credit markets, lower levels of liquidity, increases in the rates of default and bankruptcy, lower consumer and business spending, and lower consumer net worth, all of which has had and may continue to have a negative effect on our business, results of operations, financial condition, and liquidity. Many of our customers, including municipalities and local governments, and suppliers have been severely affected by the current economic turmoil. Current or potential customers and suppliers may no longer be in business, may be unable to fund purchases or may determine to reduce purchases, all of which has and could continue to lead to reduced demand for our products, reduced gross margins, and increased customer payment delays or defaults. Further, suppliers may not be able to supply us with needed raw materials on a timely basis or may increase prices or go out of business, which could result in our inability to meet customer demand or affect our gross margins. We are also limited in our ability to reduce costs to offset the results of a prolonged or severe economic downturn given certain fixed costs associated with our operations, difficulties if we overstrain our resources, and our long-term business approach that necessitates we remain in position to respond when market conditions improve.

The timing and nature of any recovery in the credit and financial markets remains uncertain, and there can be no assurance that market conditions will improve in the near future or that our results will not continue to be materially and adversely affected. Such conditions make it very difficult to forecast operating results. The foregoing conditions may also impact the valuation of certain long-lived or intangible assets that are subject to impairment testing, potentially resulting in non-cash impairment charges which may be material to our financial condition or results of operations. See below for an additional, related risk factor dealing with liquidity and cost of capital issues we face in light of current economic conditions.

Capital markets are currently experiencing a period of dislocation and instability, which has had and could continue to have a negative impact on the availability and cost of capital.

The general disruption in the U.S. capital markets has impacted the broader financial and credit markets and reduced the availability of debt and equity capital for the market as a whole. These conditions could persist for a prolonged period of time or worsen in the future. Our ability to access the capital markets may be restricted at a time when we would like, or need, to access those markets, which could have an impact on our flexibility to react to changing economic and business conditions. The resulting lack of available credit, lack of confidence in the financial sector, increased volatility in the financial markets and reduced business activity could materially and adversely affect our business, financial condition, results of operations and our ability to obtain and manage our liquidity. In addition, the cost of debt financing and the proceeds of equity financing may be materially adversely impacted by these market conditions.

The Company's customers, dealers and suppliers may also be adversely affected by the financial and credit liquidity crisis. Although the Company reviews the credit worthiness of its customers and suppliers, it cannot fully predict the extent to which they may be negatively affected or to what extent their operations will be disrupted.

We depend on U.S. government contracts, which are subject to additional and often unique risks.

In addition to the risk associated with the economic and global crisis, the Company is subject to risks associated with U.S. governmental contracts. In 2009, 35% of our revenues were derived from U.S. government contracts and subcontracts for military drive train integration, vehicle final assembly and service parts. In addition to normal business risks, our contracts and subcontracts with the U.S. government are subject to unique risks, some of which are beyond our control.

Our U.S. government contracts and subcontracts are narrowly focused on a limited number of defense programs . Our business with the federal government is focused on the production, refurbishment and logistics support of chassis and other parts and assemblies for specialty military vehicles that are resistant to mine and improvised explosive device damage. Changes in military strategies, tactics and conditions on the ground in Iraq and Afghanistan may lead to a reduction, delay or termination of these vehicle programs that we support. Substantial reductions in our existing programs, unless offset by other programs or opportunities, would adversely affect our sales and earnings.

The funding of U.S. government programs is subject to congressional appropriations. Many of the U.S. government programs in which we participate may extend for several years; however, these programs are normally funded annually. Long-term government contracts and related orders are subject to cancellation if appropriations for subsequent performance periods are not made. The termination of funding for a U.S. government program would result in a loss of anticipated future revenues attributable to that program, which could have a materially adverse impact on our operations.

The U.S. government may modify, curtail or terminate our contracts . The U.S. government may modify, curtail or terminate its contracts and subcontracts without prior notice, at its convenience, upon payment for work done and commitments made at the time of termination. Modification, curtailment or termination of any one of our major programs or contracts could have a material adverse effect on our results of operations and financial condition.

Our business is subject to U.S. government inquiries and investigations . We are subject, from time to time, to certain U.S. government inquiries and investigations of our business practices due to our participation in government contracts and subcontracts. Such inquiries or investigations could result in suspension or debarment, for cause, from U.S. government contracting or subcontracting for a period of time, as well as claims for fines, penalties, and damages (including treble damages in certain circumstances), which would potentially result in a material adverse effect on our results of operations and financial condition.

Our U.S. government business is also subject to specific procurement regulations and other requirements . These requirements, although customary in U.S. government contracts, increase our performance and compliance costs. These costs might increase in the future, reducing our margins, which could have a negative effect on our financial condition. Failure to comply with these regulations and requirements could lead to suspension or debarment, for cause, from U.S. government contracting or subcontracting for a period of time, and/or criminal or civil fines and penalties, and could have a negative effect on our reputation and ability to secure future U.S. government contracts and subcontracts. In addition, although we have taken measures to prevent and detect employee misconduct related to government procurement regulations, these measures may not effectively deter such activity. Any government action related to violations of procurement laws and regulations may have a material adverse effect on our financial position, future operating results, or cash flows.

The integration of businesses or assets we have acquired or may acquire in the future involves challenges that could disrupt our business and harm our financial condition.

As part of our growth strategy, we have pursued and expect we will continue to selectively pursue, acquisitions of businesses or assets in order to diversify, expand our capabilities, enter new markets, or increase our market share. Integrating any newly acquired business or assets can be expensive and can require a great deal of management time and other resources.

Effective November 30, 2009, we acquired Utilimaster. If we are unable to successfully integrate the business of Utilimaster with our existing business, we may not realize the synergies we expect from the acquisition, and our business and results of operations would suffer from our current expectations.

Disruptions within our dealer network could adversely affect our business.

We rely, to a limited extent, on a network of independent dealers to market, deliver, provide training for, and service, our products to and for customers. Our business is influenced by our ability to initiate and manage new and existing relationships with dealers.

From time to time, an individual dealer or the Company may choose to terminate the relationship, or the dealership could face financial difficulty leading to failure or difficulty in transitioning to new ownership. In addition, our competitors could engage in a strategy to attempt to acquire or convert a number of our dealers to carry their products. We do not believe our business is dependent on any single dealer, the loss of which would have a sustained material adverse effect upon our business.

However, temporary disruption of dealer coverage within a specific local market could temporarily have an adverse impact on our business within the affected market. The loss or termination of a significant number of dealers could cause difficulties in marketing and distributing our products and have an adverse effect on our business, operating results or financial condition. In the event that a dealer in a strategic market experiences financial difficulty, we may choose to provide financial support, such as extending credit, to a dealership, reducing the risk of disruption, but increasing our financial exposure.

We may not be able to successfully implement and manage our growth strategy.

Our growth strategy includes expanding existing market share through product innovation, recently revised sales and dealer distribution strategies, continued expansion into global markets, and merger or acquisition related activities.

We believe our future success depends in part on our research and development and engineering efforts, our ability to manufacture or source the products and customer acceptance of our products. As it relates to new markets, our success also depends on our ability to create and implement local supply chain, sales and distribution strategies to reach these markets.

The potential inability to successfully implement and manage our growth strategy could adversely affect our business and our results of operations. The successful implementation of our growth strategy will depend, in part, on our ability to integrate operations with acquired companies.

Our efforts to grow our business in emerging markets are subject to all of these risks plus additional, unique risks. In certain markets, the legal and political environment can be unstable and uncertain which could make it difficult for us to compete successfully and could expose us to liabilities.

We also make investments in new business development initiatives which, like many startups, could have a relatively high failure rate. We limit our investments in these initiatives and establish governance procedures to contain the associated risks, but losses could result and may be material. Our growth strategy also may involve acquisitions, joint venture alliances and additional arrangements of distribution. We may not be able to enter into acquisitions or joint venture arrangements on acceptable terms, and we may not successfully integrate these activities into our operations. We also may not be successful in implementing new distribution channels, and changes could create discord in our existing channels of distribution.

When we introduce new products, we may incur expenses that we did not anticipate, such as recall expenses, resulting in reduced earnings.

The introduction of new products is critical to our future success. We have additional costs when we introduce new products, such as initial labor or purchasing inefficiencies, but we may also incur unexpected expenses. For example, we may experience unexpected engineering or design issues that will force a recall of a new product. In addition, we may make business decisions that include offering incentives to stimulate the sales of products not adequately accepted by the market, or to stimulate sales of older or obsolete products. The costs resulting from these types of problems could be substantial and have a significant adverse effect on our earnings.

Any negative change in the Company's relationship with its major customers could have significant adverse effects on revenues and profits.

The Company's financial success is directly related to the willingness of its customers to continue to purchase its products. Failure to fill customers' orders in a timely manner or on the terms and conditions they may impose could harm the Company's relationships with its customers. The importance of maintaining excellent relationships with our major customers may also give these customers leverage in our negotiations with them, including pricing and other supply terms, as well as post-sale disputes. This leverage may lead to increased costs to us or decreased margins. Furthermore, if any of the Company's major customers experience a significant downturn in its business, or fails to remain committed to the Company's products or brands, then these customers may reduce or discontinue purchases from the Company, which could have an adverse effect on the Company's business, results of operations and financial condition. Excluding Utilimaster (which the Company acquired on November 30, 2009), the Company has three customers that accounted for 37% of its total annual sales in 2009 - any negative change in the Company's relationship with any one of them, or the orders placed by any one of them could significantly affect the Company's revenues and profits. Utilimaster has a relatively high customer concentration as well.

We depend on a small group of suppliers for some of our components, and the loss of any of these suppliers could affect our ability to obtain components at competitive prices, which would decrease our sales or earnings.

Most chassis, fire truck, aerial ladder, ambulance, and specialty vehicle commodity components are readily available from a variety of sources. However, a few proprietary or specialty components are produced by a small group of quality suppliers that have the capacity to support our requirements.

In addition, Utilimaster generally does not purchase vehicle chassis for its inventory. Utilimaster accepts shipments of vehicle chassis owned by dealers or end-users for the purpose of installing and/or manufacturing its specialized truck bodies on such chassis. There are five primary sources for commercial chassis and Utilimaster has established relationships with all major chassis manufacturers.

Changes in our relationships with these suppliers, shortages, production delays or work stoppages by the employees of such suppliers could have a material adverse effect on our ability to timely manufacture our products and secure sales. If we cannot obtain an adequate supply of components or commercial chassis, this could result in a decrease in our sales and earnings. See above for a related risk factor regarding the current economic crisis and its potential impact on our suppliers.

Changes to laws and regulations governing our business could have a material impact on our operations.

Our manufactured products and the industries in which we operate are subject to extensive federal and state regulations. Changes to any of these regulations or the implementation of new regulations could significantly increase the costs of manufacturing, purchasing, operating or selling our products and could have a material adverse effect on our results of operations. Our failure to comply with present or future regulations could result in fines, potential civil and criminal liability, suspension of sales or production, or cessation of operations. In addition, a major product recall could have a material adverse effect on our results of operations.

Certain U.S. tax laws currently afford favorable tax treatment for the purchase and sale of recreational vehicles that are used as the equivalent of second homes. These laws and regulations have historically been amended frequently, and it is likely that further amendments and additional regulations will be applicable to us and our products in the future. Amendments to these laws and regulations and the implementation of new regulations could have a material adverse effect on our results of operations.

Our operations are subject to a variety of federal and state environmental regulations relating to noise pollution and the use, generation, storage, treatment, emission and disposal of hazardous materials and wastes. Although we believe that we are currently in material compliance with applicable environmental regulations, our failure to comply with present or future regulations could result in fines, potential civil and criminal liability, suspension of production or operations, alterations to the manufacturing process, costly cleanup or capital expenditures. For example, laws mandating greater fuel efficiency and the heightened emission standards that took effect in 2007 and 2010 have increased our research and development costs and the cost of components necessary for production. Additionally, such regulations could lead to the temporary unavailability of engines.

Our businesses are cyclical and this can lead to fluctuations in our operating results.

The industries in which we operate are highly cyclical and there can be substantial fluctuations in our manufacturing shipments and operating results, and the results for any prior period may not be indicative of results for any future period. Companies within these industries are subject to volatility in operating results due to external factors such as economic, demographic and political changes. Factors affecting the manufacture of chassis, fire trucks, aerial ladders, ambulances, specialty vehicles, delivery vehicles and other of our products include but are not limited to:

- Interest rates and the availability of financing;
- Commodity prices;
- Unemployment trends;
- International tensions and hostilities;
- General economic conditions;
- Federal, state and municipal budgets;
- Strength of the U.S. dollar compared to foreign currencies;
- Overall consumer confidence and the level of discretionary consumer spending;
- Dealers' and manufacturers' inventory levels; and
- Fuel availability and prices.

Economic, legal and other factors could impact our customers' ability to pay accounts receivable balances due from them.

In the ordinary course of business, customers are granted terms related to the sale of goods and services delivered to them. These terms typically include a period of time between when the goods and services are tendered for delivery to the customer and when the customer needs to pay for these goods and services. The amounts due under these payment terms are listed as accounts receivable on our balance sheet. Prior to collection of these accounts receivable, our customers could encounter drops in sales, large legal settlements or other expenses, or other factors which could impact their ability to continue as a going concern and which could affect the collectability of these amounts. Writing off uncollectible accounts receivable could have a material adverse effect on our earnings and cash flow as the Company has major customers with material accounts receivable balances at any given time. See above for a related risk factor regarding the current economic crisis and its potential impact on our customers.

Global political conditions could have a negative effect on our business.

Concerns regarding acts of terrorism, the wars in Iraq and Afghanistan and subsequent events have created significant global economic and political uncertainties that may have material and adverse effects on consumer demand (particularly the specialty and motor home markets), shipping and transportation and the availability of manufacturing components.

Fuel shortages, or higher prices for fuel, could have a negative effect on sales.

Gasoline or diesel fuel is required for the operation of motor homes, fire trucks, ambulances, delivery vehicles and the specialty vehicles we manufacture. Particularly in view of increased international tensions and increased global demand for oil, there can be no assurance that the supply of these petroleum products will continue uninterrupted, that rationing will not be imposed or that the price of or tax on these petroleum products will not significantly increase in the future. Increases in gasoline and diesel prices and speculation about potential fuel shortages have had an unfavorable effect on consumer demand for motorhomes from time to time in the past and may continue to do so in the future. This, in turn, has a material adverse effect on our sales volume. Increases in the price of oil also can result in significant increases in the price of many of the components in our products, which may have an adverse impact on margins or sales volumes.

Our operating results may fluctuate significantly on a quarter-to-quarter basis.

The Company's quarterly operating results depend on a variety of factors including, but not limited to, the timing and volume of additional military orders that are dependent on U.S. government contracts awarded to our customers. Accordingly, the Company may be subject to significant and unanticipated quarter-to-quarter fluctuations.

Our stock price has been and may continue to be volatile, which may result in losses to our shareholders.

The market price of the Company's common stock has been and may continue to be subject to wide fluctuations in response to, among other things, quarterly fluctuations in operating results, the ability to obtain additional U.S. government contracts or subcontracts, changes in congressional appropriations program funding levels, a failure to meet published estimates of or changes in earnings estimates by securities analysts, sales of common stock by existing holders, loss of key personnel, market conditions in our industries, shortages of key product inventory components and general economic conditions.

Credit market developments may reduce availability under our credit agreement.

Due to the current volatile state of the credit markets, there is risk that lenders, even those with strong balance sheets and sound lending practices, could fail or refuse to honor their legal commitments and obligations under existing credit commitments. If our lenders fail to honor their legal commitments under our credit facilities, it could be difficult in the current environment to replace our credit facilities on similar terms. Although we believe that our operating cash flow, access to capital markets and existing credit facilities will give us the ability to satisfy our liquidity needs for at least the next 12 months, the failure of any of the lenders under our credit facilities may impact our ability to finance our operating or investing activities.

If there is a rise in the frequency and size of product liability, warranty and other claims against us, including wrongful death claims, our business, results of operations and financial condition may be harmed.

We are frequently subject, in the ordinary course of business, to litigation involving product liability and other claims, including wrongful death claims, related to personal injury and warranties. We partially self-insure our product liability claims and purchase excess product liability insurance in the commercial insurance market. We cannot be certain that our insurance coverage will be sufficient to cover all future claims against us. Any increase in the frequency and size of these claims, as compared to our experience in prior years, may cause the premiums that we are required to pay for such insurance to rise significantly. It may also increase the amounts we pay in punitive damages, which may not be covered by our insurance.

Increased costs, including costs of raw materials, component parts and labor costs, potentially impacted by changes in labor rates and practices, could reduce our operating income.

Our results of operations may be significantly affected by the availability and pricing of manufacturing components and labor, as well as changes in labor rates and practices. Increases in raw materials used in our products could affect the cost of our supply materials and components, as the rising steel and aluminum prices have impacted the cost of certain of the Company's manufacturing components. Although we attempt to mitigate the effect of any escalation in components and labor costs by negotiating with current or new suppliers and by increasing productivity or, where necessary, by increasing the sales prices of our products, we cannot be certain that we will be able to do so without it having an adverse impact on the competitiveness of our products and, therefore, our sales volume. If we cannot successfully offset increases in our manufacturing costs, this could have a material adverse impact on our margins, operating income and cash flows. Our profit margins may decrease if prices of purchased component parts or labor rates increase and we are unable to pass on those increases to our customers. Even if we were able to offset higher manufacturing costs by increasing the sales prices of our products, the realization of any such increases often lags behind the rise in manufacturing costs, especially in our operations, due in part to our commitment to give our customers and dealers price protection with respect to previously placed customer orders.

Failure to maintain effective internal control in accordance with Section 404 of the Sarbanes-Oxley Act could have an adverse effect on our business and stock price.

Section 404 of the Sarbanes-Oxley Act requires us to evaluate annually the effectiveness of our internal control over financial reporting as of the end of each fiscal year and to include a management report assessing the effectiveness of our internal control over financial reporting in our annual report on Form 10-K. Based on that evaluation our management concluded that our internal control over financial reporting was effective as of December 31, 2009. Section 404 also requires our independent registered public accounting firm to attest to, and report on, the adequacy of our internal control over financial reporting based on criteria and standards described in Item 9A of this annual report on Form 10-K. If we fail to maintain the adequacy of our internal control in accordance with those criteria and standards (as they may be modified, supplemented or amended from time to time), we cannot assure you that we will be able to conclude in the future that we have effective internal control over financial reporting in accordance with Section 404. If we fail to maintain a system of effective internal control, including implementing an effective internal control system at the recently acquired Utilimaster, it could have an adverse effect on our business and stock price. The effectiveness of our internal control over financial reporting as of December 31, 2009, excluding Utilimaster due to its recent acquisition, has been audited by BDO Seidman LLP, an independent registered public accounting firm, as stated in its attestation report.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

The following table sets forth information concerning the properties owned or leased by the Company. The Company considers that its properties are generally in good condition, are well maintained, and are generally suitable and adequate to meet the Company's business requirements for the foreseeable future. In 2009, the Company's manufacturing plants, taken as a whole, operated moderately below capacity.

	Square Footage	Owned/Leased	Operating Segment
Manufacturing/Assembly			
Charlotte, Michigan	353,000	Owned	Spartan Chassis
Brandon, South Dakota	24,000	Owned	EVTeam
Brandon, South Dakota	21,000	Leased	EVTeam
Lancaster, Pennsylvania	28,000	Leased	EVTeam
Marion, South Carolina	90,000	Owned	EVTeam
Wakarusa, Indiana	546,000	Owned	Utilimaster
	1,062,000		
Warehousing			
Charlotte, Michigan	143,000	Owned	Spartan Chassis
Mesquite, Texas	2,000	Leased	Spartan Chassis
Brandon, South Dakota	1,000	Owned	EVTeam
Brandon, South Dakota	3,000	Leased	EVTeam
Lancaster, Pennsylvania	3,000	Leased	EVTeam
Marion, South Carolina	5,000	Owned	EVTeam
Wakarusa, Indiana	34,000	Owned	Utilimaster
Wakarusa, Indiana	1,000	Leased	Utilimaster
	192,000		
Research and Development			
Charlotte, Michigan	24,000	Owned	Spartan Chassis
Wakarusa, Indiana	11,000	Owned	Utilimaster
	35,000		
Service Area/Inspection			
Charlotte, Michigan	57,000	Owned	Spartan Chassis
Brandon, South Dakota	7,000	Leased	EVTeam
Marion, South Carolina	3,000	Owned	EVTeam
Wakarusa, Indiana	12,000	Leased	Utilimaster
	79,000		
Offices			
Corporate Offices – Charlotte, MI	7,000	Owned	Not Applicable
Charlotte, Michigan	126,000	Owned	Spartan Chassis
Brandon, South Dakota	7,000	Owned	EVTeam
Brandon, South Dakota	3,000	Leased	EVTeam
Lancaster, Pennsylvania	3,000	Leased	EVTeam
Marion, South Carolina	8,000	Owned	EVTeam
Wakarusa, Indiana	40,000	Owned	Utilimaster
	194,000		
Total square footage	**1,562,000**		

Item 3. **Legal Proceedings.**

At December 31, 2009, the Company and its subsidiaries were parties, both as plaintiff or defendant, to a number of lawsuits and claims arising out of the normal conduct of their businesses. The Company's management does not currently expect the Company's financial position, future operating results or cash flows to be materially affected by the final outcome of these legal proceedings.

Item 4. **Reserved.**

PART II

Item 5. **Market For Registrant's Common Equity, Related Shareholder Matters, and Issuer Purchases of Equity Securities.**

The Company's common stock is traded on the NASDAQ Global Select Market under the symbol "SPAR."

The following table sets forth the high and low sale prices for the Company's common stock for the periods indicated, all as reported by the NASDAQ Global Select Market:

	High	Low
Year Ended December 31, 2009:		
Fourth Quarter	$ 6.10	$ 4.69
Third Quarter	11.06	5.01
Second Quarter	11.75	3.85
First Quarter	5.84	1.31
Year Ended December 31, 2008:		
Fourth Quarter	$ 5.44	$ 2.04
Third Quarter	7.54	3.12
Second Quarter	9.98	7.33
First Quarter	9.75	6.56

On February 16, 2010, the Company's Board of Directors declared a cash dividend of $0.05 per outstanding share payable on June 10, 2010 to shareholders of record on May 13, 2010.

On February 19, 2009, the Company's Board of Directors declared a special dividend payment of $0.03 per outstanding share payable on May 15, 2009 to shareholders of record on April 15, 2009. At this same meeting, the Company's Board of Directors declared cash dividends of $0.05 per outstanding share to shareholders of record on April 15, 2009 and $0.05 per outstanding share to shareholders of record on November 16, 2009.

In 2008, the Company's Board of Directors declared cash dividends of $0.05 per outstanding share on April 24, 2008 to shareholders of record on May 16, 2008 and $0.05 per outstanding share to shareholders of record on November 17, 2008.

No assurance, however, can be given that any future distributions will be made or, if made, as to the amounts or timing of any future distributions as such distributions are subject to earnings, financial condition, liquidity, capital requirements, and such other factors as the Company's Board of Directors deems relevant. The number of shareholders of record (excluding participants in security position listings) of the Company's common stock on February 26, 2010 was 535. See Item 12 below for information concerning the Company's equity compensation plans.

Issuer Purchases of Equity Securities

A summary of the Company's purchases of its common stock during the fourth quarter of fiscal year 2009 is as follows:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Number of Shares that May Yet Be Purchased Under the Plans or Programs (1)
Oct. 1, 2009 to Oct. 31, 2009	--	--	--	1,000,000
Nov. 1, 2009 to Nov. 30, 2009	--	--	--	1,000,000
Dec. 1, 2009 to Dec. 31, 2009	--	--	--	1,000,000
Total	--	--	--	1,000,000

(1) On July 21, 2009, the Board of Directors authorized management to repurchase, over the course of the subsequent 12-month period, up to a total of 1.0 million shares of its common stock in open market transactions. Repurchase of common stock is contingent upon market conditions. If the Company was to repurchase the full 1.0 million shares of stock under the repurchase program, it would cost the Company approximately $5.6 million based on the closing price of the Company's stock on February 26, 2010. The Company believes that it has sufficient resources to fund any potential stock buyback in which it may engage.

Item 6. Selected Financial Data.

The selected financial data shown below for each of the five years in the period ended December 31, 2009 has been derived from the Consolidated Financial Statements of the Company. The following data should be read in conjunction with the Consolidated Financial Statements and related Notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in this Form 10-K.

The per share data listed below is accounted for in accordance with the Accounting Standards Codification ("ASC") 260, particularly in regards to a recent standard on proper treatment of participating securities. This new standard provides guidance in determining when the two-class method, as defined in the guidance, should be utilized in calculating earnings per share.

On May 23, 2007, the Company's Board of Directors announced a 3-for-2 stock split which was issued on June 28, 2007 to shareholders of record on June 14, 2007. On November 2, 2006, the Company's Board of Directors announced a 3-for-2 stock split which was issued on December 15, 2006 to shareholders of record on November 15, 2006. All information included in this table reflects the impact of both stock splits.

Five-Year Operating and Financial Summary
(In Thousands, Except Per Share Data)

	2009 (1)	2008 (2)	2007	2006	2005
Sales	$ 429,926	$ 844,390	$ 681,922	$ 445,378	$ 343,007
Cost of products sold	347,917	696,120	585,421	372,002	294,232
Gross profit	82,009	148,270	96,501	73,376	48,775
Operating expenses:					
Research and development	17,704	19,461	15,868	12,622	9,431
Selling, general and administrative	45,660	60,097	41,383	31,360	26,693
Goodwill impairment	--	--	--	2,086	--
Operating income	18,645	68,712	39,250	27,308	12,651
Other income (expense), net	(586)	(1,383)	(1,023)	664	718
Earnings before taxes on income	18,059	67,329	38,227	27,972	13,369
Taxes on income	6,287	24,615	13,723	11,144	5,077
Net earnings	$ 11,772	$ 42,714	$ 24,504	$ 16,828	$ 8,292
Basic net earnings per share	$ 0.36	$ 1.31	$ 0.76	$ 0.56	$ 0.29
Diluted net earnings per share	$ 0.36	$ 1.30	$ 0.75	$ 0.55	$ 0.29
Cash dividends per common share	$ 0.13	$ 0.10	$ 0.13	$ 0.12	$ 0.11
Basic weighted average common shares outstanding	32,729	32,582	32,113	30,081	28,316
Diluted weighted average common shares outstanding	32,916	32,817	32,816	30,529	28,898
Balance Sheet Data:					
Net working capital	$ 117,096	$ 118,679	$ 132,688	$ 96,082	$ 50,676
Total assets	293,277	261,140	318,664	190,648	123,208
Long-term debt, including current portion	46,350	27,195	63,218	25,739	1,370
Shareholders' equity	180,520	170,643	129,218	103,180	72,602

(1) Effective November 30, 2009, the Company acquired Utilimaster. The information shown for 2009 includes the results of operations for Utilimaster for the month of December of 2009, and the balance sheet data reflects such acquisition and changes to the Company's debt facilities made in connection with such acquisition. As a result, the results of operations and the balance sheet data as of and for the year ended December 31, 2009, are not readily comparable with results of operations and balance sheet data for the dates or years prior to December 31, 2009.

(2) In the fourth quarter of 2008, the Company charged $6 million to selling, general and administrative expense for costs related to a legal settlement.

Item 7. **Management's Discussion and Analysis of Financial Condition and Results of Operations .**

OVERVIEW

Spartan Motors, Inc. was organized as a Michigan corporation on September 18, 1975, and is headquartered in Charlotte, Michigan. The Company began development of its first product that same year and shipped its first fire truck chassis in October 1975.

The Company is known as a leading niche market engineer and manufacturer in the heavy-duty, custom vehicles marketplace. The Company has five wholly owned operating subsidiaries: Spartan Motors Chassis, Inc., located at the corporate headquarters in Charlotte, Michigan ("Spartan Chassis"); Crimson Fire, Inc., located in Brandon, South Dakota ("Crimson"); Crimson Fire Aerials, Inc., located in Lancaster, Pennsylvania ("Crimson Aerials"); Road Rescue, Inc., located in Marion, South Carolina ("Road Rescue"); and Utilimaster Corporation, located in Wakarusa, Indiana ("Utilimaster"). Crimson, Crimson Aerials and Road Rescue make up the Company's EVTeam. The Company's brand names, **Spartan™**, **Crimson Fire™**, **Road Rescue™**, and **Utilimaster™** are known for quality, value, service and innovation.

Spartan Chassis is a leading designer, engineer and manufacturer of custom heavy-duty chassis. The chassis consist of a frame assembly, engine, transmission, electrical system, running gear (wheels, tires, axles, suspension and brakes) and, for fire trucks and some specialty chassis applications, a cab. Spartan Chassis customers are original equipment manufacturers ("OEMs") who manufacture the body or apparatus of the vehicle which is mounted on the Company's chassis. Crimson and Road Rescue engineer and manufacture emergency vehicles built on chassis platforms purchased from either Spartan Chassis or outside sources. Crimson Aerials engineers and manufactures aerial ladder components for fire trucks.

The Company's business strategy is to further diversify product lines and develop innovative design, engineering and manufacturing expertise in order to be the best value producer of custom vehicle products. Chassis sells its custom chassis to three principal markets: fire truck, motorhome and other product sales which include specialty vehicles and service parts and accessories ("SPA"). The Company's diversification across several sectors creates numerous opportunities while minimizing overall risk. Additionally, the Company's business model provides the agility to quickly respond to market needs, take advantage of strategic opportunities when they arise and correctly size operations to ensure stability and growth.

Consistent with the Company's strategy to further diversify its business operations, the Company acquired Utilimaster on November 30, 2009, as more fully described in Note 2, *Acquisition Activities*, of the Notes to Consolidated Financial Statements. Utilimaster is a leading manufacturer of specialty vehicles made to customer specifications in the delivery and service market, including walk-in vans and hi-cube vans, as well as truck bodies. The Company expects the acquisition of Utilimaster will further diversify its revenue stream into new markets that offer growth potential and are not directly dependent on government funding or consumer spending. The Company believes the acquisition also allows the Company to gain entry into the North American delivery and service market; add fabrication and vehicle body expertise; benefit from Utilimaster's strong brand, market share position, and solid customer base; and create opportunities to leverage future growth in the Company's chassis business.

The Company has an innovative team focused on building lasting relationships with its customers. This is accomplished by striving to deliver premium custom vehicles, vehicle components, and services that inspire customer loyalty. The Company believes that it can best carry out its long-term business plan and obtain optimal financial flexibility by using a combination of borrowings under the Company's credit facilities, as well as equity capital, as sources of expansion capital.

The Company remains financially solid with a strong cash balance, moderate debt and an open line of credit. The current macro economic environment will make 2010 challenging, for both sales and net earnings, although the Company is well positioned to take advantage of long-term opportunities as a result of:

- The Company's diversified business model. The Company believes the major strength of its business model is market diversity and customization, with a growing foundation in emergency rescue as well as service and delivery vehicles. The emergency rescue market is relatively less affected by geo-political events compared to the recreational vehicle and the military markets. The Company intends to continue to pursue additional areas that build on its core competencies in order to further diversify its business.

- The Company's ability to react swiftly when challenges arise, as demonstrated by its recent aggressive cost realignment. The Company also is able to respond nimbly when opportunities arise, as demonstrated with its past ramp up on defense initiatives.

- The addition of a newly created Chief Operating Officer ("COO") position and a new Chief Financial Officer ("CFO") in mid-2009. The new COO is focusing on key strategic initiatives, including lean manufacturing, while the new CFO brings a strong background in economic value add financial management to drive improved fiscal discipline.

- Increased SPA capabilities for all the Company's markets, including the defense industry. The Company continues to receive service part orders for units produced under various programs, including the Mine Resistant Ambush Protected ("MRAP") program and the Iraqi Light Armored Vehicle (ILAV) program.

- The realization of synergies in connection with the acquisition of Utilimaster on November 30, 2009, including the achievement of purchasing leverage for raw materials and other supplies and enhanced joint research and development efforts.

- Development of a new significant product within the Utilimaster segment and continued research and development work on a new cab and chassis design to support a 2010 emissions compliant engine.

- Market potential for increased sales from the EVTeam, and related chassis sales, due to increased demand in response to the engine emissions change in 2010 and the introduction of new products. The expected increase is already being reflected in increased fire truck sales and backlog for the current quarter compared to the same quarter of 2008.

- Continued demand in specialty vehicles and micro-niche markets. The Company continues to produce specialized mine-resistant variants for the U.S. and other nations' military on a smaller scale, such as the ILAV, Italian Cougar Explosive Ordinance Disposal, and Special Operations Command ("SOCOM") Independent Suspension vehicles.

- Strategic fabrication at Spartan Chassis. The Company believes that it can improve operating margins and throughput, and reduce supply chain delays by implementing limited strategic fabrication activities at its Charlotte facilities.

- Introduction of the Legend Series fire truck. In April 2009, the Company unveiled the "Legend", which is an entry-level fire truck and the first in this new series in the Crimson Fire product line.

- The growing strength of the Spartan brands, including Spartan Chassis, Crimson Fire, Road Rescue, and Utilimaster.

The following section provides a narrative discussion about the Company's financial condition and results of operations. The comments that follow should be read in conjunction with the Company's Consolidated Financial Statements and related Notes thereto included elsewhere within this Report.

Results of Operations

The following table sets forth, for the periods indicated, the components of the Company's consolidated statements of income, as a percentage of revenues:

% of Sales	Year Ended December 31,									
	2009				2008			2007		
	Spartan Chassis	EVTeam	Utili-master(1)	Consol-idated	Spartan Chassis	EVTeam	Consol-idated	Spartan Chassis	EVTeam	Consol-idated
Sales	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Cost of products sold	79.6	88.4	96.6	81.0	81.7	92.8	82.5	84.8	96.8	85.8
Gross profit	20.4	11.6	3.4	19.0	18.3	7.2	17.5	15.2	3.2	14.2
Operating expenses:										
Research and development	4.3	2.3	2.6	4.1	2.2	2.4	2.3	2.2	2.9	2.3
Selling, general and administrative	8.0	9.7	8.1	10.6	5.7	7.6	7.1	4.5	7.8	6.1
Operating income (loss)	8.1	-0.4	-7.3	4.3	10.4	-2.8	8.1	8.5	-7.5	5.8
Other income/ (expense), net	--	-1.5	-0.9	-0.1	0.1	-1.4	-0.1	0.1	-1.5	-0.2
Earnings before taxes on income	8.1	-1.9	-8.2	4.2	10.5	-4.2	8.0	8.6	-9.0	5.6
Taxes on income	2.8	-0.7	-3.2	1.5	3.9	-1.7	2.9	2.9	-3.0	2.0
Net earnings (loss)	5.3	-1.2	-5.0	2.7	6.6	-2.5	5.1	5.7	-6.0	3.6

(1) The Company acquired Utilimaster on November 30, 2009.

A key metric in measuring the Company's success is the Company's Return on Invested Capital ("ROIC"). The Company defines ROIC as operating income, less taxes, divided by total shareholders' equity. ROIC for the year ended December 31, 2009 was 6.8%, a 19.0 percentage point decrease as compared to ROIC of 25.8% in 2008.

Year Ended December 31, 2009 compared to Year Ended December 31, 2008

For the year ended December 31, 2009, consolidated sales decreased significantly by $414.5 million (49.1%) to $429.9 million from $844.4 million in 2008. The decrease was largely due to a $429.3 million (55.1%) decrease in the Spartan Chassis segment sales coupled with a $9.6 million (11.1%) increase in EVTeam segment sales and a $13.2 million sales increase from the November 30, 2009 acquisition of Utilimaster. Intercompany sales from Spartan Chassis to the EVTeam increased $8.0 million (37.9%) over the prior year, as increased volumes of Spartan Chassis' custom chassis were sold to EVTeam. Intercompany sales are eliminated from consolidated sales totals.

At Spartan Chassis, the majority of its sales decrease was driven by the reduction in its specialty vehicle sales volume, which decreased by $432.2 million (94.7%) from $456.6 million to $24.4 million year-over-year. This change was primarily due to the completion of orders shipped under the Mine Resistant Ambush Protected ("MRAP") program in 2008. This was a unique large defense contract that specifically affected sales levels beginning in 2007 and through 2008. See Item 1A "Risk Factors" relating to government contracts for more details. The majority of the sales increase for the EVTeam is a result of higher fire truck sales, which were up 22.7% over the prior year. The higher fire truck sales driven by higher order intake at the end of 2008, was in part due to the 2010 engine emissions change. There were no significant changes associated with pricing changes on the Company's products.

Cost of products sold decreased as a percent of sales from 82.5% to 81.0% due primarily to sales mix. Sales mix included higher service part sales during 2009 which have lower overhead and labor costs associated with them. The EVTeam segment also experienced lower cost of products sold as a percent of sales as higher volume levels improved efficiencies and absorption of overhead. These savings more than offset the additional $0.3 million from restructuring charges incurred during 2009.

Gross margin as a percent of sales increased to 19.0% for the year ended December 31, 2009 from 17.5% for the same time period in 2008 primarily due to higher volumes on the increased service part sales noted above. The EVTeam contributed to the increase in margins with increases to 11.6% from 7.2% the year previous, mainly due to increased volumes and product mix.

Operating expenses increased as a percentage of sales to 14.7% for the twelve month period ended December 31, 2009 compared to 9.4% for the same period of 2008. This is primarily a result of the large drop in sales year-over-year. As a percent of sales, operating expenses in 2008 were negatively impacted by a $6.0 million settlement. Operating expense dollars decreased $16.2 million (20.4%), from $79.6 million to $63.4 million due primarily to the realignment of the Company's cost structure (see Note 13, *Restructuring*, in the Notes to Consolidated Financial Statements) in addition to lower compensation expense for incentive plans in 2009. The lower compensation expense for incentive plans is a result of the lower financial results year-over-year, combined with lower staffing levels as part of cost realignment activities. These savings were partially offset by one-time 2009 charges of $0.7 million related to restructuring activities and $0.7 million related to acquisition activities (see Note 2, *Acquisition Activities,* in the Notes to Consolidated Financial Statements for further information).

The decrease in the Company's income taxes to $6.3 million in 2009 from $24.6 million in 2008 is primarily due to decreased earnings before taxes in 2009 compared to 2008. The effective tax rate was 34.8% in 2009 as compared to 36.6% in 2008. The 2008 effective tax rate was negatively impacted by a non-deductible settlement. See Note 7, *Taxes on Income*, of the Notes to Consolidated Financial Statements for further information regarding income taxes.

Net earnings decreased by $30.9 million ($0.94 per diluted share) to $11.8 million ($0.36 per diluted share) in 2009 from $42.7 million ($1.30 per diluted share) in 2008 as a result of the factors discussed above.

Total chassis orders received during 2009 decreased 7.7% compared to the same period in 2008. This reflects decreases in specialty vehicle chassis orders, which were down 86.7%, as military orders in 2009 were less than those placed in 2008. The EVTeam experienced a decrease in orders received of 42.4% during 2009 compared to 2008, which was also due to the changes in industry regulations. Motorhome chassis orders were lower by 29.7% compared to 2008 due to the poor economic conditions. These decreases were partially offset by an increase in fire truck chassis orders of 46.9% in advance of the changes in certain industry regulations effective for January 2010, as customers place orders to lock into the remaining transitional engines. In 2010, the Company expects a challenging year as reflected in the order volumes depicted above.

Year Ended December 31, 2008 compared to Year Ended December 31, 2007

For the year ended December 31, 2008, consolidated sales increased $162.5 million (23.8%) to $844.4 million, from $681.9 million for the same period in 2007. The increase was due to a $163.8 million (26.6%) increase in Spartan Chassis sales coupled with a $2.3 million (2.7%) increase in EVTeam sales. Intercompany sales from Spartan Chassis to the EVTeam increased $3.7 million (21.1%) over the prior year. Intercompany sales are eliminated from the consolidated sales totals.

Other sales at Spartan Chassis drove the majority of its sales increase, with a $284.5 million (100.9%) increase over the prior year's period. Also contributing to the increase in consolidated sales was an increase in fire truck chassis sales of $5.4 million (4.7%). These increases were partially offset by a decline in motorhome chassis sales of $126.1 million (58.0%).

The increase in other sales at Spartan Chassis was primarily due to an increase of specialty chassis of $210.0 million (85.2%) paired with an increase in service part sales of $74.5 million (209.9%). The growth in specialty chassis was due to increases in military chassis volume primarily as a result of orders received under the MRAP program. Production under this program began in the third quarter of 2007 and the backlog of orders received as of December 31, 2007 continued production through most of 2008.

Additionally, other sales were affected by an increase in volume of service part sales. These sales correspond to increased military vehicles in the field, primarily as a result of the MRAP program mentioned above. See Item 1A "Risk Factors" relating to government contracts for more details. The decrease in motorhome chassis sales was due to lower order volume, as a result of weakened economic conditions impacting the motorhome market as a whole. The year-over-year backlog of motorhome orders decreased 79.7% as of December 31, 2008.

The majority of the sales increase for the EVTeam was a result of increased ambulance sales of $4.3 million, partially offset by a decrease in fire truck sales of $1.9 million. Ambulance sales were up 20.7% over 2008, from $20.5 million to $24.7 million, which is largely due to higher order intake at the end of 2007. Fire truck sales were down approximately 3.1% year-over-year due primarily to decreased sales volumes as result of lower orders received during the year. Backlog for the EVTeam, at December 31, 2008, was up $31.0 million compared to December 31, 2007. Increased backlog at the end of 2008 was in part due to the changes in industry safety regulations and the 2010 engine emissions change.

Gross margin as a percent of sales increased to 17.5% for the year ended December 31, 2008 from 14.2% for the same time period in 2007. The increase was due primarily to sales mix mainly as a result of higher service parts sales during 2008, which provide a higher gross margin. In addition, the Company was able to leverage fixed overhead costs to increased sales volumes, which resulted in higher margins. The EVTeam also contributed to the increase in margins resulting from price increases for ambulances, approximately 3% per unit, and improved production efficiencies for fire trucks, approximately 2% per unit.

Operating expenses increased as a percentage of sales to 9.4% for the twelve month period ended December 31, 2008 compared to 8.4% for the same period of 2007. This was primarily a result of one-time charges, primarily legal expenses and settlement costs. Costs of $6.0 million related to the reported settlement between Spartan Chassis and the Department of Justice. See Item 3 "Legal Proceedings" of this Form 10-K for more details. Operating expenses increased $22.3 million (39.0%) due to the settlement costs noted above in addition to higher compensation expense for incentive plans. The higher compensation expense for incentive plans is a result of the improved results year-over-year combined with greater wages and benefits related to higher staffing levels to support the sales increase.

The increase in the Company's income taxes from $13.7 million in 2007 to $24.6 million in 2008 was primarily due to increased earnings before taxes in 2008 when compared to 2007. The effective tax rate was 36.6% in 2008 as compared to 35.9% in 2007. The 2008 effective tax rate was negatively impacted by the increase in non-deductible charges primarily related to the legal settlement costs. See Note 7, *Taxes on Income*, of the Notes to Consolidated Financial Statements for further information regarding income taxes.

Net earnings increased by $18.2 million ($0.56 per diluted share) to $42.7 million ($1.31 per diluted share) in 2008 from $24.5 million ($0.75 per diluted share) in 2007 as a result of the factors discussed above.

Total chassis orders received during 2008 decreased 33.5% compared to the same period in 2007. This reflects decreases in motorhome chassis orders (67.6%) that were down due to the poor economic conditions. Specialty chassis orders were also down (33.2%) as military orders in 2008 were less than those placed in 2007. These decreases were partially offset by an increase in fire truck orders (45.3%) in advance of the changes in certain industry regulations effective for January 2009. The EVTeam experienced an increase in orders received of 66.9% during 2008 over 2007, also due to the changes in industry regulations.

The Company's Segments

The Company is organized into three reportable segments, Spartan Chassis, the Emergency Vehicle Team ("EVTeam"), and Utilimaster, which was acquired on November 30, 2009. For certain financial information related to each segment, see Note 15, *Business Segments*, of the Notes to Consolidated Financial Statements appearing in Item 8 of this Form 10-K.

Spartan Chassis

Income Statement Data – In Thousands	**Year Ended December 31,**					
	2009		**2008**		**2007**	
	Amount	**Percentage**	**Amount**	**Percentage**	**Amount**	**Percentage**
Sales	$ 350,056	100.0%	$ 779,351	100.0%	$ 615,510	100.0%
Cost of products sold	278,199	79.5	636,939	81.7	522,070	84.8
Restructuring charges	245	0.1	--		--	--
Gross profit	71,610	20.4	142,412	18.3	93,439	15.2
Operating expenses	42,992	12.3	61,249	7.9	41,090	6.7
Restructuring charges	135	0.0	--	--	--	--
Operating income	$ 28,484	8.1%	$ 81,163	10.4%	$ 52,349	8.5%

Sales decreased by $429.3 million (55.1%) from 2008 to 2009. Other product sales drove the majority of the sales decrease, with a $401.8 million (70.9%) decrease from $566.6 million to $164.7 million, year-over-year. The decrease in other product sales at Spartan Chassis was primarily due to a decrease of specialty vehicle volume sales of $432.2 million (94.7%), partially offset with an increase in service part sales of $30.3 million (27.5%). The decrease in specialty vehicle sales was due to the completion of several large military orders in 2008, particularly under the MRAP program. There were no changes in pricing of the Company's products that had a significant impact on its financial statements when comparing year-over-year.

Also contributing to the decrease in Spartan Chassis sales was the motorhome product line with sales decreasing $55.5 million (60.9%), from $91.1million to $35.6 million year-over-year. The decrease in motorhome chassis sales was due to lower order volume, as a result of weakened economic conditions impacting the motorhome market as a whole. The year-over-year backlog of motorhome orders has increased 260.6% as of December 31, 2009. Accordingly, 2010 production levels of motorhome chassis are expected to be higher than they were in 2009. The 2009 sale decreases were partially offset by the increase in fire truck chassis sales of $28.1 million (23.1%). The increase in fire truck sales was driven by the 2010 engine emission change.

Cost of products sold decreased as a percent of sales from 81.7% to 79.5% due primarily to sales mix. Sales mix included higher service part sales in the period which have lower overhead and labor costs associated with it as portions of this cost is classified in operating expense. These savings more than offset the additional $0.3 million from restructuring charges incurred during 2009.

Gross margins increased to 20.4% of sales in 2009 versus 18.3% for 2008. The increase is primarily due to the increased service part sales noted above. In addition, margins increased year-over-year due to a revision of the warranty estimate for military vehicles based on developed experience.

Operating expenses increased as a percentage of sales to 12.3% for the twelve-month period ended December 31, 2009 compared to 7.9% for the same period of 2008. This is primarily a result of the large decrease in sales

volumes as noted above. Operating expenses decreased $18.1 million (29.6%) year-over-year due to a reduction in legal fees, settlement costs and compensation accruals for incentive plans.

Operating income decreased in 2009 to 8.1% of sales compared to 10.4% of sales in 2008, due primarily to higher levels of operating expense in proportion to sales levels as detailed above.

EVTeam

Income Statement Data – In Thousands	**Year Ended December 31,**					
	2009		**2008**		**2007**	
	Amount	**Percentage**	**Amount**	**Percentage**	**Amount**	**Percentage**
Sales	$ 95,692	100.0%	$ 86,109	100.0%	$ 83,817	100.0%
Cost of products sold	84,531	88.3	79,875	92.8	81,167	96.8
Restructuring charges	25	0.1	--	--	--	--
Gross Profit	11,136	11.6	6,234	7.2	2,650	3.2
Operating expenses	11,378	11.9	8,653	10.0	8,978	10.7
Restructuring charges	145	0.1	--	--	--	--
Operating income (loss)	$ (387)	(0.4)%	$ (2,419)	(2.8)%	$ (6,328)	(7.5)%

EVTeam's reported operating loss of $0.4 million was an improvement of $2.0 million compared to 2008. The 2009 improvement was driven by increased fire truck sales volume partially offset by lower ambulance sales volume. The fire truck sales volume increase, year-over-year, was due in part to the 2010 engine emissions change likely driving up sales orders in advance of the new requirements. Sales for 2009 increased $9.6 million (11.1%) over 2008. Of this increase, $4.5 million was driven by an increase in delivery volume as previously noted, $3.4 million by price increases, and $1.7 million by a change in product mix toward more expensive vehicles. The backlog for the EVTeam at December 31, 2009 was $72.4 million, down 24.9% from $96.4 million at December 31, 2008, as it returns to more normalized levels following the emissions change effective for 2010.

Cost of products sold decreased as a percent of sales as absorption of overhead costs were more favorable at higher sales volume levels. Cost of sales for 2009 increased by $4.7 million (5.9%) over 2008. Of this increase, $3.7 million was driven by an increase in delivery volume and $1.7 million by a change in product mix, offset by a $0.4 million reduction in material costs. The positive material variances were primarily as a result of the product mix and certain lower commodity costs than experienced in the prior year. Accordingly, margins for the EVTeam improved year-over-year to 11.6% from 7.2%.

Operating expenses for 2009 increased by $2,9 million (33.2%) over 2008. This increase was largely a result of increased spending in support of revenue growth and the write-off of approximately $0.5 million receivable associated with the financial distress of a dealer.

Backlog for the EVTeam, at December 31, 2009, was down $24.0 million compared to December 31, 2008 and will impact production levels and sales in 2010. Decreased backlog at the end of 2009 is in part due to municipalities hesitant to make purchase commitments in the current budget cycle.

The Company has experienced operating losses at its EVTeam over the past several years, but expects to bring this reporting unit to profitability in 2011 by: 1) strengthening the dealer distribution network, 2) streamlining the cost structure, 3) reducing carrying costs associated with inventory and accounts receivable, and 4) introducing new and innovative products.

Utilimaster

Income Statement Data – In Thousands	Year Ended December 31, *	
	2009	
	Amount	Percentage
Sales	$ 13,248	100.0%
Cost of products sold	12,796	96.6
Gross Profit	452	3.4
Operating expenses	1,426	10.7
Operating income (loss)	$ (974)	(7.3%)

* Represents one month of activity due to acquisition of entity on November 30, 2009.

Sales for the month of December were unusually strong as a result of completing 708 units to meet customer year-end delivery requirements. Utilimaster sales represented 3.1% of consolidated sales for the month.

Cost of sales as a percent of sales for the month were higher than normal levels, primarily driven by product mix and product content issues. An additional significant driver of higher costs was a $0.5 million inventory related charge due to the Utilimaster acquisition. The required adjustment of all assets and liabilities to fair value resulted in the step-up of work in process and finished goods inventory upon acquisition. As this inventory was sold during the month of December, the step-up in value was charged to cost of products sold.

Operating expenses were higher compared to historical norms. The higher level of spending was primarily driven by higher research and development costs associated with a large product in development. Research and development expenses in 2010 are expected to range about $2.0 million to $3.0 million primarily related to the continued development of this product.

Fourth Quarter Results

The Company's sales levels have varied historically from quarter to quarter. For a description of quarterly financial data, see Note 16, *Quarterly Financial Data (Unaudited*), of the Notes to Consolidated Financial Statements appearing in this Form 10-K.

2009

Sales during the fourth quarter of 2009 were slightly lower than the prior quarters of 2009, after excluding the sales of Utilimaster, which was acquired on November 30, 2009. Sales were lower primarily due to the decrease in service part sales within the other product grouping of the Spartan Chassis segment. These declines were offset in part by increases in motorhome sales which continue to show an upward trend when comparing the previous four quarters. In addition, fire truck chassis and bodies both showed upward trends during the course of the year. The Company believes that the 2010 engine emissions change positively impacted the 2009 sales increases.

Gross profit was disproportionate in the fourth quarter of 2009, showing trend lines down compared to the previous 2009 quarters primarily due to sales mix. There were lower volumes of specialty vehicle and service part sales in the latter half of the year. In addition, there were depressed margins at Utilimaster due to the above described one-time valuation charge of $0.5 million incurred during December. The EVTeam segment experienced gross profit volatility over the 2009 quarters, but ended the fourth quarter on average comparable to the prior four quarters.

In addition to the items detailed above, net earnings during the fourth quarter were negatively impacted by one-time pre-tax charges of $0.7 million related to the Company's acquisition of Utilimaster, exclusive of the $0.5 million noted above.

2008

Sales during the fourth quarter of 2008 were lower than the prior quarters in 2008 due to the higher specialty chassis sales in the first three quarters of 2008, primarily as a result of military orders that were completed early in the fourth quarter. Additionally, motorhome sales were down compared to prior quarters in this same year, due to the continued stress in the economic market. These decreases in sales were partially offset by an increase in the service part sales due to increased support of the military units in the field. The fire truck chassis and EVTeam sales remained fairly consistent over the quarters of 2008.

Gross profit was disproportionate in the fourth quarter of 2008 compared to the previous quarters primarily due to sales mix. There were higher service parts sales during the quarter, which provide higher margins. This is partially due to the fact that certain overhead related charges associated with service parts are classified as operating expenses. The EVTeam also contributed to increased margins in the quarter resulting from price increases and improved production efficiencies, as detailed in the year-over-year analysis.

Net earnings during the fourth quarter were negatively impacted by the settlement costs related to the Department of Justice, in addition to the same variables noted above affecting sales and gross profit. See Item 3 "Legal Proceedings" of this Form 10-K for more details on the settlement.

2007

Sales during the fourth quarter of 2007 were higher than the prior quarters of 2007, driven by an increase in other product sales. The primary factors for the increase in other product sales are consistent with the explanation for the year-over-year increase detailed above. Higher military chassis and service part sales drove this increase as a result of higher order volumes.

Gross profit and net earnings for the fourth quarter of 2007 were higher than the prior quarters of 2007, primarily due to the impact of the MRAP program ramp up. Sales increased 59.6% in the fourth quarter compared to the third quarter of 2007, while gross profit increased 72.0% over the same time period. As production under the MRAP program began in the third quarter of 2007, material and labor efficiencies were improved in the fourth quarter of 2007. This occurred as the Company's workforce became more familiar with the production of the product. The reason net income grew more dramatically (219.5%) over the quarter compared to sales growth (59.6%) was twofold. First, staff was added in the third quarter of 2007 ahead of the correlated sales increase to support the ramp up of the MRAP program. Second, overhead operating costs do not increase at the same level that sales increase, as most base operating expenses are already in place, such as research and development and selling, general and administrative staff.

Financial Condition

Balance Sheet at December 31, 2009 compared to December 31, 2008

Accounts receivable decreased $29.6 million (38.9%) from $75.9 million at December 31, 2008 to $46.4 million at December 31, 2009, primarily as a result of a concerted effort to improve cash collections. Accordingly, accounts receivable days outstanding improved from 62 days at December 31, 2008 to 40 days at December 31, 2009. In addition, there were completed orders under the MRAP program as reflected in the decreased sales of $45.9 million in the fourth quarter of 2009, as noted above. Sales in the fourth quarter of 2009 were 31.3% lower than in the fourth quarter of 2008 due to the other product sales decrease detailed above. These decreased sales, along with concerted collection efforts, directly resulted in the decrease of accounts receivable at December 31, 2009 when compared to December 31, 2008.

Inventory levels increased $15.8 million from $86.7 million at December 31, 2008 to $102.4 million at December 31, 2009. The increase is primarily due to the purchase of approximately $15.0 million of 2010 transitional engines. In addition, the acquisition of Utilimaster resulted in an additional $9.2 million of inventory at December 31, 2009, that was not present at December 31, 2008. These increases were offset by concerted efforts to reduce inventory levels in tandem with lower sales volumes currently being experienced.

Deposit on engines was $5.5 million at December 31, 2008 related to the 2010 transitional engines. These engines were included in inventory at of December 31, 2009, as detailed above, and thus the deposit balance was eliminated.

Property, plant and equipment, goodwill and intangible assets were increased year-over-year directly as a result of the Utilimaster acquisition. See Note 2. *Acquisition Activities* in the Notes to Consolidated Financial Statements appearing in this Form 10-K for further information.

Accrued compensation and related taxes decreased $6.6 million, from $12.1 million to $5.5 million year-over-year due to lower compensation expense for incentive plans. The lower compensation expense for incentive plans is a result of the lower financial results year-over-year, combined with lower staffing levels as part of cost realignment activities.

Other non-current liabilities increased to $4.2 million from $1.2 million year-over-year, due to the acquisition of Utilimaster which included tax reserves ($0.5 million) and a contingent earn-out liability related to the acquisition ($1.5 million). In addition, there was an increase in the Company's long term compensation liabilities in 2009 ($1.0 million) compared to 2008, related to a deferred compensation program.

Long-term debt increased by $18.6 million to $35.2 million at December 31, 2009 from $16.6 million at December 31, 2008, directly as a result of financing the acquisition of Utilimaster. See Note 8, *Debt* and Note 2, *Acquisition Activities* in the Notes to Consolidated Financial Statements appearing in this Form 10-K for further information regarding debt.

Liquidity and Capital Resources

The Company's cash flows from operating, investing and financing activities, as reflected in the Consolidated Statements of Cash Flows, are summarized in the following table:

Cash Flow Summary	Year Ended December 31,		
	2009	2008	2007
Cash provided by (used in):			
Operating activities	$ 38,123,626	$ 56,451,234	$ (6,693,753)
Investing activities	(47,989,288)	(16,229,058)	(31,163,296)
Financing activities	14,599,752	(40,008,981)	37,550,024
Net increase (decrease) in cash and cash equivalents	$ 4,734,090	$ 213,195	$ (307,025)

During 2009, cash and cash equivalents increased by $4.7 million to a balance of $18.5 million as of December 31, 2009. These funds, in addition to cash generated from future operations and available credit facilities, are expected to be sufficient to finance the Company's foreseeable liquidity and capital needs.

For the year ended December 31, 2009, cash generated by operating activities, exclusive of acquisition activity, was $38.1 million primarily driven by a decrease in trade accounts receivable of approximately $37.4 million from $75.9 million to $46.4 million. This amount and others, related to balance sheet accounts in this section, are exclusive of the assets acquired and liabilities assumed as of the November 30, 2009 acquisition date of Utilimaster. Such amounts are included, on a net basis, in the "Acquisition of business, net of cash acquired" line in the Consolidated Statement of Cash Flow in Item 8 of this Form 10-K.

The decrease in trade accounts receivable reflected the decrease in sales toward the end of 2009 versus the end of 2008, primarily due to the completion of a large-scale defense vehicle contract in 2008 as well as lower service part sales during 2009's fourth quarter. Other assets decreased approximately $5.4 million as the balance was converted from deposits on engines into inventory, relating to 2010 transitional engines. Inventory balances did not change materially as the increase due to the 2010 transitional engines was offset by initiatives to draw inventory levels down to those consistent with current sales volumes. Accrued compensation decreased approximately $8.4 million in 2009 as cash was utilized to pay for compensation incentives under incentive plans for improved 2008 results over 2007. See the "Financial Condition" section in Item 7 of this Form 10-K for further discussion regarding the accounts receivable, deposit on engines, accrued compensation and other balances at December 31, 2009 compared to December 31, 2008. See the "Consolidated Statements of Cash Flows" contained in Item 8 of this Form 10-K for the other various factors that represented the remaining fluctuation of cash from operations between the years.

Cash used in investing activities of $48.0 million in 2009, increased by $31.8 million over 2008, reflecting the November 30, 2009 acquisition of Utilimaster for $42.3 million (see Note 2, *Acquisition Activities*), partially offset by lower capital expenditures of $10.5 million. Capital expenditures in 2008 were elevated when compared to 2009 as there were investments in 2008 for the completion of a new office building. In 2010, the Company expects to incur capital expenditures in the range of $6.0 million to $8.0 million for new strategic initiatives, including the capitalization of assets related to a product in development, along with needed operational improvements or replacement of existing property, plant and equipment. During 2007, facilities were added to support the ramp up of production of vehicles under the MRAP program and to support the increased level of military service parts sales.

Cash provided by financing activities increased significantly in 2009, reflecting the partial funding of the acquisition of Utilimaster, and offset by use of cash to pay dividends of $4.2 million. During 2008, cash used by financing activities consisted of approximately $36.0 million in net debt payments, $3.3 million in cash dividends and $0.7 million related to stock transactions.

In 2009, the cash from operations and proceeds from debt issuances, combined, funded the Utilimaster acquisition of $42.3 million, the net investment in property, plant and equipment of $5.7 million, and the payment of dividends of approximately $4.2 million.

Working Capital	**Year Ended December 31,**		
	2009	**2008**	**2007**
Current assets	$ 182,113,358	$ 191,463,826	$ 258,413,369
Current liabilities	65,022,790	72,784,484	125,725,108
Working capital	$ 117,090,568	$ 118,679,342	$ 132,688,261

Working capital decreased more dramatically from 2007 to 2008 than from 2008 to 2009 primarily due to the 2008 ramp-down of production of vehicles under the MRAP program and the decreased level of military service part sales. The decrease in working capital from 2008 to 2009 was nominal as the addition of Utilimaster resulted in additional working capital of approximately $10.3 million which was offset primarily by the reduction in accounts receivable balances.

Restructuring activities

During 2009, the Company underwent restructuring activities (see Note 13, *Restructuring*) to align expenses to coincide with current revenue expectations. Actions of the Company allowed it to maintain gross margin levels despite the fall in sales volumes. Cost reduction measures included workforce reductions, plant and operation consolidations and overall improved cost management. An increased focus on the balance sheet also drove working capital levels down, particularly in light of the addition of Utilimaster. While restructuring charges are substantially complete, the Company is continuing efforts to improve cost management through initiatives that have or will be implemented. The Company expects these combined activities could generate between $7.0 million and $9.0 million of annualized savings. The majority of these initiatives, all of which are not expected to involve material additional upfront costs, are expected to be completed by the second quarter of 2010.

Contingent Obligation

In connection with the acquisition of Utilimaster (see Note 2, *Acquisition Activities,* for further details), the Company incurred contingent obligations through 2014 in the form of certain performance-based earn-out payments, up to an aggregate maximum amount of $7.0 million. In accordance with accounting guidance, the Company recorded the estimated fair value of the future consideration to be $1.5 million based upon the likelihood of the payments, discounted to the acquisition date. The Company believes that it has sufficient liquidity to fund the contingent obligations as they become due.

Debt

On November 30, 2009, the Company entered into a three-year unsecured revolving credit facility under which it may borrow up to $70.0 million from a syndicate of lenders, including JPMorgan Chase Bank, N.A. and Wells Fargo Bank N.A. See Note 8, *Debt,* for further details. Under the terms of the agreement, the Company may request an increase in the facility of up to $20.0 million in the aggregate, subject to customary conditions. Interest rates on borrowings under the credit facility are based on applicable rates at time of issuance but are generally an adjusted LIBOR rate plus margin, ranging from 200 to 250 basis points, based on specified leverage ratio tiers from period to period. In addition, commitment fees range from 25 to 40 basis points on the unused portion of the line. The credit facility matures on November 30, 2012. As of December 31, 2009, the Company had drawn $30.0 million on this line, carrying an interest rate of 2.5%.

Also on November 30, 2009, the Company amended and restated its private shelf agreement with Prudential Investment Management, Inc. The Company had previously issued $10.0 million of its 4.93% Series A Senior Notes due November 30, 2010, which will now be governed by the amended and restated agreement. Under this same private shelf agreement, the Company issued $5.0 million of its 5.46% Series B Senior Notes, due December 1, 2016. In addition, this agreement established an uncommitted shelf facility up to an additional $45.0 million. The interest rate is determined based on applicable rates at time of issuance.

Under the terms of the line of credit and the term notes detailed above, the Company is required to maintain certain financial ratios and other financial conditions. The agreements prohibit the Company from incurring additional indebtedness; limits certain acquisitions, investments, advances or loans; and restricts substantial asset sales. At December 31, 2009, the Company was in compliance with all debt covenants.

The Company has one secured mortgage note of which $1.0 million was outstanding at December 31, 2009. The mortgage note carries a fixed rate of 3.00% payable in monthly installments (for principal and interest) of $6,933, with the balance due on July 1, 2010. The mortgage note is secured by real estate and buildings and is expected to be paid off when it matures.

There were capital lease obligations outstanding of approximately $0.3 million as of December 31, 2009 due and payable over the next four years.

The Company paid and retired its $10.0 million unsecured term note with JP Morgan Chase Bank N.A. carrying an interest rate of 4.70% on its maturity date of November 30, 2009.

On November 30, 2009, the Company paid and retired its long term note with Charter One Bank of approximately $5.6 million and bearing interest at 4.99% in connection with its debt restructuring detailed above.

In October 2008, the Board of Directors approved a restructuring of its revolving note payable with JP Morgan Chase Bank. The Company renegotiated the line to obtain a locked interest rate of 75 basis points over LIBOR for draws and a 20 basis point commitment fee on the facility. As of November 30, 2009, the Company terminated this facility in connection with entering into a new syndicated facility detailed above.

An unused secured line of credit of $0.2 million was also terminated as of November 30, 2009.

On its maturity date of March 1, 2009, a mortgage note, carrying interest at 3% and collateralized by land, was paid in full and retired.

Equity Securities

On July 22, 2008, the Board of Directors authorized management to repurchase, over the course of the subsequent 12-month period, up to a total of 1.0 million shares of its common stock in open market transactions. The program expired July 23, 2009. The Company had repurchased approximately 0.1 million shares under that program as previously disclosed.

On July 21, 2009, the Board of Directors reauthorized management to repurchase, over the course of the subsequent 12-month period, up to a total of 1.0 million shares of its common stock in open market transactions. Repurchase of common stock is contingent upon market conditions. As of December 31, 2009, no shares of common stock were repurchased under the new authorization. If the Company were to repurchase the full 1,000,000 shares of stock under the repurchase program, it would cost the Company approximately $5.6 million based on the closing price of the Company's stock on February 26, 2010. The Company believes that it has sufficient resources to fund this potential stock buyback.

Dividends

On February 16, 2010, the Board of Directors declared a cash dividend of $0.05 per outstanding share payable on June 10, 2010 to shareholders of record on May 13, 2010. In recognition of the Company's financial strength and future prospects, the Board of Directors has continued to approve the payment of regular dividends to its shareholders.

On February 17, 2009, the Board of Directors approved a special dividend of $0.03 per common share to shareholders of record on April 15, 2009 in recognition of the Company's 2008 financial performance. At this same meeting, regular dividends of $0.10 per share payable in the amount of $0.05 per share on May 15, 2009 and $0.05 per share on December 16, 2009 to shareholders of record on April 15, 2009 and November 16, 2009, respectively, were declared. The amount paid in 2009 was $4.2 million.

On April 22, 2008, the Board of Directors approved regular dividends of $0.10 per share payable in the amount of $0.05 per share on June 16, 2008 and $0.05 per share on December 17, 2008 to shareholders of record on May 16, 2008 and November 17, 2008, respectively. The amount paid in 2008 was $3.2 million.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Contractual Obligations and Commercial Commitments

The Company's future contractual obligations for agreements, including agreements to purchase materials in the normal course of business, are summarized below. The weighted average interest rate for long term debt as of December 31, 2009 was 4.59%.

	Payments Due by Period (in thousands)				
	Total	Less than 1 Year	1-3 Years	4-5 Years	More than 5 Years
Long-term debt (1)	$ 51,019	$ 12,703	$ 32,150	$ 620	$ 5,546
Capital leases	380	139	167	74	
Operating leases	1,432	675	648	109	--
Contingent payments (2)	2,310	--	1,700	610	
Purchase obligations	48,562	48,562	--	--	--
Total contractual obligations	$ 103,703	$ 62,079	$ 34,665	$ 1,413	$ 5,546

(1) Long term debt includes estimated interest payments; interest payments on related variable rate debt were calculated using the effective interest rate at December 31, 2009.

(2) Contingent payments are estimates associated with the Utilimaster acquisition that occurred in 2009, which assumes that various contingencies and market opportunities occur in 2010 and beyond.

Critical Accounting Policies and Estimates

The following discussion of critical accounting policies and estimates is intended to supplement Note 1, *General and Summary of Accounting Policies*, of the Notes to Consolidated Financial Statements. These policies were selected because they are broadly applicable within the Company's operating units and they involve additional management judgment due to the sensitivity of the methods, assumptions and estimates necessary in determining the related statement of income, asset and/or liability amounts.

Revenue Recognition

The Company recognizes revenue in accordance with authoritative guidelines, including those of the SEC. Accordingly, revenue is recognized when title to the product and risk of ownership passes to the buyer. In certain instances, risk of ownership and title passes when the product has been completed in accordance with purchase order specifications and has been tendered for delivery to the customer. On certain customer requested bill and hold transactions, revenue recognition occurs after the customer has been notified that the products have been completed according to the customer specifications, have passed all of the Company's quality control inspections, and are ready for delivery. All sales are shown net of returns, discounts and sales incentive programs, which historically have not been significant. The collectability of any related receivable is reasonably assured before revenue is recognized.

Accounts Receivable

The Company maintains an allowance for customer accounts that reduces receivables to amounts that are expected to be collected. In estimating the allowance for doubtful accounts, management makes certain assumptions regarding the risk of uncollectable open receivable accounts. This risk factor is applied to the balance on accounts that are aged over 60 days: generally this reserve has an estimated range from 10-25%. The risk percentage applied to the aged accounts may change based on conditions such as: general economic conditions, industry-specific economic conditions, historical and anticipated customer performance, historical experience with write-offs and the level of past-due amounts from year to year. However, generally the Company's assumptions are consistent year-over-year and there has been little adjustment made to the percentages used. In addition, in the event there are certain known risk factors with an open account, the Company may increase the allowance to include estimated losses on such "specific" account balances. The "specific" reserves are identified by a periodic review of the aged accounts receivable. If there is an account in question, credit checks are made and there is communication with the customer, along with other means to try to assess if a specific reserve is required. The inclusion of the "specific" reserve has caused the greatest fluctuation in the allowance for doubtful accounts balance historically. Please see Note 1, *General and Summary of Accounting Policies,* in the Notes to Consolidated Financial Statements and Appendix A included in this Form 10-K for further details and historical view of the allowance for doubtful accounts balance.

Impairment of Goodwill and Other Indefinite-Lived Intangible Assets

In accordance with authoritative guidance on goodwill and other indefinite-lived intangibles assets, such assets are tested for impairment at least annually, and written down when and to the extent impaired. An interim impairment test is required if an event occurs or conditions change that would more likely than not reduce the fair value of the asset below the carrying value.

Management evaluates the recoverability of indefinite-lived assets by estimating the future cash flows of the reporting units to which the asset relates, and then discounting the future cash flows at a market-participant-derived weighted-average cost of capital. In determining the estimated future cash flows, management considers current and projected future levels of income based on management's plans for that business; business trends, prospects and market and economic conditions; and market-participant considerations. When the estimated fair value of a reporting unit is less than its carrying value, management measures and recognizes the amount of the indefinite-lived intangible asset impairment loss, if any. Impairment losses, limited to the carrying value of indefinite-lived intangible assets, represent the excess of the carrying value of a reporting unit's indefinite-lived intangible asset over the implied fair value of that indefinite-lived intangible asset. The implied fair value of a reporting unit is estimated based on a hypothetical allocation of each reporting unit's fair value to all of its underlying assets and liabilities.

The entire goodwill of the EVTeam of $2.5 million at December 31, 2009, related solely to Crimson Fire, Inc., a reporting unit of that segment. The estimated fair value of Crimson Fire, Inc. exceeded its associated book value by 54% as of October 1, 2009, the most recent annual assessment date. Please refer to Note 6, *Goodwill and Intangible Assets,* in the Notes to Consolidated Financial Statements included in this Form 10-K for further details.

In conjunction with the recent acquisition of Utilimaster, the Company recorded $15.9 million of goodwill and $2.9 million of other indefinite-lived intangible asset for its trade name. Authoritative guidance requires that purchased intangible assets other than goodwill be amortized over their useful lives unless those lives are determined to be indefinite. The acquired Utilimaster trade name has an indefinite life as it is anticipated that it will contribute cash flows to the Company indefinitely. Indefinite-lived intangible assets are not amortized, but are evaluated at each reporting period to determine whether the indefinite useful life is appropriate and whether there has been any impairment of this intangible asset. Due to the recent acquisition of Utilimaster, it is the Company's assessment that there is no impairment associated with its goodwill and other indefinite-lived intangible asset at December 31, 2009. Such assets will be evaluated for impairment at October 1, 2010, absent any unexpected events or circumstances that might indicate an earlier impairment.

The Company cannot predict the occurrence of certain events or changes in circumstances that might adversely affect the carrying value of goodwill and indefinite-lived intangible assets. Such events may include, but are not limited to, the impact of the general economic environment; a material negative change in relationships with significant customers; or strategic decisions made in response to economic and competitive conditions; and other risk factors as detailed in Item 1A "Risk Factors" in this Annual Report on Form 10-K.

Warranties

The Company's policy is to record a provision for the estimated cost of warranty-related claims at the time of the sale, and periodically adjust the warranty liability to reflect actual experience. The amount of warranty liability accrued reflects actual historical warranty cost, which is accumulated on specific identifiable units. From that point, there is a projection of the expected future cost of honoring the Company's obligations under the warranty agreements. Historically, the cost of fulfilling the Company's warranty obligations has principally involved replacement parts and labor for field retrofit campaigns and recalls, which increase the reserve. The Company's estimates are based on historical experience, the number of units involved and the extent of features and components included in product models. Over time, this method has been consistently applied and has proven to be an appropriate approach to estimating future costs to be incurred. In 2009, there were adjustments to the warranty reserve relating to military vehicles, where the Company's specific warranty experience data had been limited to specific data for commercial vehicles in previous years. Therefore, in the past year there was a change in estimate for warranty liability related to the military vehicles to more accurately reflect actual warranty claims made for these specific vehicles. The impact from the change in estimate during 2009 was a $1.4 million reduction in the liability. See also Note 12, *Commitments and Contingent Liabilities*, of the Notes to Consolidated Financial Statements included in this Form 10-K, for further information regarding warranties.

New and Pending Accounting Policies

See Note 1 to the Consolidated Financial Statements included in Item 8 of this Form 10-K.

Effect of Inflation

Inflation affects the Company in two principal ways. First, the Company's revolving notes payable is generally tied to the prime and LIBOR interest rates so that increases in those interest rates would be translated into additional interest expense. Second, general inflation impacts prices paid for labor, parts and supplies. Whenever possible, the Company attempts to cover increased costs of production and capital by adjusting the prices of its products. However, the Company generally does not attempt to negotiate inflation-based price adjustment provisions into its contracts. Since order lead times can be as much as nine months, the Company has limited ability to pass on cost increases to its customers on a short-term basis. In addition, the markets served by the Company are competitive in nature, and competition limits the Company's ability to pass through cost increases in many cases. The Company strives to minimize the effect of inflation through cost reductions and improved productivity.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk .

The Company's primary market risk exposure is a change in interest rates and the effect of such a change on outstanding variable rate short-term and long-term debt. At December 31, 2009, the Company had $45.0 million of debt outstanding under its variable rate short-term and long-term debt agreements. An increase of 1% in interest rates would not have a material adverse effect on the Company's financial position or results of operations. The Company does not enter into market-risk-sensitive instruments for trading or other purposes.

The Company does not believe that there has been a material change in the nature or categories of the primary market risk exposures or the particular markets that present the primary risk of loss to the Company. As of the date of this report, the Company does not know of or expect any material changes in the general nature of its primary market risk exposure in the near term. In this discussion, "near term" means a period of one year following the date of the most recent balance sheet contained in this report.

Prevailing interest rates and interest rate relationships are primarily determined by market factors that are beyond the Company's control. All information provided in response to this item consists of forward-looking statements. Reference is made to the section captioned "Forward-Looking Statements" before Part I of this Annual Report on Form 10-K for a discussion of the limitations on the Company's responsibility for such statements.

Item 8. Financial Statements and Supplementary Data .

Board of Directors and Shareholders
Spartan Motors, Inc.
Charlotte, Michigan

We have audited the accompanying consolidated balance sheets of Spartan Motors, Inc. as of December 31, 2009 and 2008 and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2009. In connection with our audits of the financial statements, we have also audited the financial statement schedule as listed in the accompanying index. These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and schedule. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Spartan Motors, Inc. as of December 31, 2009 and 2008, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

Also, in our opinion, the financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

As discussed in Note 1 to the consolidated financial statements, the Company changed its method of accounting for uncertain tax positions with the required adoption of new accounting guidance related to Accounting for Uncertainty in Income Taxes, effective January 1, 2007. As also discussed in Note 1, the Company changed its method of accounting for business combinations with the required adoption of new accounting guidance related to Accounting for Business Combinations, effective January 1, 2009.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Spartan Motors, Inc.'s internal control over financial reporting as of December 31, 2009, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and our report dated March 15, 2010 expressed an unqualified opinion thereon. Our report on internal control over financial reporting refers to the fact that we excluded from the scope of our audit of internal control over financial reporting Utilimaster Corporation, which was acquired by the Company on November 30, 2009.

/s/ BDO Seidman, LLP

Grand Rapids, Michigan
March 15, 2010

Report of Independent Registered Public Accounting Firm
on Internal Control Over Financial Reporting

Board of Directors and Shareholders
Spartan Motors, Inc.
Charlotte, Michigan

We have audited Spartan Motors, Inc.'s internal control over financial reporting as of December 31, 2009, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Spartan Motors, Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Item 9A, Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As described in Management's Report on Internal Control Over Financial Reporting, management has excluded Utilimaster Corporation from its assessment of internal control over financial reporting as of December 31, 2009 because Utilimaster was acquired by the Company on November 30, 2009. We have also excluded Utilimaster from the scope of our audit of internal control over financial reporting. Utilimaster constituted 3.1% of consolidated revenue for the year ended December 31, 2009, and 22.8% of consolidated total assets as of December 31, 2009.

In our opinion, Spartan Motors, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Spartan Motors, Inc. as of December 31, 2009 and 2008 and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2009 and our report dated March 15, 2010 expressed an unqualified opinion thereon.

/s/ BDO Seidman, LLP

Grand Rapids, Michigan
March 15, 2010

SPARTAN MOTORS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31,	
ASSETS	**2009**	**2008**
Current assets:		
Cash and cash equivalents	$ 18,475,152	$ 13,741,062
Accounts receivable, less allowance for doubtful accounts of $932,000 in 2009 and $146,600 in 2008	46,377,237	75,935,246
Inventories	102,401,523	86,648,048
Deferred income tax assets	6,983,605	7,075,733
Income taxes receivable	4,212,140	--
Deposits on engines	--	5,457,078
Other current assets	3,663,701	2,606,659
Total current assets	182,113,358	191,463,826
Property, plant and equipment, net	80,228,206	66,785,515
Goodwill	18,404,278	2,457,028
Intangible assets, net	11,490,763	--
Deferred income tax assets	--	241,000
Other assets	1,040,704	192,964
TOTAL ASSETS	$ 293,277,309	$ 261,140,333
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 20,136,830	$ 21,775,970
Accrued warranty	6,691,686	8,352,239
Accrued customer rebates	1,323,691	1,497,673
Accrued compensation and related taxes	5,520,378	12,135,600
Accrued vacation	1,912,304	1,904,655
Deposits from customers	11,992,316	9,922,282
Other current liabilities and accrued expenses	6,299,762	4,584,312
Taxes on income	--	1,971,921
Current portion of long-term debt	11,145,823	10,639,832
Total current liabilities	65,022,790	72,784,484
Other non-current liabilities	4,189,272	1,157,000
Long-term debt, less current portion	35,203,765	16,555,616
Deferred income tax liabilities	8,341,339	--
Shareholders' equity:		
Preferred stock, no par value; 2,000,000 shares authorized (none issued)	--	--
Common stock, $0.01 par value; 40,000,000 shares authorized; 32,894,157 shares and 32,572,289 shares outstanding in 2009 and 2008, respectively	328,942	325,723
Additional paid in capital	67,099,466	64,606,608
Retained earnings	113,091,735	105,710,902
Total shareholders' equity	180,520,143	170,643,233
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 293,277,309	$ 261,140,333

See Accompanying Notes to Consolidated Financial Statements.

SPARTAN MOTORS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Year Ended December 31,		
	2009	**2008**	**2007**
Sales	$ 429,926,452	$ 844,390,226	$681,922,475
Cost of products sold	347,647,911	696,120,232	585,421,207
Restructuring charges	269,967	--	--
Gross profit	82,008,574	148,269,994	96,501,268
Operating expenses:			
Research and development	17,703,745	19,460,546	15,868,348
Selling, general and administrative	44,947,159	60,097,686	41,382,741
Restructuring charges	713,001	--	--
Operating income	18,644,669	68,711,762	39,250,179
Other income (expense):			
Interest expense	(1,338,635)	(2,061,767)	(1,747,754)
Interest and other income	753,048	679,229	724,852
Earnings before taxes on income	18,059,082	67,329,224	38,227,277
Taxes on income	6,287,000	24,615,000	13,723,000
Net earnings	$ 11,772,082	$ 42,714,224	$ 24,504,277
Basic net earnings per share	$ 0.36	$ 1.31	$ 0.76
Diluted net earnings per share	$ 0.36	$ 1.30	$ 0.75
Basic weighted average common shares outstanding	32,729,000	32,582,000	32,113,000
Diluted weighted average common shares outstanding	32,916,000	32,817,000	32,816,000

See Accompanying Notes to Consolidated Financial Statements.

SPARTAN MOTORS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2009, 2008 and 2007

	Number of Shares	Common Stock	Additional Paid In Capital	Retained Earnings	Total
Balance at December 31, 2006	31,667,009	$ 316,670	$ 54,233,016	$ 48,630,402	$ 103,180,088
Adjustment for adoption of new guidance in accounting for uncertainty in income taxes	--	--	--	(331,000)	(331,000)
Issuance of common stock and the tax impact of stock incentive plan transactions	756,899	7,569	7,175,318	--	7,182,887
Dividends declared ($0.13 per share)	--	--	--	(4,342,889)	(4,342,889)
Issuance of restricted stock, net of cancellation	228,771	2,288	(2,288)	--	--
Stock based compensation expense related to SARs and restricted stock	--	--	1,793,883	--	1,793,883
Purchase and constructive retirement of stock	(300,000)	(3,000)	(551,500)	(2,214,369)	(2,768,869)
Comprehensive income:					
Net earnings	--	--	--	24,504,277	24,504,277
Total comprehensive income					24,504,277
Balance at December 31, 2007	32,352,679	323,527	62,648,29	66,246,421	129,218,377
Issuance of common stock and the tax impact of stock incentive plan transactions	71,955	719	(737,285)	--	(736,566)
Dividends declared ($0.10 per share)	--	--	--	(3,249,743)	(3,249,743)
Issuance of restricted stock, net of cancellation	147,655	1,477	(1,477)	--	--
Stock based compensation expense related to restricted Stock	--	--	2,696,941	--	2,696,941
Comprehensive income:					
Net earnings	--	--	--	42,714,224	42,714,224
Total comprehensive income					42,714,224
Balance at December 31, 2008	32,572,289	325,723	64,606,608	105,710,902	170,643,233
Issuance of common stock and the tax impact of stock incentive plan transactions	188,399	1,884	442,606	--	444,490
Dividends declared ($0.13 per share)	--	--	--	(4,235,891)	(4,235,891)
Issuance of restricted stock, net of cancellation	274,207	2,742	(2,742)	--	--
Stock based compensation expense related to restricted stock	--	--	2,331,655	--	2,331,655
Purchase and constructive retirement of stock	(140,738)	(1,407)	(278,661)	(155,358)	(435,426)
Comprehensive income:					
Net earnings	--	--	--	11,772,082	11,772,082
Total comprehensive income	--	--	--		11,772,082
Balance at December 31, 2009	32,894,157	$328,942	$ 67,099,466	$ 113,091,735	$ 180,520,143

See Accompanying Notes to Consolidated Financial Statements.

SPARTAN MOTORS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2009	**2008**	**2007**
Cash flows from operating activities:			
Net earnings	$ 11,772,082	$ 42,714,224	$ 24,504,277
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:			
Depreciation and amortization	7,764,683	6,059,138	4,062,789
Loss on disposal of assets	442,248	57,620	86,425
Tax expense (benefit) related to stock incentive plan transactions	(139,949)	627,099	(3,556,165)
Deferred income tax expense (benefit)	2,529,241	383,099	(3,488,175)
Stock based compensation related to stock awards	2,331,655	2,696,941	1,793,883
Decrease (increase) in operating assets, net of acquired business:			
Accounts receivable	37,359,367	56,971,313	(70,286,432)
Inventories	(895,523)	16,427,741	(38,902,595)
Income tax receivable	(2,792,597)	--	--
Other assets	5,438,398	(5,933,052)	11,012,831
Increase (decrease) in operating liabilities, net of acquired business:			
Accounts payable	(8,840,911)	(68,993,542)	60,066,016
Accrued warranty	(3,204,651)	(2,471,293)	4,442,792
Accrued customer rebates	(173,982)	(465,092)	(1,507,852)
Accrued compensation and related taxes	(8,415,818)	1,705,044	2,718,135
Accrued vacation	7,649	146,301	274,965
Deposits from customers	2,070,034	4,382,458	(1,925,598)
Other current liabilities and accrued expenses	(4,473,116)	1,217,487	775,341
Taxes on income	(2,655,184)	925,748	3,235,610
Total adjustments	26,351,544	13,737,010	(31,198,030)
Net cash provided by (used in) operating activities	38,123,626	56,451,234	(6,693,753)
Cash flows from investing activities:			
Purchases of property, plant and equipment	(5,814,491)	(16,290,066)	(31,182,496)
Proceeds from sale of property, plant and equipment	143,561	61,008	19,200
Acquisition of business, net of cash acquired	(42,318,358)	--	--
Net cash used in investing activities	(47,989,288)	(16,229,058)	(31,163,296)
Cash flows from financing activities:			
Proceeds from long-term debt	45,000,000	203,500,000	168,800,000
Payments on long-term debt	(26,173,421)	(239,522,672)	(131,321,105)
Net proceeds (use of cash) from the exercise or vesting of stock incentive awards	304,541	(109,467)	3,626,722
Purchase and retirement of common stock	(435,426)	--	(2,768,869)
Cash retained (paid) related to tax impact of stock incentive plan transactions	139,949	(627,099)	3,556,165
Payment of dividends	(4,235,891)	(3,249,743)	(4,342,889)
Net cash provided by (used in) financing activities	14,599,752	(40,008,981)	37,550,024
Net increase (decrease) in cash and cash equivalents	4,734,090	213,195	(307,025)
Cash and cash equivalents at beginning of year	13,741,062	13,527,867	13,834,892
Cash and cash equivalents at end of year	$ 18,475,152	$ 13,741,062	$ 13,527,867

Supplemental disclosures: Cash paid for interest was $1,300,000, $2,421,000 and $1,463,000 for 2009, 2008, and 2007, respectively. Cash paid for income taxes was $9,284,000, $23,377,000 and $13,502,000 for 2009, 2008 and 2007, respectively.

See Accompanying Notes to Consolidated Financial Statements.

NOTE 1 - GENERAL AND SUMMARY OF ACCOUNTING POLICIES

Nature of Operations. Spartan Motors, Inc. (the "Company") is a custom engineer and manufacturer of specialized motor vehicle chassis and bodies. The Company's principal chassis markets are fire trucks, motorhomes and specialty vehicles. The Company also has various subsidiaries that are manufacturers of bodies for various markets including fire trucks, ambulances, and delivery vehicles.

Principles of Consolidation. The consolidated financial statements include the accounts of the Company and its five wholly owned operating subsidiaries: Spartan Chassis, Inc., Crimson Fire, Inc., Crimson Fire Aerials, Inc., Road Rescue, Inc., and Utilimaster Corporation (which was acquired on November 30, 2009). All intercompany transactions have been eliminated.

Use of Estimates. The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Revenue Recognition. The Company recognizes revenue in accordance with Accounting Standards Codification ("ASC") 605. Accordingly, revenue is recognized when title to the product and risk of ownership passes to the buyer. In certain instances, risk of ownership and title passes when the product has been completed in accordance with purchase order specifications and has been tendered for delivery to the customer. On certain customer requested bill and hold transactions, revenue recognition occurs after the customer has been notified that the products have been completed according to the customer specifications, have passed all of the Company's quality control inspections, and are ready for delivery. All sales are shown net of returns, discounts and sales incentive programs, which historically have not been significant. Rebates for certain product sales, which are known and accrued at time of sale, are reflected as a reduction of revenue. Service revenue is immaterial at less than one percent of total sales. The collectability of any related receivable is reasonably assured before revenue is recognized.

Shipping and Handling of Products. Costs incurred, related to the shipment and handling of products, are classified in cost of products sold. Amounts billed to customers for shipping and handling of products are included in sales.

Cash and Cash Equivalents include cash on hand, cash on deposit, treasuries and money market funds. The Company considers all investments purchased with an original maturity of three months or less to be cash equivalents. Cash that will be required for operations within 90 days or less will be invested in money market funds or treasuries.

Accounts Receivable. The Company's receivables are subject to credit risk, and the Company does not typically require collateral on its accounts receivable. The Company performs periodic credit evaluations of its customers' financial condition and generally requires a security interest in the products sold. Receivables generally are due within 30 to 60 days and allowances are maintained for potential credit losses. Historically, such losses have consistently been within management's expectations. Past due accounts are written off when collectability is determined to be no longer assured.

Inventories are stated at the lower of first-in, first-out cost or market. Estimated inventory allowances for slow-moving and obsolete inventory are based upon current assessments about future demands, market conditions and related management initiatives. If market conditions are less favorable than those projected by management, additional inventory allowances may be required.

NOTE 1 - GENERAL AND SUMMARY OF ACCOUNTING POLICIES (Continued)

Property, Plant and Equipment is stated at cost and the related assets are depreciated over their estimated useful lives using principally an accelerated method for both financial statement and income tax purposes. Included in property, plant and equipment are capital leases beginning in 2009 as there were none in prior years. Cost includes an amount of interest associated with significant capital projects. Estimated useful lives range from 20 to 31.5 years for buildings and improvements, 3 to 15 years for plant machinery and equipment, 3 to 7 years for furniture and fixtures and 3 to 5 years for vehicles. Maintenance and repair costs are charged to earnings, while expenditures that increase asset lives are capitalized. The Company periodically reviews all other long-lived assets that have finite lives, including finite-lived intangible assets, and that are not held for sale for impairment by comparing the carrying value of the assets to their estimated future undiscounted cash flows.

Goodwill and Other Indefinite-Lived Intangible Assets . Goodwill represents the excess of the cost of a business combination over the fair value of the net assets acquired. Goodwill and intangible assets deemed to have indefinite lives are not amortized, but are subject to impairment tests on an annual basis, or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Goodwill is allocated to the reporting unit from which it was created. The Company is required to test goodwill for impairment, at the reporting unit level, annually. A reporting unit is an operating segment or sub-segment to which goodwill is assigned when initially recorded.

Other intangible assets with definite lives are amortized over their estimated useful lives. The Company annually reviews indefinite lived intangible assets for impairment by comparing the carrying value of those assets to their fair value.

The Company performs its annual goodwill impairment test as of October 1 and monitors for interim triggering events on an ongoing basis. Goodwill is reviewed for impairment utilizing a two-step process. The first step requires a comparison the fair value of each reporting unit, which the Company primarily determines using an income approach based on the present value of discounted cash flows, to the respective carrying value. If the fair value of the reporting unit exceeds its carrying value, the related goodwill is not considered impaired. If the carrying value is higher than the fair value, there is an indication that an impairment may exist and the second step is then required. In step two, the implied fair value of goodwill is calculated as the excess of the fair value of a reporting unit over the fair values assigned to its assets and liabilities. If the implied fair value of goodwill is less than the carrying value of the reporting unit's goodwill, the difference is recognized as an impairment loss. See Note 6, *Goodwill and Intangible Assets,* for further details.

Warranties. The Company's policy is to record a provision for the estimated cost of warranty-related claims at the time of the sale, and periodically adjust the warranty liability to reflect actual experience. The amount of warranty liability accrued reflects management's best estimate of the expected future cost of honoring the Company's obligations under the warranty agreements. The Company's estimates are based on historical experience, the number of units involved and the extent of features and components included in product models. See Note 12, *Commitments and Contingent Liabilities* , for further information regarding warranties.

Deposits from Customers. The Company receives advance payments from customers for future product orders and records these amounts as liabilities. Such deposits are accepted by the Company when presented by customers seeking improved pricing in connection with orders that are placed for products to be manufactured and sold at a future date. Revenue associated with these deposits is deferred and recognized upon shipment of the related product to the customer.

NOTE 1 - GENERAL AND SUMMARY OF ACCOUNTING POLICIES (Continued)

Research and Development. The Company's research and development costs, which consist of compensation costs, travel and entertainment, administrative expenses and new product development among other items, are expensed as incurred.

Taxes on Income. The Company accounts for income taxes in accordance with ASC 740, which requires that deferred income tax assets and liabilities are recognized using enacted tax rates for the effect of temporary differences between the book and tax bases of recorded assets and liabilities. Authoritative guidance also requires deferred income tax assets be reduced by a valuation allowance if, it is more likely than not, some portion or all of the deferred income tax assets will not be realized.

The Company evaluates the likelihood of realizing its deferred income tax assets by assessing its valuation allowance and by adjusting the amount of such allowance, if necessary. The factors used to assess the likelihood of realization are the Company's forecast of future taxable income, the projected reversal of temporary differences and available tax planning strategies that could be implemented to realize the net deferred income tax assets.

As disclosed in Note 7, *Taxes on Income*, the Company adopted new guidance related to accounting for uncertainty in income taxes, effective January 1, 2007. The Company has elected to retain its existing accounting policy with respect to the treatment of interest and penalties attributable to income taxes, and continues to reflect any change for such, to the extent it arises, as a component of its income tax provision or benefit.

Earnings Per Share. Basic earnings per share is based on the weighted average number of common shares, share equivalents of stock appreciation rights ("SAR"s) and participating securities outstanding during the period. Diluted earnings per share also include the dilutive effect of additional potential common shares issuable from stock options and are determined using the treasury stock method. Basic earnings per share represents net earnings divided by basic weighted average number of common shares outstanding during the period, including the average dilutive effect of the Company's SARs outstanding during the period determined using the treasury stock method. Diluted earnings per share represents net earnings outstanding divided by diluted weighted average number of common shares outstanding, which includes the average dilutive effect of the Company's stock options outstanding during the period. There is new guidance relating to determining whether instruments granted in share-based payment transactions are participating securities, which was adopted effective January 1, 2009. The new guidance requires that unvested stock awards which contain non-forfeitable rights to dividends or dividend equivalents, whether paid or unpaid (referred to as "participating securities"), be included in the number of shares outstanding for both basic and diluted earnings per share calculations. The Company's unvested restricted stock is considered a participating security and thus is fully included in the both earnings per share computations. See Note 14, *Earnings Per Share,* for further details.

The effect of dilutive stock options were 187,000, 235,000 and 703,000 shares in 2009, 2008 and 2007, respectively. For 2009 and 2008, 41,000 and 33,000 shares, respectively, related to stock incentive plans were not included in diluted weighted average common shares outstanding because their inclusion would be antidilutive. There were no antidilutive stock options in 2007.

Stock Incentive Plans. Share-Based Payment compensation costs for equity-based awards is measured on the grant date based on the fair value of the award at that date, and is recognized over the requisite service period, net of estimated forfeitures. Fair value of stock option awards is estimated using a closed option valuation (Black-Scholes) model. Fair value of restricted stock awards is based upon the quoted market price of the common stock on the date of grant. The Company's incentive stock plans are described in more detail in Note 11, *Stock Based Compensation*.

NOTE 1 - GENERAL AND SUMMARY OF ACCOUNTING POLICIES (Continued)

Stock Split. On May 23, 2007, the Company's Board of Directors announced a 3-for-2 stock split which was issued on June 28, 2007 to shareholders of record on June 14, 2007. Earnings per share and all share data have been restated in all prior periods, to reflect this stock split.

Fair Value. The Company is required to disclose the fair value of its financial instruments. The carrying value at December 31, 2009 and 2008 of cash and cash equivalents, accounts receivable and accounts payable approximate their fair value due to their short term nature. The carrying value of variable rate debt instruments approximate their fair value based on their relative terms and market rates.

Reclassifications. Certain immaterial amounts in the prior years' financial statements have been reclassified to conform to the current year's presentation.

New Accounting Standards

In June 2009, the Financial Accounting Standards Board ("FASB") issued the FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles. This issuance established the *FASB Accounting Standard Codification*™ ("Codification") as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with generally accepted accounting principles in the United States ("U.S. GAAP"). All guidance contained in the Codification carries an equal level of authority. The Codification does not change current U.S. GAAP, but is intended to simplify user access to all authoritative U.S. GAAP by providing all the authoritative literature related to a particular topic in one place. All existing accounting standard documents are superseded and all other accounting literature not included in the Codification is considered nonauthoritative. The Codification is effective for interim or annual periods ending after September 15, 2009. Appropriate changes to U.S. GAAP references have been made in the financial statements.

In September 2006, the FASB issued a new standard regarding "Fair Value Measurements" which defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. The Company has evaluated its assets and liabilities for material impact. This standard clarifies the definition of fair value, establishes a framework for measuring fair value and expands the disclosures on fair value measurements. Through December 31, 2009, the standard had no effect on the Company's consolidated results of operations or financial position with respect to its financial assets and liabilities. Effective January 1, 2009, the Company applied the fair value measurement and disclosure provisions to its nonfinancial assets and liabilities measured on a nonrecurring basis. This new standard had an impact during the acquisition of Utilimaster whereby its assets and liabilities were recorded at their respective fair market values at November 30, 2009. Accordingly, the Company incurred $0.5 million in cost of sales during December 2009 for the sale of stepped-up inventory. See Note 2, *Acquisition Activities*, for further detail. Exclusive of the acquisition, this standard had no effect on its consolidated results of operations or financial position through December 31, 2009 and is also not expected to have a material impact on the Company's future consolidated results of operations or financial position.

In December 2007, the FASB issued a new standard regarding "Business Combinations", to further enhance the accounting and financial reporting related to business combinations. This standard establishes principles and requirements for how the acquirer in a business combination (1) recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree, (2) recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase,

NOTE 1 - GENERAL AND SUMMARY OF ACCOUNTING POLICIES (Continued)

and (3) determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. The standard applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The Company applied this new standard related to its November 30, 2009 acquisition of Utilimaster (see Note 2, *Acquisition Activities*). The primary impact of this new guidance on the Utilimaster acquisition was the expensing of approximately $665,000 of acquisition-related costs that would have been previously capitalized and the recording of approximately $1.5 million for a contingent earn-out liability.

In June 2008, the FASB issued new guidance regarding "Determining Whether Instruments Granted in Share-Based Payment Transactions are Participating Securities." This guidance provides that unvested share-based payment awards, which contain nonforfeitable rights to dividends or dividend equivalents, whether paid or unpaid, are participating securities and are required to be included in the computation of earnings per share pursuant to the two-class method described in the standard. The two-class method of computing earnings per share includes an earnings allocation formula that determines earnings per share for common stock and any participating securities. The new guidance was effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those years. All prior period earnings per share data presented are required to be adjusted retrospectively to conform to the provisions of this guidance. Adoption of this guidance reduced both basic and diluted earnings per share by $.02 for the year ended December 31, 2008. The adoption reduced basic earnings per share by $0.01 for the year ended December 31, 2007.

In May 2009, the FASB issued a new standard regarding "Subsequent Events," which established general standards of accounting for and disclosures of events that occur after the balance sheet date but before the financial statements are issued or are available to be issued. The standard is effective for interim or annual financial periods ending after June 15, 2009. The adoption of this standard did not have any impact on the Company's results of operations or financial position through December 31, 2009.

NOTE 2 – ACQUISITION ACTIVITIES

On November 30, 2009, the Company completed the acquisition of Utilimaster Holdings, Inc. ("Holdings"). Pursuant to the November 18, 2009 Agreement and Plan of Merger (the "Merger Agreement"), SMI Sub, Inc., a direct wholly-owned subsidiary of the Company, merged with and into Holdings (the "Merger"). As a result of the closing of the Merger, the Company became the sole shareholder of Holdings, the surviving corporation in the Merger and the owner of 100% of the capital stock of Utilimaster Corporation, a Delaware corporation ("Utilimaster").

The Company expects the acquisition of Utilimaster will further diversify its revenue stream into new markets that offer growth potential and are not directly dependent on government funding or consumer spending. The Company believes the acquisition also allows the Company to gain entry into the North American delivery and service market, add fabrication and vehicle body expertise, benefit from Utilimaster's strong brand, market share position, and solid customer base, and create opportunities to leverage future growth in the Company's chassis business.

Included in the Company's results since the November 30, 2009 acquisition are net sales of $13.2 million and loss from operations of $0.7 million from Utilimaster. Included in the results from Utilimaster was a one-time charge to cost of products sold of $0.5 million related to the fair value step-up of inventories acquired from Holdings and sold in December 2009.

NOTE 2 – ACQUISITION ACTIVITIES (Continued)

Pro forma Results of Operation (Unaudited)

The following table provides pro forma net sales and results of operations for the years ended December 31, 2009 and December 31, 2008, as if Utilimaster had been acquired on January 1 of each year. The unaudited pro forma results reflect certain adjustments related to the acquisition, such as increased depreciation and amortization expense on assets acquired from Utilimaster resulting from the fair valuation of assets acquired and the impact of acquisition financing in place at December 31, 2009. The pro forma results do not include any anticipated cost synergies or other effects of the planned integration of Utilimaster. Accordingly, such pro forma amounts are not necessarily indicative of the results that actually would have occurred had the acquisition been completed on the date indicated, nor are they indicative of the future operating results of the combined company.

Pro Forma Results of Operations (Unaudited) In thousands, except per share amounts	**2009**	**2008**
Net sales	$ 527,259	$ 1,029,918
Net earnings	$ 11,186	$ 46,780
Diluted net earnings per share	$ 0.34	$ 1.43

Purchase Price Allocation

The cash consideration paid by the Company at closing totaled approximately $42.3 million, net of cash acquired of $0.7 million. The consideration paid is subject to certain post-closing adjustments, including a net working capital adjustment, as described in the Merger Agreement. Pursuant to the Merger Agreement, the shareholders of Holdings may receive additional consideration through 2014 in the form of certain performance-based earn-out payments, up to an aggregate maximum amount of $7.0 million. Of this amount, $1.5 million has been recorded for expected discounted contingent consideration. Accordingly the estimated total purchase price for the acquisition of Utilimaster was $44.5 million.

This acquisition was accounted for using the purchase method of accounting and the purchase price was allocated to the assets purchased and liabilities assumed based upon their estimated fair values at the date of acquisition. Identifiable intangible assets included a trade-name, acquired project in development, customer relationships, backlog and certain non-compete agreements. The excess of the purchase prices over the estimated fair values of the net tangible and intangible assets acquired of $15.9 million was recorded as goodwill. The Company has recorded an estimate for contingent consideration related to performance based earn-out payments per the Merger Agreement, valued in accordance with accounting guidance for business combinations and fair value measurements at approximately $1.5 million.

The purchase price was allocated to assets acquired and liabilities assumed as follows:

NOTE 2 – ACQUISITION ACTIVITIES (Continued)

	In 000s
Accounts receivable	$ 7,801
Inventory	14,858
Other current assets	4,971
Property, plant and equipment	15,849
Intangible assets	11,620
Goodwill	15,947
Total assets acquired	71,046
Accounts payable	7,202
Current liabilities	8,894
Other long-term liabilities	2,241
Deferred income taxes	8,211
Total liabilities assumed	26,548
Total purchase price	$ 44,498

Contingent Consideration
Pursuant to the Merger Agreement, the prior shareholders of Holdings may receive additional consideration through 2014 in the form of certain performance-based earn-out payments, up to an aggregate maximum amount of $7.0 million. The Merger Agreement specifies three separate categories of potential payouts, including: 1) a single payment contingent upon the sale and delivery on or before a specified date of a new product that was in development at the time of the acquisition ("New Product"), 2) a single payment contingent upon the sale and delivery of a specified number of the New Product on or before a specified date, and 3) annual payments for each calendar year 2010 through and including 2014 as a percentage of and contingent upon revenues for that calendar year exceeding predetermined thresholds. In accordance with accounting guidance for business combinations, the Company recorded the value of the future consideration based upon its best estimate of the likelihood of the payments, discounted to present using a discount rate of 15%. Changes in this estimate, including changes in its present value, will be reflected as adjustments to operating income in the period of such change.

Goodwill Assigned
The acquisition resulted in the recognition of $15.9 million of goodwill, which is not deductible for tax purposes. See Note 6, *Goodwill and Intangible Assets,* for further information on goodwill.

Goodwill largely consists of expected synergies resulting from the acquisition and the estimated value of the workforce employed. Key areas of expected cost savings include increased purchasing power for raw materials; manufacturing and supply chain work process improvements; and the elimination of redundant corporate overhead for shared services and governance. The Company also anticipates that the transaction will produce significant growth synergies through the application of each company's innovative technologies and through the combined businesses' broader product portfolio in key industry segments.

Financing for the Utilimaster Acquisition
Financing for the acquisition of Utilimaster included cash of approximately $22.9 million, net of cash received, and debt financing of $19.4 million (see Note 8, *Debt*), for a total amount of consideration paid, net of cash acquired, of approximately $42.3 million. Contingent consideration recorded at $1.5 million will be paid as it becomes due.

Utilimaster Acquisition Related Expenses
During the fourth quarter of 2009, pretax charges totaling approximately $0.7 million were recorded for legal

NOTE 2 – ACQUISITION ACTIVITIES (Continued)

expenses and other transaction and integration costs related to the acquisition. These charges, which were expensed in accordance with the accounting guidance for business combinations, were recorded in "Selling, general and administrative" and reflected within the "Other" column in the 2009 business segment table in Note 15, Business Segments.

NOTE 3 – INVENTORIES

Inventories are summarized as follows:

	December 31,	
	2009	2008
Finished goods	$ 16,961,240	$ 12,461,708
Work in process	14,628,414	17,494,759
Raw materials and purchased components	73,732,131	59,264,961
Obsolescence and slow-moving reserves	(2,920,262)	(2,573,380)
TOTAL INVENTORY	$ 102,401,523	$ 86,648,048

Included in the "Raw materials and purchased components" line item above are transitional engines in preparation for the 2010 engine emissions change. In addition, this line item includes engines that were purchased from vendors who had notified the Company that the respective models would no longer be available. These combined engines amounted to approximately $22.4 million at December 31, 2009. There were no corresponding amounts at December 31, 2008.

The Company also has a number of demonstration units as part of its sales and training program. These demonstration units are included in the "Finished goods" line item above, and amounted to approximately $12.8 million and $7.3 million at December 31, 2009 and 2008, respectively.

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are summarized by major classifications as follows:

	December 31,	
	2009	2008
Land and improvements	$ 6,811,659	$ 3,955,189
Buildings and improvements	70,551,033	60,810,957
Plant machinery and equipment	24,956,260	19,035,893
Furniture and fixtures	14,599,559	13,617,620
Vehicles	3,155,812	2,980,769
Construction in process	558,332	--
SUBTOTAL	120,632,655	100,400,428
Less accumulated depreciation	(40,404,449)	(33,614,913)
TOTAL PROPERTY, PLANT AND EQUIPMENT, NET	$ 80,228,206	$ 66,785,515

During 2009, the Company engaged in certain restructuring activities, see Note 13, *Restructuring*, which included the consolidation of plant facilities. As a result of this activity, a building having a net book value of $429,000 was

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT (continued)

considered impaired and the related loss was recognized. This loss was reported on the restructuring charges line, within the operating expense section, of the Consolidated Statements of Income. As this property did not belong to a named segment, the Company's "Other" category recognized this loss during the third quarter of 2009.

Interest capitalized during 2008 related to construction and renovation of manufacturing facilities amounted to approximately $190,000. There were no capitalized interest costs in 2009 as the construction and renovation project had completed during 2008.

NOTE 5 - LEASES

The Company leases certain office equipment and manufacturing and warehouse space under operating lease agreements. Leases generally provide that the Company shall pay the cost of utilities, insurance, taxes and maintenance. Rent expense for the years ended December 31, 2009, 2008 and 2007 was $1,072,000, $1,033,000, and $1,124,000, respectively. Future minimum operating lease commitments under non-cancelable leases are as follows: $675,000 in 2010, $412,000 in 2011, $236,000 in 2012, $97,000 in 2013 and $12,000 in 2014.

The Company leases certain office equipment, computer hardware and material handling equipment under capital lease agreements. Cost and accumulated depreciation of capitalized leased assets included in machinery and equipment are $321,316 and $10,470 at December 31, 2009. Future minimum capital lease commitments under non-cancelable leases are as follows: $112,000 in 2010, $97,000 in 2011, $41,000 in 2012, $45,000 in 2013 and $20,000 in 2014.

NOTE 6 – GOODWILL AND INTANGIBLE ASSETS

The goodwill at the Company's Crimson Fire, Inc. subsidiary, a reporting unit which is included in the Company's EVTeam reportable segment, was evaluated as of October 1, 2009, its current annual goodwill impairment assessment date, using a discounted cash flow valuation. The estimated fair value of Crimson Fire, Inc. exceeded its book value by approximately 54% and therefore there was no impairment.

The Company acquired Utilimaster on November 30, 2009. See Note 2, *Acquisition Activities,* for further details related to this acquisition. The difference between the consideration paid and the acquisition-date value of the identifiable assets acquired and liabilities assumed was recognized as goodwill, as disclosed in the table below. Due to the recent acquisition of Utilimaster, it is the Company's assessment that the goodwill at Utilimaster is not impaired. The goodwill at Utilimaster will be evaluated at the next annual assessment date of October 1, 2010, unless there is a triggering event that would necessitate an earlier evaluation.

	Goodwill by Segment		
	EVTeam	Utilimaster	Total
Balance as of December 31, 2007	$ 2,457,028	$ --	$ 2,457,028
Balance as of December 31, 2008	$ 2,457,028	$ --	$ 2,457,028
Acquisition of Utilimaster	--	15,947,250	15,947,250
Balance as of December 31, 2009	$ 2,457,028	$ 15,947,250	$ 18,404,278

NOTE 6 – GOODWILL AND INTANGIBLE ASSETS (Continued)

In conjunction with the 2009 acquisition of Utilimaster, the Company acquired other intangible assets. Prior to this acquisition, the only other recorded intangible was the goodwill related to the Crimson Fire, Inc. reportable unit. Accordingly, the Company had $129,237 of intangible asset amortization expense during 2009 and none in 2008 or 2007. The amortizable intangible assets are being amortized over their remaining lives consistent with the pattern of economic benefits estimated to be received. The acquired product development project intangible will be amortized on a similar basis once it has been completed, which is estimated to be in late 2011. The non-compete agreement intangible asset is being amortized on a straight-line basis, while the other intangible assets, except for the trade name which has an indefinite life, are being amortized based on the pattern of estimated after-tax operating income generated. The following table provides information regarding the Company's other intangible assets:

		As of December 31, 2009		
	Weighted-average Amortization Period (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
National account customer relationships	20	$ 5,480,000	$ 29,717	$ 5,450,283
Acquired product development project	20	1,860,000	--	1,860,000
Other customer relationships	6	690,000	13,964	676,036
Non-compete agreements	6	400,000	5,556	394,444
Backlog	Less than 1	320,000	80,000	240,000
Trade name	indefinite	2,870,000	--	2,870,000
Total		$ 11,620,000	$ 129,237	$ 11,490,763

The estimated remaining amortization associated with finite-lived intangible assets is expected to be expensed as follows:

	Amount
2010	$ 544,226
2011	519,389
2012	711,236
2013	778,190
2014	758,055
Thereafter	5,309,667
	$ 8,620,763

Income tax expense is summarized as follows:

NOTE 7 - TAXES ON INCOME

	Year Ended December 31,		
	2009	2008	2007
Current:			
Federal	$ 3,678,740	$ 22,814,971	$ 15,789,588
State	79,019	1,416,930	1,421,587
Total current	3,757,759	24,231,901	17,211,175
Deferred (credit):			
Federal	2,314,856	337,690	(3,116,866)
State	214,385	45,409	(371,309)
Total deferred	2,529,241	383,099	(3,488,175)
TOTAL TAXES ON INCOME	$ 6,287,000	$ 24,615,000	$ 13,723,000

The above current tax expense amounts differ from the actual amounts payable to the taxing authorities due to the tax impact associated with stock incentive plan transactions under the plans described in Note 11, *Stock Based Compensation*. These adjustments were a reduction of $139,949 in 2009, an addition of $627,099 in 2008 and a reduction of $3,556,165 in 2007. The adjustments to current taxes on income were recognized as adjustments of additional paid-in capital.

Differences between the expected income tax expense derived from applying the federal statutory income tax rate to earnings before taxes on income and the actual tax expense, are as follows:

	Year Ended December 31,					
	2009		2008		2007	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Federal income taxes at the statutory rate	$ 6,320,678	35.00%	$23,565,228	35.00%	$13,379,547	35.00%
Increase (decrease) in income taxes resulting from:						
Nondeductible expenses - settlement	--	--	2,100,000	3.12	--	--
Nondeductible expenses - other	317,000	1.76	115,000	0.17	418,000	1.09
State tax expense, net of federal income tax benefit	269,000	1.49	1,019,000	1.51	924,000	2.42
Adjustment of valuation allowance on state net operating losses and ITC carryforwards, net of federal income tax benefit	--	--	68,000	0.10	(99,000)	(0.26)
Section 199 production deduction	(239,000)	(1.32)	(1,540,000)	(2.29)	(791,000)	(2.07)
Federal research and development tax credit	(203,000)	(1.12)	(534,000)	(0.79)	--	--
Other	(177,678)	(1.00)	(178,228)	(0.26)	(108,547)	(0.28)
TOTAL	$ 6,287,000	34.81%	$ 24,615,000	36.56%	$ 13,723,000	35.90%

Temporary differences which give rise to deferred income tax assets (liabilities) are as follows:

NOTE 7 - TAXES ON INCOME (Continued)

	December 31,	
	2009	2008
Current asset (liability):		
Additional capitalized inventory costs	$ 715,000	$ 555,000
Vacation accrual	622,000	721,000
Bonus accrual	319,000	1,262,000
Warranty reserve	2,508,000	3,253,000
Inventory allowance	1,163,000	945,000
Allowance for doubtful accounts	318,000	57,000
Prepaid insurance	(201,000)	(5,000)
Deferred revenue	351,000	--
Vendor compensation	255,000	--
State tax net operating loss carryforward, net of federal income tax benefit	476,000	446,000
Valuation allowance for state tax net operating loss carryforward	(476,000)	(446,000)
State tax credit carryforward, net of federal income tax benefit	3,125,000	44,000
Valuation allowance for state tax credit carryforward	(3,125,000)	(44,000)
Federal tax benefit related to state tax reserves	447,000	399,000
Other	486,605	(111,267)
Net current deferred tax asset	$ 6,983,605	$ 7,075,733
Noncurrent asset (liability)		
Depreciation	$ (6,723,000)	$ (1,904,000)
Goodwill	(3,809,000)	(332,000)
Other	2,190,661	1,989,000
Net noncurrent deferred tax asset (liability)	$ (8,341,339)	$ 241,000

At December 31, 2009 and 2008, the Company had state deferred tax assets, related to state tax net operating loss carry-forwards, of approximately $733,000 and $687,000, respectively, which begin expiring in 2017. Also, as of December 31, 2009, the Company had state deferred tax assets, related to state tax credit carry-forwards, of approximately $4,808,000, which begin expiring in 2023. The Company has full valuation allowances against these deferred tax assets, which are reflected in the above table net of Federal income taxes, and expects to maintain these allowances on future tax benefits of state net operating losses and tax credits until an appropriate level of profitability is sustained or the Company is able to develop tax strategies that will enable it to conclude that, more likely than not, a portion of the deferred tax assets will be realizable in the particular states. See Note 2, *Acquisition Activities,* for further information regarding the change in deferred tax liabilities resulting from the acquisition of Utilimaster on November 30, 2009.

The Company adopted new accounting guidance relating to accounting for uncertainty in income taxes, effective January 1, 2007. Accordingly, the Company identified unrecognized tax benefits ("UTB") of $723,000 as of January 1, 2007. Computed interest and penalties on UTB amounted to $238,000, for a total related liability of $961,000 at date of adoption.

In accordance with the adoption of the new guidance, the Company recorded a decrease to its beginning balance of retained earnings in the amount of $331,000 with the remaining $630,000 being reclassified from current accrued taxes on income to other non-current liabilities. The change in interest and penalties, which are included in the total related liability, amounted to a decrease of $90,000 in 2008 and an increase of $190,000 in 2009. The change in UTB, excluding interest and penalties, is as follows for 2009 and 2008:

NOTE 7 - TAXES ON INCOME (Continued)

	2009	2008	2007
Balance at January 1,	$ 884,000	$ 662,000	$ 723,000
Increase related to prior year tax positions	304,000	104,000	(43,000)
Increase related to Utilimaster purchase	279,000	--	--
Increase (decrease) related to current year tax positions	(3,000)	118,000	42,000
Settlements	(319,000)	--	(60,000)
Balance at December 31,	$ 1,145,000	$ 884,000	$ 662,000

Included in other non-current liabilities in the Consolidated Balance Sheet as of December 31, 2009 is the ending UTB balance of $1,145,000, as well as $463,000 of interest and penalties, for a total of $1,608,000. The total UTB of $1,145,000 would affect the effective tax rate if recognized in future periods. The total amount of UTB could increase or decrease within the next twelve months for a number of reasons including the expiration of statute of limitations, audit settlements, tax examination activities and the recognition and measurement considerations under the new guidance. The Company does not believe that the total amount of UTB will materially increase or decrease over the next twelve months. The Company was last audited by the Internal Revenue Service in 2002 and settled all issues for the years 1998 through 2000. The Company also files tax returns in a number of states and those jurisdictions remain subject to examination in accordance with relevant state statutes.

On July 12, 2007, Michigan enacted a new business tax (Michigan Business Tax), which is a combined income tax and modified gross receipts tax. This tax replaces the Single Business Tax, which is similar to a value added tax and thus was not included in income tax expense by the Company. The new Michigan Business Tax, which was effective January 1, 2008 and applies to all business activity after December 31, 2007, is largely based on income and thus will be treated as an income tax by the Company. In accordance with authoritative guidance on accounting for income taxes, deferred income tax assets and liabilities are required to be adjusted for the effect of a change in tax laws or rates with the effect included in income for the period that includes the enactment date. The Company has evaluated this change on its deferred income tax accounts and determined the impact to be immaterial.

NOTE 8- DEBT

Long-term debt consists of the following:

	December 31, 2009	December 31, 2008
Line of credit revolver with JP Morgan Chase Bank: (1) (2)		
Principal due November 30, 2012 with interest payment of $64,583 at 2.50%. Unsecured debt.	$ 30,000,000	--
Note payable to Prudential Investment Management, Inc.:		
Principal due November 30, 2010 with quarterly interest only payments at 4.93%. Unsecured debt.	10,000,000	$ 10,000,000
Note payable to Prudential Investment Management, Inc		
Principal due December 1, 2016 with quarterly interest only payments of $68,250 at 5.46%. Unsecured debt.	5,000,000	--
Mortgage notes payable to Brandon Revolving Loan Foundation:		
Due July 1, 2010 with monthly installments of $6,933 including interest at 3%. Collateralized by building.	1,033,394	1,084,751
Due and paid on March 1, 2009. Collateralized by land.	--	121,808

NOTE 8- DEBT (Continued)

	December 31, 2009	December 31, 2008
Note payable to Charter One Bank:		
Due October 1, 2011 with monthly installments of $38,889 excluding interest at 4.99%. Unsecured debt. (3)	--	5,988,889
Note payable to JP Morgan Chase Bank:		
Principal due and paid on November 30, 2009 with quarterly interest only payments at 4.70%. Unsecured debt.	--	10,000,000
Capital lease obligations (4)	316,194	--
Total debt	46,349,588	27,195,448
Less current portion of long-term debt	(11,145,823)	(10,639,832)
Total long-term debt	$ 35,203,765	$16,555,616

The long-term debt due is as follows: $11,145,823 in 2010; $97,371 in 2011; $30,041,290 in 2012; $45,100 in 2013; $20,004 in 2014 and $5,000,000 thereafter.

(1) The Company's primary line of credit is a $70.0 million unsecured revolving line with JPMorgan Chase Bank and Wells Fargo Bank, expiring on November 30, 2012. Both lending institutions equally share this commitment. This line carries an interest rate equal to the Eurodollar rate plus an applicable margin. Borrowings on this line amounted to $30.0 million, with net available borrowings of $40.0 million, at December 31, 2009. The applicable LIBOR rate including margin was 2.5% at December 31, 2009.

(2) Prior to November 30, 2009 the Company's primary line of credit was a $50.0 million unsecured revolving note payable with JPMorgan Chase expiring on September 30, 2010. This line carried an interest rate equal to the Eurodollar rate plus and applicable margin. There were no borrowings on this line of credit at December 31, 2008. This line of credit was renegotiated on November 30, 2009 into the current $70.0 million revolving line of credit listed above.

(3) In connection with debt restructuring activities on November 30, 2009, the Company repaid and terminated the note agreement with Charter One Bank.

(4) The Company leases certain office equipment, computer hardware and material handling equipment classified as capital leases. Future minimum lease payments required under these leases having initial or remaining non cancelable lease terms in excess of one year amount to: $112,429 in 2010, $97,371 in 2011, and $41,290 in 2012.

As of November 30, 2007, the Company entered into a private shelf agreement with Prudential Investment Management, Inc. This agreement allowed the Company to borrow up to $40.0 million to be issued in $5.0 million minimum increments. As of November 30, 2009, this private shelf agreement was increased to $45.0 million. The interest rate for any draws will be determined based on applicable rates at the time of issuance. Additionally, the Company had $15.0 million and $10.0 million of private placement notes outstanding, as of December 31, 2009 and 2008, respectively, with Prudential Investment Management, Inc.

Under the terms of the primary line of credit agreement and the private shelf agreement, the Company is required to maintain certain financial ratios and other financial conditions. The agreement also prohibits the Company from incurring additional indebtedness, limits certain acquisitions, investments, advances or loans and restricts substantial asset sales. At December 31, 2009 and 2008, the Company was in compliance with all debt covenants.

NOTE 8 – DEBT (Continued)

The Company also had an unsecured line of credit of $200,000 which carried an interest rate of 1% above the bank's prime rate. There were no borrowings under this line at December 31, 2008. This line of credit was terminated during 2009.

NOTE 9 - TRANSACTIONS WITH MAJOR CUSTOMERS

Major customers are defined as those with sales greater than 10 percent of consolidated sales in a given year. For comparative purposes amounts are presented for those customers in the other years presented. The Company's major customers were all from the Spartan Chassis segment, as follows:

	2009		2008		2007	
Customer	Sales	Accounts Receivable (at year end)	Sales	Accounts Receivable (at year end)	Sales	Accounts Receivable (at year end)
Customer A	$ 91,478,939	$ 4,955,373	$ 313,766,000	$ 24,566,000	$ 52,274,000	$ 17,076,574
Customer B	30,427,259	675,878	134,007,000	12,547,000	79,118,000	46,728,000
Customer C	9,759,531	4,712	105,198,000	5,127,000	131,461,000	27,590,000
Customer D	14,053,036	334,614	34,259,118	--	85,566,000	4,052,000
Customer E	10,918,859	3,120,410	39,052,116	--	74,393,000	81,000

NOTE 10 - COMPENSATION INCENTIVE PLANS

The Company sponsors defined contribution retirement plans which cover all associates who meet length of service and minimum age requirements. The Company's matching contributions vest over 5 years and were approximately $1,095,000, $1,158,000 and $870,000 in 2009, 2008 and 2007, respectively. These amounts were expensed as incurred.

The Spartan Profit and Return Plan (the "SPAR Plan") encompasses a quarterly and an annual bonus program. The quarterly program covers all fulltime employees of Spartan Chassis, Inc. and Spartan Motors, Inc. The cash bonuses paid under this program are equal for all participants. Amounts expensed for the quarterly bonus were $1.4 million, $8.9 million and $6.0 million for 2009, 2008 and 2007, respectively.

The annual bonus provides that executive officers and some managers may earn cash bonuses based on Spartan Motors' or a subsidiary's achievement of a target amount of net operating profit after tax for a given year, less a capital charge based upon the tangible net operating assets employed in the business. For more details, see the The SPAR Plan is filed as Exhibit 10.8 of this Form 10-K. Amounts expensed for the annual bonus were $1.1 million, $9.0 million and $5.2 million for 2009, 2008 and 2007, respectively.

NOTE 11 - STOCK BASED COMPENSATION

The Company has stock incentive plans covering certain employees and non-employee directors. Shares reserved for stock awards under these plans total 7,200,000. Total shares remaining available for stock incentive grants under these plans totaled 1,356,050 at December 31, 2009. The Company is currently authorized to grant stock options, restricted stock, restricted stock units, stock appreciation rights and common stock under its various stock incentive plans which include its Non Qualified Stock

NOTE 11 - STOCK BASED COMPENSATION (Continued)

Option Plan, 1994 Incentive Stock Option Plan, 1996 Stock Option and Restricted Stock Plan for Outside Market Advisors, Stock Option and Restricted Stock Plan of 1998, Stock Option and Restricted Stock Plan of 2003, Stock Incentive Plan of 2005 and Stock Incentive Plan of 2007. The stock incentive plans allow certain employees, officers and non-employee directors to purchase common stock of Spartan Motors at a price established on the date of grant. Incentive stock options granted under these plans must have an exercise price equal to or greater than 100% of the fair market value of Spartan Motors stock on the grant date.

Stock Options and Stock Appreciation Rights. Granted options and Stock Appreciation Rights (SARs) vest immediately and are exercisable for a period of 10 years from the grant date. The exercise price for all options and the base price for all SARs granted have been equal to the market price at the date of grant. Dividends are not paid on unexercised options or SARs.

The Company receives a tax deduction for certain stock option exercises during the period the options are exercised, generally for the excess of the fair value of the stock on date of exercise over the exercise price of the options. As required, we report any excess tax benefits in our consolidated statement of cash flows as financing cash flows. Excess tax benefits derive from the difference between the tax deduction and the fair market value of the option as determined by a valuation model, which in our case is the Black-Scholes model.

The table below lists the weighted-average assumptions used in the Black-Scholes option-pricing model and the resulting estimated weighted average fair value of SARs in 2007. There were no grants of SARS in 2009 and 2008 and no grants of options in 2009, 2008 and 2007. Expected volatilities are based on the historical volatility of the Company's stock and the expected life of the SARs awarded. The effective term of the SARs (five years) has been determined, due to the lack of sufficient historical information, using the "simplified method" as allowed by the Securities and Exchange Commission. Based on this effective term, the five-year Treasury Bond rates as of the date of grant were used to estimate the risk-free rate of return.

	Dividend Yield	Expected Volatility	Risk Free Interest Rate	Expected Life	Estimated Fair Value
2007	1.5%	49.9%	3.44%	5 years	$3.20

Option activity for the year ended December 31, 2009 is as follows for all plans:

	Total Number of Options	Weighted Average Exercise Price	Total Intrinsic Value	Weighted Average Remaining Contractual Term (Years)
Options outstanding and exercisable at December 31, 2008	899,185	$4.38		
Granted and vested	--	--		
Exercised	(110,987)	3.31		
Cancelled	(10,462)	4.20		
Options outstanding and exercisable at December 31, 2009	777,736	4.54	$892,682	3.8

NOTE 11 - STOCK BASED COMPENSATION (Continued)

No options were granted in 2009, 2008 or 2007. The total intrinsic value of options exercised during years ended December 31, 2009, 2008 and 2007 were $538,389, $209,611 and $8,265,521, respectively.

SARs activity for the year ended December 31, 2009 is as follows for all plans:

	Total Number of SARs	Weighted Average Grant Date Fair Value	Total Intrinsic Value	Weighted Average Remaining Contractual Term (Years)
SARs outstanding and exercisable at December 31, 2008	519,322	$3.06		
Granted and vested	--	--		
Exercised	(34,184)	2.64		
Cancelled	(54,038)	3.28		
SARs outstanding and exercisable at December 31, 2009	431,100	3.07	$83,402	7.2

The weighted-average grant date fair value of SARs granted was $3.20 for the year ended December 31, 2007. No SARs were granted in 2009 or 2008. These SARS could have been exercised for the issuance of 14,813 shares of the Company's common stock at December 31, 2009. The total intrinsic value of SARs exercised during the years ended December 31, 2009, 2008 and 2007 was $120,303, $15,475 and $608,847, respectively.

The Company recorded $725,574 in compensation expense related to SARs granted for the year ended December 31, 2007. The total income tax benefit recognized in the income statement related to SARs was $253,951.

for 2007. As there were no SARs granted in 2009 or 2008, there was no related compensation expense or income tax benefit recognized in the corresponding income statements.

Restricted Stock Awards. The Company issues restricted stock, at no cash cost, to directors, officers and key employees of the Company. Shares awarded entitle the shareholder to all rights of common stock ownership except that the shares may not be sold, transferred, pledged, exchanged or otherwise disposed of during the vesting period, which is generally three to five years. The unearned stock-based compensation related to restricted stock awards, using the market price on the date of grant, is being amortized to compensation expense over the applicable vesting periods. Dividends are paid on unvested restricted stock grants and all such dividends vest immediately.

The Company receives an excess tax benefit or liability during the period the restricted shares vest. The excess tax benefit (liability) is determined by the excess (shortfall) of the market price of the stock on date of vesting over (under) the grant date market price used to amortize to the awards to compensation expense. As required, any excess tax benefits or liabilities are reported in the Consolidated Statements of Cash Flows as financing cash flows.

Restricted stock activity for the year ended December 31, 2009, is as follows:

NOTE 11 - STOCK BASED COMPENSATION (Continued)

	Total Number of Nonvested Shares	Weighted Average Grant Date Fair Value	Weighted Average Remaining Vesting Life (Years)
Nonvested shares outstanding at December 31, 2008	431,503	$10.56	
Granted	344,521	11.33	
Vested	(190,492)	10.47	
Cancelled	(27,508)	10.56	
Nonvested shares outstanding at December 31, 2009	558,024	11.07	8.9

The weighted-average grant date fair value of nonvested shares granted was $11.33, $7.47 and $17.46 for the years ended December 31, 2009, 2008 and 2007, respectively.

During 2009, 2008 and 2007 the Company recorded compensation expense, net of cancellations, of $2,331,655, $2,694,004 and $1,068,309, respectively, related to restricted stock awards. The total income tax benefit recognized in the income statement related to restricted stock awards was $816,079, $942,901 and $373,908 for 2009, 2008 and 2007, respectively. For the years ended 2009, 2008 and 2007, restricted shares vested with a fair market value of $2,101,997, $1,679,588 and $2,229,096, respectively. When the fair value of restricted shares is lower on the date of vesting than that previously expensed for book purposes, an excess tax liability is booked. As of December 31, 2009, the Company had unearned stock-based compensation of $4,896,310 associated with these restricted stock grants.

NOTE 12 - COMMITMENTS AND CONTINGENT LIABILITIES

Under the terms of its credit agreement with its bank, the Company has the ability to issue letters of credit totaling $2,500,000. At December 31, 2009 and 2008, the Company had outstanding letters of credit totaling $997,500 and $200,000, respectively.

On December 22, 2008, Spartan Motors Chassis, Inc., the Company's wholly-owned subsidiary ("Spartan Chassis"), pleaded guilty in the United States District Court for the District of South Carolina to one charge of making a false statement related to the terms and conditions of a military subcontract. The plea concluded the investigation of the Company, Spartan Chassis, and certain of their officers and employees conducted by the United States Attorney's Office for the District of South Carolina into Spartan Chassis' military business involving a former Spartan Chassis independent contractor. The plea, along with a civil settlement with the United States Department of Justice, provides for a global resolution of all civil and criminal matters related to the investigation. As a result of the plea and civil settlement, Spartan Chassis paid a total of $6.0 million in settlement costs. This charge was recorded in the fourth quarter of 2008, to selling, general and administrative expense within the operating expense section of the Consolidated Statement of Income for 2008.

Chassis is currently in negotiations with a customer regarding certain supply contracts Chassis has completed but for which the customer is now claiming a post-delivery price adjustment. Throughout the course of Chassis's relationship with this customer (dating back to 2006), Chassis always sold products to the customer on what Chassis believed to be a "fixed price" basis. This price was then used in the customer's purchase order and was paid to

NOTE 12 - COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

Chassis in the ordinary course of business by the customer following delivery of the product by Chassis. In the spring of 2009, for the first time, the customer notified Chassis of the customer's claim that the pricing for certain orders made by the customer, filled by Chassis, and paid for by the customer, had not been "definitized" and was yet to be agreed upon by the parties. Chassis believes the pricing for all of the contested orders was, in fact, agreed-upon by the parties and is vigorously disputing this claim by the customer. Chassis and the customer are engaged in negotiations in an attempt to resolve the dispute. To date, no resolution has been reached and the Company's liability, if any, with respect to this matter remains uncertain.

At December 31, 2009, the Company and its subsidiaries were parties, both as plaintiff and defendant, to a number of lawsuits and claims arising out of the normal course of their businesses. In the opinion of management, the financial position, future operating results or cash flows of the Company will not be materially affected by the final outcome of these legal proceedings.

Chassis agreements

Utilimaster assembles van and truck bodies onto original equipment manufacturer ("OEM") chassis. The majority of such OEM chassis are purchased directly by Utilimaster's customers from the OEM and drop-shipped to Utilimaster's premises. Utilimaster is a bailee of most other chassis under converter pool agreements with the OEMs, as described below. Chassis possessed under converter pool agreements are invoiced to the customer by the OEM or its affiliated financial institution based upon the terms of the converter pool agreements. On an annual basis, Utilimaster purchases and takes title to an immaterial number of chassis that ultimately are recorded as sales and cost of sales. Converter pool chassis obtained from the OEM are based upon estimated future requirements and, to a lesser extent, confirmed orders from customers. Although each manufacturer's agreement has different terms and conditions, the agreements generally provide that the manufacturer will provide a supply of chassis to be maintained at Utilimaster's production facility under the conditions that Utilimaster will store such chassis, will not make any additions or modifications to such chassis and will not move, sell or otherwise dispose of such chassis, except under the terms of the agreement. The manufacturer does not transfer the certificate of origin to Utilimaster and, accordingly, Utilimaster accounts for the chassis in the Company's possession as bailed inventory belonging to the manufacturer.

Warranty Related

The Company's products generally carry limited warranties based on terms that are generally accepted in the marketplace. Some components included in the Company's end products (such as engines, transmissions, tires, etc.) may include manufacturers' warranties. These manufacturers' warranties are generally passed onto the end customer of the Company's products.

The Company's policy is to record a provision for the estimated cost of warranty-related claims at the time of the sale and periodically adjust the provision and liability to reflect actual experience. The amount of warranty liability accrued reflects management's best estimate of the expected future cost of honoring the Company's obligations under the warranty agreements. Historically, the cost of fulfilling the Company's warranty obligations has principally involved replacement parts and labor for field retrofit campaigns. The Company's estimates are based on historical experience, the number of units involved and the extent of features and components included in product models. The estimates for military vehicles were adjusted during the second quarter of 2009 to reflect actual experience specific to these vehicles, whereas prior estimates were based on the Company's actual experience with

NOTE 12 - COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

commercial vehicles due to the limited availability of vehicle specific data. This adjustment resulted in a net reduction of the warranty liability of approximately $1.4 million and is included in "changes in liability for pre-existing warranties" below.

Certain warranty and other related claims involve matters of dispute that ultimately are resolved by negotiation, arbitration or litigation. Infrequently, a material warranty issue can arise which is beyond the scope of the Company's historical experience. The Company provides for any such warranty issues as they become known and are estimable. It is reasonably possible that additional warranty and other related claims could arise from disputes or other matters beyond the scope of the Company's historical experience.

Changes in the Company's warranty liability during the years ended December 31, 2009 and 2008 were as follows:

	2009	2008
Balance of accrued warranty at January 1	$ 8,352,239	$ 10,823,532
Warranties issued during the period	2,635,472	4,707,926
Adjustments (1)	1,536,047	--
Cash settlements made during the period	(4,886,497)	(5,597,646)
Changes in liability for pre-existing warranties during the period, including expirations	(945,575)	(1,581,573)
Balance of accrued warranty at December 31	$ 6,691,686	$ 8,352,239

(1) Adjustments are assumed warranties outstanding at Utilimaster on November 30, 2009.

NOTE 13 – RESTRUCTURING

During 2009, the Company has undergone restructuring activities to align its expense structure to coincide with current revenue expectations. These restructuring activities included workforce reductions, plant and operation consolidations and overall improved cost management. The activities that generated restructuring charges are detailed by segment (see Note 15, *Business Segments,* for defining segments) and period in the table below.

The following table summarizes the activities related to the Company's 2009 restructuring:

	2009 Restructuring Activities (000s)		
	Severance	Plant Consolidation	Total
Chassis	$ 380	$ --	$ 380
EVTeam	170	--	170
Utilimaster	--	--	--
Other - Corporate	4	429	433
Total	$ 554	$ 429	$ 983

The above charges are reflected in the Consolidated Statements of Income as follows: cost of products sold of approximately $0.3 million and selling, general and administrative expenses of approximately $0.7 million. As most restructuring charges incurred during 2009 were also paid prior to year end, there were no material related liabilities remaining at December 31, 2009. At this point, there are no material restructuring activities planned that are expected to generate upfront costs.

Note 14 – EARNINGS PER SHARE (EPS)

Basic earnings per share is based on the weighted average number of common shares, share equivalents of stock appreciation rights (SARs) and participating securities outstanding during the period. Diluted earnings per share include the dilutive effect of additional potential common shares issuable from stock options and are determined using the treasury stock method. As discussed in Note 1, *General and Summary of Accounting Policies,* at subsection "New Accounting Standards", new guidance relating to determining whether instruments granted in share-based payment transactions are participating securities" was adopted effective January 1, 2009. The new guidance requires that unvested stock awards which contain non-forfeitable rights to dividends or dividend equivalents, whether paid or unpaid (referred to as "participating securities"), be included in the number of shares outstanding for both basic and diluted earnings per share calculations. The Company's unvested restricted stock is considered a participating security and thus is fully included in both earnings per share computations.

All prior period earnings per share data presented are required to be adjusted retrospectively to conform to the provisions of the new guidance. Previously reported basic and diluted EPS were both adjusted downward by $0.02 to $1.31 and $1.30, respectively, for the year ended December 31, 2008. In addition, previously reported basic EPS, for the year ended December 31, 2007, was adjusted down by $0.01. These changes were the result of including unvested restricted shares in the basic computation as required by this new accounting guidance.

The table below reconciles basic weighted average common shares outstanding to diluted weighted average shares outstanding for 2009, 2008 and 2007. The stock awards noted as antidilutive were not included in the basic or diluted weighted average common shares outstanding. Although these stock awards were not included in the Company's calculation of basic or diluted EPS, they may have a dilutive effect on the EPS calculation in future periods if the price of the common stock increases.

For the period ended December 31:
(In thousands)

	Year Ended December 31,		
	2009	2008	2007
Basic weighted average common shares outstanding	32,729	32,582	32,113
Effect of dilutive stock options	187	235	703
Diluted weighted average common shares outstanding	32,916	32,817	32,816
Antidilutive stock awards			
Stock Options	41	33	--

NOTE 15 - BUSINESS SEGMENTS

The Company segregates its operations into three reportable business segments: Spartan Chassis, the EVTeam, and Utilimaster, which the Company acquired on November 30, 2009. The Spartan Chassis segment is an engineer and manufacturer of custom motor vehicle chassis. This segment's principal markets are fire truck, motorhome and specialty vehicle chassis. The Company's EVTeam consists of three subsidiaries that are manufacturers of emergency vehicle bodies. The Utilimaster segment focuses on manufacturing walk-in vans for the delivery and

NOTE 15 - BUSINESS SEGMENTS (continued)

service market and the production of commercial truck bodies. Sales in the column labeled "Other" represent sales from the Spartan Chassis segment to the EVTeam segment, which are eliminated from the consolidated sales totals. Assets and related depreciation expense, along with interest expense, in the column labeled "Other" pertain to capital assets and debt maintained at the corporate level. Appropriate expense amounts are allocated to the three reportable segments and are included in their reported earnings or loss from operations. Segment loss from operations in the "Other" column contains the related eliminations for the allocation, as well as corporate related expenses not allocable to the operating segments.

The accounting policies of the segments are the same as those described in Note 1, *General and Summary of Accounting Policies*. Sales and other financial information by business segment are as follows (amounts in thousands):

Year Ended December 31, 2009

	Business Segments				
	Spartan Chassis	EVTeam	Utilimaster (1)	Other	Consolidated
Motorhome chassis sales	$ 35,613	$ --	$ --	$ --	$ 35,613
Fire truck chassis sales	149,719	--	--	(29,070)	120,649
EVTeam product sales	--	95,692	--	--	95,692
Utilimaster	--	--	13,248	--	13,248
Other product sales					
Specialty vehicles	24,402	--	--	--	24,402
Service parts and accessories	140,322	--	--	--	140,322
Sales	$ 350,056	$ 95,692	$ 13,248	$ (29,070)	$ 429,926
Interest expense	$ --	$ 1,836	$ 17	$ (514)	$ 1,339
Depreciation expense	4,150	928	357	2,330	7,765
Taxes (credit) on income	9,925	(686)	(425)	(2,527)	6,287
Segment earnings (loss)	18,666	(1,160)	(663)	(5,071)	11,772
Segment assets	104,838	53,884	66,780	67,775	293,277

(1) Utilimaster is for one month ended December 31, 2009

NOTE 15 - BUSINESS SEGMENTS (continued)

Year Ended December 31, 2008

	Business Segments			
	Spartan Chassis	EVTeam	Other	Consolidated
Motorhome chassis sales	$ 91,141	--	--	$ 91,141
Fire truck chassis sales	121,641	--	$ (21,077)	100,564
EVTeam product sales	--	$ 86,116	--	86,116
Other product sales				
Specialty vehicles	456,552	--	--	456,552
Service parts and accessories	110,017	--	--	110,017
Sales	$ 779,351	$ 86,116	$ (21,077)	$ 844,390
Interest expense	$ 27	$ 1,620	$ 415	$ 2,062
Depreciation expense	2,885	1,147	2,027	6,059
Taxes (credit) on income	30,033	(1,472)	(3,946)	24,615
Segment earnings (loss)	51,365	(2,179)	(6,472)	42,714
Segment assets	145,996	61,960	53,184	261,140

Year Ended December 31, 2007

	Business Segments			
	Spartan Chassis	EVTeam	Other	Consolidated
Motorhome chassis sales	$ 217,225	--	--	$ 217,225
Fire truck chassis sales	116,236	--	$ (17,405)	98,831
EVTeam product sales	--	$ 83,817	--	83,817
Other product sales				
Specialty vehicles	246,550	--	--	246,550
Service parts and accessories	35,499	--	--	35,499
Sales	$ 615,510	$ 83,817	$ (17,405)	$ 681,922
Interest expense	--	$ 1,618	$ 130	$ 1,748
Depreciation expense	$ 1,796	1,165	1,102	4,063
Taxes (credit) on income	17,824	(2,510)	(1,591)	13,723
Segment earnings (loss)	34,815	(5,069)	(5,242)	24,504
Segment assets	219,885	54,076	44,703	318,664

NOTE 16 - QUARTERLY FINANCIAL DATA (UNAUDITED) (Consolidated)

Summarized quarterly financial data for the year ended December 31, 2009 is as follows:

NOTE 16 - QUARTERLY FINANCIAL DATA (UNAUDITED) (Consolidated)

	Quarter Ended (000s except per share data)			
	March 31	June 30	September 30	December 31 (1)
Sales	$ 115,498	$ 124,269	$ 89,704	$ 100,455
Gross profit	26,122	25,198	15,765	14,924
Net earnings (loss)	6,059	5,378	749	(413)
Basic net earnings per share	0.19	0.17	0.02	(0.01)
Diluted net earnings per share	0.19	0.16	0.02	(0.01)

(1) Includes operating results of Utilimaster from November 30, 2009.

During the third quarter of 2009, the Company incurred costs associated with restructuring activities. These costs were approximately $0.2 million and $0.7 million, recorded in the cost of products sold and operating expenses, respectively. See Note 13, *Restructurings*, for more details on this activity. Additionally, the Company incurred acquisition related costs during the fourth quarter of 2009. These costs were approximately $0.5 million and $0.7 million, recorded in the cost of products sold and operating expenses, respectively. See Note 2, *Acquisition Activities*, for more details on this activity. These activities had a net impact of $0.04 and $0.02 per diluted share for the quarters ended September 30, 2009 and December 31, 2009, respectively.

Summarized quarterly financial data for the year ended December 31, 2008 is as follows:

	Quarter Ended (000s except per share data)			
	March 31	June 30	September 30	December 31
Sales	$ 264,095	$ 196,520	$ 237,461	$ 146,314
Gross profit	40,630	33,748	42,965	30,927
Net earnings	14,781	10,415	14,656	2,862
Basic net earnings per share	0.46	0.32	0.45	0.09
Diluted net earnings per share	0.45	0.32	0.45	0.09

During the fourth quarter of 2008, the Company recorded a $6.0 million charge related to a legal settlement. See Note 12, *Commitments and Contingent Liabilities*, for more details on this settlement. This had a net impact of $0.17 on diluted net earnings per share.

Summarized quarterly financial data for the year ended December 31, 2007 is as follows:

	Quarter Ended (000s except per share data)			
	March 31	June 30	September 30	December 31
Sales	$ 142,882	$ 152,583	$ 148,891	$ 237,567
Gross profit	24,692	24,013	17,575	30,222
Net earnings	7,207	6,515	2,570	8,212
Basic net earnings per share	0.23	0.20	0.08	0.26
Diluted net earnings per share	0.22	0.20	0.08	0.25

Item 9. **Changes in and Disagreements with Accountants on Accounting and Financial Disclosure .**

None.

Item 9A. **Controls and Procedures.**

Evaluation of Disclosure Controls and Procedures.

An evaluation was performed under the supervision and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of December 31, 2009. Based on and as of the time of such evaluation, the Company's management, including the Chief Executive Officer and Chief Financial Officer, concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report to ensure that information required to be disclosed by us in the reports that we file or submit is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control Over Financial Reporting.

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2009, based on the framework in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, which excluded Utilimaster due to its recent acquisition, our management concluded that our internal control over financial reporting was effective as of December 31, 2009. The effectiveness of our internal control over financial reporting as of December 31, 2009, excluding Utilimaster due to its recent acquisition, has been audited by BDO Seidman, LLP, an independent registered public accounting firm, as stated in its attestation report, which is included in Item 8 and is incorporated into this Item 9A by reference.

Changes in Internal Control Over Financial Reporting.

We acquired Utilimaster on November 30, 2009. Since the date of acquisition, we have been focusing on analyzing, evaluating and implementing changes in the procedures and controls to determine their effectiveness and to make them consistent with our disclosure controls and procedures. As permitted by guidance issued by the staff of the U.S. Securities and Exchange Commission, Utilimaster has been excluded from the scope of our quarterly discussion of material changes in internal control over financial reporting below.

No changes in our internal control over financial reporting were identified as having occurred during the quarter ended December 31, 2009 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting, except as described above with respect to Utilimaster. Changes to processes, information technology systems and other components of internal control over financial reporting resulting from the acquisition of Utilimaster are expected as the integration of these operations proceeds.

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers, and Corporate Governance .

The information required by this item, with respect to directors, executive officers, audit committee, and audit committee financial experts of the Company and Section 16(a) beneficial ownership reporting compliance is contained under the captions "Spartan Motors' Board of Directors and Executive Officers," "Audit Committee Report" and "Section 16(a) Beneficial Ownership Reporting Compliance" in the Company's definitive proxy statement for its annual meeting of shareholders to be held on May 19, 2010, to be filed with the Securities and Exchange Commission no later than 120 days after December 31, 2009, and is incorporated herein by reference.

The Company has adopted a Code of Ethics that applies to the Company's principal executive officer, principal financial officer and principal accounting officer. This Code of Ethics is posted under "Code of Ethics" on the Company's website at www.spartanmotors.com. The Company has also adopted a Code of Ethics and Compliance applicable to all directors, officers and associates, which is posted under "Code of Conduct" on the Company's website at www.spartanmotors.com. Any waiver from or amendment to a provision of either code will be disclosed on the Company's website.

Item 11. Executive Compensation.

The information required by this item is contained under the captions "Compensation Discussion and Analysis," "Compensation of Directors," "Executive Compensation," "Compensation Committee Report" and "Compensation Committee Interlocks and Insider Participation" in the Company's definitive proxy statement for its annual meeting of shareholders to be held on May 19, 2010, to be filed with the Securities and Exchange Commission no later than 120 days after December 31, 2009, and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters.

The information required by this item (other than that set forth below) is contained under the caption "Ownership of Spartan Motors Stock" in the Company's definitive proxy statement for its annual meeting of shareholders to be held on May 19, 2010, to be filed with the Securities and Exchange Commission no later than 120 days after December 31, 2009, and is incorporated herein by reference.

The following table provides information about the Company's equity compensation plans regarding the number of securities to be issued under these plans upon the exercise of outstanding options, the weighted-average exercise prices of options outstanding under these plans, and the number of securities available for future issuance as of December 31, 2009.

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance (3)
	(a)	(b)	(c)
Equity compensation plans approved by security holders (1)	1,211,000	$5.81	1,331,000
Equity compensation plans not approved by security holders (2)	--	N/A	25,000
Total	1,211,000	$5.81	1,356,000

(1) Consists of the Spartan Motors, Inc. Stock Incentive Plan of 2007 (the "2007 Plan"), Spartan Motors, Inc. Stock Incentive Plan of 2005 (the "2005 Plan"), the Spartan Motors, Inc. Stock Option and Restricted Stock Plan of 2003 (the "2003 Plan"), the Spartan Motors, Inc. Stock Option and Restricted Stock Plan of 1998 (the "1998 Plan"), the Spartan Motors, Inc. 1996 Stock Option and Restricted Stock Plan for Outside Market Advisors (the "1996 Plan") and the Spartan Motors, Inc. 1994 Incentive Stock Option Plan (the "1994 Plan").

(2) Consists of the Spartan Motors, Inc. Directors' Stock Purchase Plan. This plan provides that non-employee directors of the Company may elect to receive at least 25% and up to 100% of their "director's fees" in the form of the Company's common stock. The term "director's fees" means the amount of income payable to a non-employee director for his or her service as a director of the Company, including payments for attendance at meetings of the Company's Board of Directors or meetings of committees of the board, and any retainer fee paid to such persons as members of the board. A non-employee director who elects to receive Company common stock in lieu of some or all of his or her director's fees will, on or shortly after each "applicable date," receive a number of shares of common stock (rounded down to the nearest whole share) determined by dividing (1) the dollar amount of the director's fees payable to him or her on the applicable date that he or she has elected to receive in common stock by (2) the market value of common stock on the applicable date. The term "applicable date" means any date on which a director's fee is payable to the participant. To date, no shares have been issued under this plan.

(3) Each of the plans reflected in the above table contains customary anti-dilution provisions that are applicable in the event of a stock split or certain other changes in the Company's capitalization. Furthermore, each of the 2007 Plan, the 2005 Plan, the 2003 Plan, the 1998 Plan, the 1996 Plan and the 1994 Plan provides that if a stock option is canceled, surrendered, modified, expires or is terminated during the term of the plan but before the exercise of the option, the shares subject to the option will be available for other awards under the plan.

The numbers of shares reflected in column (c) in the table above with respect to the 2007 Plan (813,037 shares), the 2005 Plan (415,995 shares) and the 2003 Plan (102,018 shares) represent shares that may be issued other than upon the exercise of an existing option, warrant or right.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this item is contained under the captions "Transactions with Related Persons" and "Spartan Motors' Board of Directors and Executive Officers" in the Company's definitive proxy statement for its annual meeting of shareholders to be held on May 19, 2010, to be filed with the Securities and Exchange Commission no later than 120 days after December 31, 2009, and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services.

The information required by this item is contained under the caption "Independent Auditor Fees" in the Company's definitive proxy statement for its annual meeting of shareholders to be held on May 19, 2010, to be filed with the Securities and Exchange Commission no later than 120 days after December 31, 2009, and is incorporated herein by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

Item 15(a)(1). List of Financial Statements.

The following consolidated financial statements of the Company and its subsidiaries are filed as a part of this report under Item 8 - Financial Statements and Supplementary Data:

Independent Registered Public Accounting Firm's Report on Consolidated Financial Statements – Years Ended December 31, 2009, 2008 and 2007

Independent Registered Public Accounting Firm's Report on Internal Control Over Financial Reporting – December 31, 2009

Consolidated Balance Sheets - December 31, 2009 and December 31, 2008

Consolidated Statements of Income - Years Ended December 31, 2009, 2008 and 2007

Consolidated Statements of Shareholders' Equity - Years Ended December 31, 2009, 2008 and 2007

Consolidated Statements of Cash Flows - Years Ended December 31, 2009, 2008 and 2007

Notes to Consolidated Financial Statements

Item 15(a)(2). Financial Statement Schedules. Attached as Appendix A.

The following consolidated financial statement schedule of the Company and its subsidiaries is filed as part of this report:

Schedule II-Valuation and Qualifying Accounts

All other financial statement schedules are not required under the related instructions or are inapplicable and therefore have been omitted.

Item 15(a)(3). List of Exhibits. The following exhibits are filed as a part of this report:

Exhibit Number	Document
3.1	Spartan Motors, Inc. Restated Articles of Incorporation, as amended to date. Previously filed as an exhibit to the Company's Form 10-Q Quarterly Report for the period ended June 30, 2007, and incorporated herein by reference.

Exhibit Number	Document
3.2	Spartan Motors, Inc. Bylaws, as amended to date. Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2008, and incorporated herein by reference.
4.1	Spartan Motors, Inc. Restated Articles of Incorporation. See Exhibit 3.1 above.
4.2	Spartan Motors, Inc. Bylaws. See Exhibit 3.2 above.
4.3	Form of Stock Certificate. Previously filed as an exhibit to the Registration Statement on Form S-18 (Registration No. 2-90021-C) filed on March 19, 1984, and incorporated herein by reference.
4.4	Rights Agreement dated July 7, 2007, between Spartan Motors, Inc. and American Stock Transfer and Trust Company, which includes the form of Certificate of Designation, Preferences and Rights of Series B Preferred Stock as Exhibit A, the form of Rights Certificate as Exhibit B and the Summary of Rights to Purchase Series B Preferred Stock as Exhibit C. Previously filed as Exhibit 1 to the Company's Form 8-A filed on July 10, 2007, and incorporated herein by reference.
4.5	The Registrant has several classes of long-term debt instruments outstanding. The authorized amount of none of these classes of debt exceeds 10% of the Company's total consolidated assets. The Company agrees to furnish copies of any agreement defining the rights of holders of any such long-term indebtedness to the Securities and Exchange Commission upon request.
10.1	Restated Spartan Motors, Inc. 1988 Non-Qualified Stock Option Plan, as amended to date. Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the period ended December 31, 2007 and incorporated herein by reference.*
10.2	Restated Spartan Motors, Inc. 1994 Incentive Stock Option Plan, as amended to date. Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the period ended December 31, 2007 and incorporated herein by reference.*
10.3	Spartan Motors, Inc. 1996 Stock Option and Restricted Stock Plan for Outside Market Advisors, as amended. Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the period ended December 31, 2005, and incorporated herein by reference.*
10.4	Spartan Motors, Inc. Stock Option and Restricted Stock Plan of 1998, as amended. Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the period ended December 31, 2005, and incorporated herein by reference.*
10.5	Spartan Motors, Inc. Stock Option and Restricted Stock Plan of 2003, as amended. Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the period ended December 31, 2005, and incorporated herein by reference.*
10.6	Spartan Motors, Inc. Stock Incentive Plan of 2005, as amended. Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2005, and incorporated herein by reference.*

Exhibit Number	Document
10.7	Spartan Motors, Inc. Stock Incentive Plan of 2007, as amended. Previously filed as Appendix A to the Company's 2007 Proxy Statement filed April 23, 2007 and incorporated herein by reference.*
10.8	Spartan Motors, Inc. Spartan Profit and Return Management Incentive Bonus Plan. Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the period ended December 31, 2008, and incorporated herein by reference.*
10.9	Spartan Motors, Inc. Directors' Stock Purchase Plan. Previously filed as an exhibit to the Company's Form S-8 Registration Statement (Registration No. 333-98083) filed on August 14, 2002, and incorporated herein by reference.*
10.10	Form of Stock Appreciation Rights Agreement. Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the period ended December 31, 2007 and incorporated herein by reference.*
10.11	Form of Restricted Stock Agreement. Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2009, and incorporated herein by reference.*
10.12	Form of Indemnification Agreement. Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the period ended December 31, 2005, and incorporated herein by reference.*
10.13	Supplemental Executive Retirement Plan.* Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the period ended December 31, 2007 and incorporated herein by reference.
10.14	Amended and Restated Note Purchase and Private Shelf Agreement with Prudential Investment Management, Inc. and certain of its affiliates and managed accounts, dated November 30, 2009.
10.15	Separation Agreement and Release between the Company and Richard J. Schalter. Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the period ended December 31, 2008 and incorporated herein by reference.*
10.16	Agreement and Plan of Merger, dated as of November 18, 2009, by and among Spartan Motors, Inc.; SMI Sub, Inc.; Utilimaster Holdings, Inc.; Utilimaster Corporation; and John Hancock Life Insurance Company; as amended by a First Amendment to Agreement and Plan of Merger dated as of November 30, 2009.
10.17	Credit Agreement, dated November 30, 2009, by and among the Company, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto.
21	Subsidiaries of Registrant.

Exhibit Number	Document
23	Consent of BDO Seidman, LLP, Independent Registered Public Accounting firm.
24	Limited Powers of Attorney.
31.1	Certification of President and Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act.
31.2	Certification of Chief Financial Officer, Secretary and Treasurer pursuant to Section 302 of the Sarbanes-Oxley Act.
32	Certification pursuant to 18 U.S.C. § 1350.

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*Management contract or compensatory plan or arrangement.

The Company will furnish a copy of any exhibit listed above to any shareholder of the Company without charge upon written request to Joseph M. Nowicki, Chief Financial Officer, Spartan Motors, Inc., 1000 Reynolds Road, Charlotte, Michigan 48813.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SPARTAN MOTORS, INC.

March 15, 2010 By /s/ Joseph M. Nowicki
Joseph M. Nowicki
Chief Financial Officer, Treasurer, and
Chief/Corporate Compliance Officer
(Principal Financial and Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

March 15, 2010 By /s/ John E. Sztykiel
John E. Sztykiel
Director, President and Chief Executive Officer
(Principal Executive Officer)

March 15, 2010 By /s/ Joseph M. Nowicki
Joseph M. Nowicki
Chief Financial Officer, Treasurer, and
Chief/Corporate Compliance Officer
(Principal Financial and Accounting Officer)

March 15, 2010 By /s/ William F. Foster
William F. Foster, Director

March 15, 2010 By */s/ Joseph M. Nowicki
George Tesseris, Director

March 15, 2010 By */s/ Joseph M. Nowicki
David R. Wilson, Director

March 15, 2010 By */s/ Joseph M. Nowicki
Ronald Harbour, Director

March 15, 2010 By */s/ Joseph M. Nowicki
Hugh W. Sloan, Director

March 15, 2010 By */s/ Joseph M. Nowicki
Kenneth Kaczmarek, Director

March 15, 2010 By */s/ Joseph M. Nowicki
Richard R. Current, Director

March 15, 2010 By */s/ Joseph M. Nowicki
Richard F. Dauch, Director

March 15, 2010 * By /s/ Joseph M. Nowicki
Joseph M. Nowicki
Attorney-in-Fact

APPENDIX A

SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS
SPARTAN MOTORS, INC. AND SUBSIDIARIES

Column A	Column B	Column C		Column D	Column E
Description	Balance at Beginning of Period	Additions Charges to Costs and Expenses	Additions Charged to Other Accounts (Acquisition)	Deductions	Balance at End of Period
Year ended December 31, 2009:					
Allowance for doubtful accounts	$ 146,600	$ 937,566	$ 62,845	$ (215,011)	$ 932,000
Obsolescence and slow-moving reserves	2,573,380	1,021,065	1,263,657	(1,937,840)	2,920,262
Accrued warranty	8,352,239	2,635,472	1,536,047	(5,832,072)	6,691,686
Valuation allowance for deferred tax assets	490,000	3,155,000	--	(44,000)	3,601,000
Year ended December 31, 2008:					
Allowance for doubtful accounts	$ 1,437,300	$ (306,230)	$ --	$ 984,470	$ 146,600
Obsolescence and slow-moving reserves	2,156,417	2,569,577	--	2,152,614	2,573,380
Accrued warranty	10,823,532	3,126,353	--	5,597,646	8,352,239
Valuation allowance for deferred tax assets	422,000	68,000	--	--	490,000
Year ended December 31, 2007:					
Allowance for doubtful accounts	$ 373,000	$ 1,697,331	$ --	$ 633,031	$ 1,437,300
Obsolescence and slow-moving reserves	2,445,795	583,358	--	872,736	2,156,417
Accrued warranty	6,380,740	12,408,277	--	7,965,485	10,823,532
Valuation allowance for deferred tax assets	529,000	44,000	--	151,000	422,000

EXHIBIT INDEX

Exhibit Number	Document
3.1	Spartan Motors, Inc. Restated Articles of Incorporation, as amended to date. Previously filed as an exhibit to the Company's Form 10-Q Quarterly Report for the period ended June 30, 2007, and incorporated herein by reference.
3.2	Spartan Motors, Inc. Bylaws, as amended to date. Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2008, and incorporated herein by reference.
4.1	Spartan Motors, Inc. Restated Articles of Incorporation. See Exhibit 3.1 above.
4.2	Spartan Motors, Inc. Bylaws. See Exhibit 3.2 above.
4.3	Form of Stock Certificate. Previously filed as an exhibit to the Registration Statement on Form S-18 (Registration No. 2-90021-C) filed on March 19, 1984, and incorporated herein by reference.
4.4	Rights Agreement dated July 7, 2007, between Spartan Motors, Inc. and American Stock Transfer and Trust Company, which includes the form of Certificate of Designation, Preferences and Rights of Series B Preferred Stock as Exhibit A, the form of Rights Certificate as Exhibit B and the Summary of Rights to Purchase Series B Preferred Stock as Exhibit C. Previously filed as Exhibit 1 to the Company's Form 8-A filed on July 10, 2007, and incorporated herein by reference.
4.5	The Registrant has several classes of long-term debt instruments outstanding. The authorized amount of none of these classes of debt exceeds 10% of the Company's total consolidated assets. The Company agrees to furnish copies of any agreement defining the rights of holders of any such long-term indebtedness to the Securities and Exchange Commission upon request.
10.1	Restated Spartan Motors, Inc. 1988 Non-Qualified Stock Option Plan, as amended to date. Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the period ended December 31, 2007 and incorporated herein by reference.*
10.2	Restated Spartan Motors, Inc. 1994 Incentive Stock Option Plan, as amended to date. Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the period ended December 31, 2007 and incorporated herein by reference.*
10.3	Spartan Motors, Inc. 1996 Stock Option and Restricted Stock Plan for Outside Market Advisors, as amended. Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the period ended December 31, 2005, and incorporated herein by reference.*
10.4	Spartan Motors, Inc. Stock Option and Restricted Stock Plan of 1998, as amended. Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the period ended December 31, 2005, and incorporated herein by reference.*
10.5	Spartan Motors, Inc. Stock Option and Restricted Stock Plan of 2003, as amended. Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the period ended December 31, 2005, and incorporated herein by reference.*

Exhibit Number	Document
10.6	Spartan Motors, Inc. Stock Incentive Plan of 2005, as amended. Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2005, and incorporated herein by reference.*
10.7	Spartan Motors, Inc. Stock Incentive Plan of 2007, as amended. Previously filed as Appendix A to the Company's 2007 Proxy Statement filed April 23, 2007 and incorporated herein by reference.*
10.8	Spartan Motors, Inc. Spartan Profit and Return Management Incentive Bonus Plan. Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the period ended December 31, 2008, and incorporated herein by reference.*
10.9	Spartan Motors, Inc. Directors' Stock Purchase Plan. Previously filed as an exhibit to the Company's Form S-8 Registration Statement (Registration No. 333-98083) filed on August 14, 2002, and incorporated herein by reference.*
10.10	Form of Stock Appreciation Rights Agreement. Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the period ended December 31, 2007 and incorporated herein by reference.*
10.11	Form of Restricted Stock Agreement. Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2009, and incorporated herein by reference.*
10.12	Form of Indemnification Agreement. Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the period ended December 31, 2005, and incorporated herein by reference.*
10.13	Supplemental Executive Retirement Plan.* Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the period ended December 31, 2007 and incorporated herein by reference .
10.14	Amended and Restated Note Purchase and Private Shelf Agreement with Prudential Investment Management, Inc. and certain of its affiliates and managed accounts dated November 30, 2009.
10.15	Separation Agreement and Release between the Company and Richard J. Schalter.* Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the period ended December 31, 2008 and incorporated herein by reference.*
10.16	Agreement and Plan of Merger, dated as of November 18, 2009, by and among Spartan Motors, Inc.; SMI Sub, Inc.; Utilimaster Holdings, Inc.; Utilimaster Corporation; and John Hancock Life Insurance Company; as amended by a First Amendment to Agreement and Plan of Merger dated as of November 30, 2009.
10.17	Credit Agreement, dated November 30, 2009, by and among the Company, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto.
21	Subsidiaries of Registrant.
23	Consent of BDO Seidman, LLP, Independent Registered Public Accounting firm.

Exhibit Number	Document
24	Limited Powers of Attorney.
31.1	Certification of President and Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act.
31.2	Certification of Chief Financial Officer, Secretary and Treasurer pursuant to Section 302 of the Sarbanes-Oxley Act.
32	Certification pursuant to 18 U.S.C. § 1350.

*Management contract or compensatory plan or arrangement.

Exhibit 10.14

Execution Copy

SPARTAN MOTORS, INC.

AMENDED AND RESTATED
NOTE PURCHASE AND PRIVATE SHELF AGREEMENT

$10,000,000

4.93% SERIES A SENIOR NOTES DUE NOVEMBER 30, 2010

$5,000,000

5.46% SERIES B SENIOR NOTES DUE DECEMBER 1, 2016
and

$45,000,000

PRIVATE SHELF FACILITY

Dated as of November 30, 2009

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INFORMATION SCHEDULE

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SPARTAN MOTORS, INC.
1165 Reynolds Road
Charlotte, Michigan 48813

As of November 30, 2009

Prudential Investment Management, Inc. ("**Prudential"**)

Each of the Purchasers named in the Purchaser Schedule attached hereto as holders of the Series A Notes (the "**Existing Holders**")

Each of the Purchasers named in the Purchaser Schedule attached hereto as purchasers of Series B Notes (the "**Series B Note Purchasers"**)

Each other Prudential Affiliate (as hereinafter defined) which becomes bound by certain provisions of this Agreement as hereinafter provided

c/o Prudential Capital Group
Two Prudential Plaza, Suite 5600
Chicago, Illinois 60601

Ladies and Gentlemen:

The undersigned, Spartan Motors, Inc., a Michigan corporation (herein called the " **Company"**), hereby agrees with you as set forth below. Reference is made to paragraph 10 hereof for definitions of capitalized terms used herein and not otherwise defined herein.

INTRODUCTION

The Company and the Existing Holders are parties to the Note Purchase and Private Shelf Agreement, dated as of November 30, 2007 (the "**Existing Note Agreement**"), under which the Company issued and sold, and the Existing Holders purchased, a Series of its senior promissory notes (the " **Series A Notes**") in the aggregate principal amount of $10,000,000, dated the date of issue thereof, maturing November 30, 2010, bearing interest on the unpaid balance thereof from the date thereof until the principal thereof shall have become due and payable at the rate of 4.93% per annum (provided that, during any period when an Event of Default shall be in existence, at the election of the Required Holder(s) of the Series A Notes the outstanding principal balance of the Series A Notes shall bear interest from and after the date of such Event of Default and until such Event of Default ceases to be in existence at the rate per

annum from time to time equal to the Default Rate) and on overdue payments at the rate per annum from time to time equal to the Default Rate, and substantially in the form of Exhibit A-1 attached hereto. The terms "**Series A Note**" and "**Series A Notes**" as used herein shall include each Series A Note delivered pursuant to any provision of the Existing Note Agreement or this Agreement and each Series A Note delivered in substitution or exchange for any such Series A Note pursuant to any such provision.

The Company, Prudential, the Existing Holders and the Series B Note Purchasers desire to enter into this Agreement so as to, among other things (i) provide for the purchase and sale of the Series B Notes, (ii) provide for the possibility of the issuance of Shelf Notes during the Issuance Period, and (iii) amend and restate the Existing Note Agreement to read as set forth herein and for the outstanding Series A Notes to be outstanding under and subject to the terms of this Agreement. Effective upon the execution and delivery hereof by the Company, Prudential, the Existing Holders and the Series B Note Purchasers and the satisfaction of the conditions set forth in paragraph 3 hereof, the Company, Prudential, the Existing Holders and the Series B Note Purchasers agree that (a) the Existing Note Agreement shall be amended and restated in its entirety to read as set forth in this Agreement, and (b) each of the Series A Notes shall be deemed to be outstanding under this Agreement and be entitled to the benefits hereof.

1. AUTHORIZATION OF ISSUE OF NOTES.

1A. Authorization of Issue of Series B Notes. The Company will authorize the issue of its senior promissory notes (the "**Series B Notes"**) in the aggregate principal amount of $5,000,000, to be dated the date of issue thereof, to mature December 1, 2016, to bear interest on the unpaid balance thereof from the date thereof until the principal thereof shall have become due and payable at the rate of 5.46% per annum (provided that, during any period when an Event of Default shall be in existence, at the election of the Required Holder(s) of the Series B Notes the outstanding principal balance of the Series B Notes shall bear interest from and after the date of such Event of Default and until such Event of Default ceases to be in existence at the rate per annum from time to time equal to the Default Rate) and on overdue payments at the rate per annum from time to time equal to the Default Rate, and to be substantially in the form of Exhibit A-2 attached hereto. The terms "**Series B Note"** and "**Series B Notes"** as used herein shall include each Series B Note delivered pursuant to any provision of this Agreement and each Series B Note delivered in substitution or exchange for any other Series B Note pursuant to any such provision.

1B. Authorization of Issue of Shelf Notes. The Company will authorize the issue of its additional senior promissory notes (the "**Shelf Notes"**) in the aggregate principal amount of $45,000,000, to be dated the date of issue thereof, to mature, in the case of each Shelf Note so issued, no more than twelve years after the date of original issuance thereof, to have an average life, in the case of each Shelf Note so issued, of no more than ten years after the date of original issuance thereof, to bear interest on the unpaid balance thereof from the date thereof at the rate per annum, and to have such other particular terms, as shall be set forth, in the case of each Shelf Note so issued, in the Confirmation of Acceptance with respect to such Shelf Note delivered pursuant to paragraph 2B(5), and to be substantially in the form of Exhibit A-3 attached hereto. The terms "**Shelf Note"** and "**Shelf Notes"** as used herein shall include each Shelf Note

delivered pursuant to any provision of this Agreement and each Shelf Note delivered in substitution or exchange for any such Shelf Note pursuant to any such provision. The terms "**Note"** and "**Notes"** as used herein shall include each Series A Note, each Series B Note and each Shelf Note. Notes which have (i) the same final maturity, (ii) the same principal prepayment dates, (iii) the same principal prepayment amounts (as a percentage of the original principal amount of each Note), (iv) the same interest rate, (v) the same interest payment periods and (vi) the same date of issuance (which, in the case of a Note issued in exchange for another Note, shall be deemed for these purposes the date on which such Note's ultimate predecessor Note was issued), are herein called a " **Series"** of Notes.

2. PURCHASE AND SALE OF NOTES.

2A. Purchase and Sale of Series B Notes. The Company hereby agrees to sell to each Series B Note Purchaser and, subject to the terms and conditions herein set forth, each Series B Note Purchaser agrees to purchase from the Company the aggregate principal amount of Series B Notes set forth opposite such Series B Note Purchaser's name on the Purchaser Schedule attached hereto at 100% of such aggregate principal amount. On November 30, 2009 (herein called the " **Series B Closing Day"**), the Company will deliver to each Series B Note Purchaser at the offices of Schiff Hardin LLP, at 233 S. Wacker Drive, Suite 6600, Chicago, Illinois, 60606, one or more Series B Notes registered in such Series B Note Purchaser's name (or, if specified in the Purchaser Schedule, in the name of the nominee(s) for such Series B Note Purchaser specified in the Purchaser Schedule), evidencing the aggregate principal amount of Series B Notes to be purchased by such Series B Note Purchaser and in the denomination or denominations specified with respect to such Series B Note Purchaser in the Purchaser Schedule attached hereto, against payment of the purchase price thereof by transfer of immediately available funds for credit to the account or accounts as shall be specified in a letter on the Company's letterhead, in substantially the form of Exhibit B attached hereto, from the Company to the Series B Note Purchasers delivered prior to the Series B Closing Day.

2B. Purchase and Sale of Shelf Notes.

2B(1). Facility. Prudential is willing to consider, in its sole discretion and within limits which may be authorized for purchase by Prudential Affiliates from time to time, the purchase of Shelf Notes pursuant to this Agreement. The willingness of Prudential to consider such purchase of Shelf Notes is herein called the " **Facility"**. At any time, the aggregate principal amount of Shelf Notes stated in paragraph 1B, minus the aggregate principal amount of Shelf Notes purchased and sold pursuant to this Agreement prior to such time, minus the aggregate principal amount of Accepted Notes (as hereinafter defined) which have not yet been purchased and sold hereunder prior to such time, is herein called the "**Available Facility Amount"** at such time. **NOTWITHSTANDING THE WILLINGNESS OF PRUDENTIAL TO CONSIDER PURCHASES OF SHELF NOTES BY PRUDENTIAL AFFILIATES, THIS AGREEMENT IS ENTERED INTO ON THE EXPRESS UNDERSTANDING THAT NEITHER PRUDENTIAL NOR ANY PRUDENTIAL AFFILIATE SHALL BE OBLIGATED TO MAKE OR ACCEPT OFFERS TO PURCHASE SHELF NOTES, OR TO QUOTE RATES, SPREADS OR OTHER TERMS WITH RESPECT TO SPECIFIC**

PURCHASES OF SHELF NOTES, AND THE FACILITY SHALL IN NO WAY BE CONSTRUED AS A COMMITMENT BY PRUDENTIAL OR ANY PRUDENTIAL AFFILIATE.

2B(2). Issuance Period. Shelf Notes may be issued and sold pursuant to this Agreement until the earlier of (i) the third anniversary of the date of this Agreement (or if the date of such anniversary is not a Business Day, the Business Day next preceding such anniversary), (ii) the 30th day after Prudential shall have given to the Company, or the Company shall have given to Prudential, a written notice stating that it elects to terminate the issuance and sale of Shelf Notes pursuant to this Agreement (or if such 30th day is not a Business Day, the Business Day next preceding such 30th day), (iii) the last Closing Day after which there is no Available Facility Amount, (iv) the termination of the Facility under paragraph 7A of this Agreement, and (v) the acceleration of any Note under paragraph 7A of this Agreement. The period during which Shelf Notes may be issued and sold pursuant to this Agreement is herein called the "**Issuance Period"**.

2B(3). Request for Purchase. The Company may from time to time during the Issuance Period make requests for purchases of Shelf Notes (each such request being herein called a " **Request for Purchase"**). Each Request for Purchase shall be made to Prudential by facsimile transmission or overnight delivery service, and shall (i) specify the aggregate principal amount of Shelf Notes covered thereby, which shall not be less than $5,000,000 and not be greater than the Available Facility Amount at the time such Request for Purchase is made, (ii) specify the principal amounts, final maturities (which shall be no more than twelve years from the date of issuance), average life (which shall be no more than ten years from the date of issuance), principal prepayment dates (if any) and amounts and interest payment periods (quarterly or semi-annually in arrears) of the Shelf Notes covered thereby, (iii) specify the use of proceeds of such Shelf Notes, (iv) specify the proposed day for the closing of the purchase and sale of such Shelf Notes, which shall be a Business Day during the Issuance Period not less than 10 days and not more than 25 days after the making of such Request for Purchase, (v) specify the number of the account and the name and address of the depository institution to which the purchase prices of such Shelf Notes are to be transferred on the Closing Day for such purchase and sale, (vi) certify that the representations and warranties contained in paragraph 8 are true on and as of the date of such Request for Purchase and that there exists on the date of such Request for Purchase no Event of Default or Default, and (vii) be substantially in the form of Exhibit C attached hereto. Each Request for Purchase shall be in writing and shall be deemed made when received by Prudential.

2B(4). Rate Quotes. Not later than five Business Days after the Company shall have given Prudential a Request for Purchase pursuant to paragraph 2B(3), Prudential may, but shall be under no obligation to, provide to the Company by telephone or facsimile transmission, in each case between 9:30 A.M. and 1:30 P.M. New York City local time (or such later time as Prudential may elect) interest rate quotes for the several principal amounts, maturities, principal prepayment schedules and interest payment periods of Shelf Notes specified in such Request for Purchase. Each quote shall represent the interest rate per annum payable on the outstanding principal balance of such Shelf Notes at which a Prudential Affiliate or Affiliates would be willing to purchase such Shelf Notes at 100% of the principal amount thereof.

2B(5). Acceptance. Within the Acceptance Window with respect to any interest rate quotes provided pursuant to paragraph 2B(4), the Company may, subject to paragraph 2B(6), elect to accept such interest rate quotes as to not less than $5,000,000 aggregate principal amount of the Shelf Notes specified in the related Request for Purchase. Such election shall be made by an Authorized Officer of the Company notifying Prudential by telephone or facsimile transmission within the Acceptance Window that the Company elects to accept such interest rate quotes, specifying the Shelf Notes (each such Shelf Note being herein called an " **Accepted Note"**) as to which such acceptance (herein called an "**Acceptance"**) relates. The day the Company notifies Prudential of an Acceptance with respect to any Accepted Notes is herein called the "**Acceptance Day"** for such Accepted Notes. Any interest rate quotes as to which Prudential does not receive an Acceptance within the Acceptance Window shall expire, and no purchase or sale of Shelf Notes hereunder shall be made based on such expired interest rate quotes. Subject to paragraph 2B(6) and the other terms and conditions hereof, the Company agrees to sell to a Prudential Affiliate or Affiliates, and Prudential agrees to cause the purchase by a Prudential Affiliate or Affiliates of, the Accepted Notes at 100% of the principal amount of such Notes. As soon as practicable following the Acceptance Day, the Company and each Prudential Affiliate which is to purchase any such Accepted Notes will execute a confirmation of such Acceptance substantially in the form of Exhibit D attached hereto (herein called a " **Confirmation of Acceptance"**). If the Company should fail to execute and return to Prudential within three Business Days following the Company's receipt thereof a Confirmation of Acceptance with respect to any Accepted Notes, Prudential or any Prudential Affiliate may at its election at any time prior to Prudential's receipt thereof cancel the closing with respect to such Accepted Notes by so notifying the Company in writing.

2B(6). Market Disruption. Notwithstanding the provisions of paragraph 2B(5), if Prudential shall have provided interest rate quotes pursuant to paragraph 2B(4) and thereafter prior to the time an Acceptance with respect to such quotes shall have been notified to Prudential in accordance with paragraph 2B(5) the domestic market for U.S. Treasury securities or other financial instruments shall have closed or there shall have occurred a general suspension, material limitation, or significant disruption of trading in securities generally on the New York Stock Exchange or in the domestic market for U.S. Treasury securities or other financial instruments, then such interest rate quotes shall expire, and no purchase or sale of Shelf Notes hereunder shall be made based on such expired interest rate quotes. If the Company thereafter notifies Prudential of the Acceptance of any such interest rate quotes, such Acceptance shall be ineffective for all purposes of this Agreement, and Prudential shall promptly notify the Company that the provisions of this paragraph 2B(6) are applicable with respect to such Acceptance.

2B(7). Facility Closings. Not later than 11:30 A.M. (New York City local time) on the Closing Day for any Accepted Notes, the Company will deliver to each Purchaser listed in the Confirmation of Acceptance relating thereto at the offices of Prudential Capital Group, 180 North Stetson Street, Suite 5600, Chicago, Illinois 60601, Attention: Law Department, or at such other place as Prudential may have directed, the Accepted Notes to be purchased by such Purchaser in the form of one or more Notes in authorized denominations as such Purchaser may request for each Series of Accepted Notes to be purchased on the Closing Day, dated the Closing Day and registered in such Purchaser's name (or in the name of its nominee), against payment of the purchase price thereof by transfer of immediately available funds for credit to the Company's account specified in the Request for Purchase of such Notes. If the Company fails to tender to

any Purchaser the Accepted Notes to be purchased by such Purchaser on the scheduled Closing Day for such Accepted Notes as provided above in this paragraph 2B(7), or any of the conditions specified in paragraph 3 shall not have been fulfilled by the time required on such scheduled Closing Day, the Company shall, prior to 1:00 P.M., New York City local time, on such scheduled Closing Day notify Prudential (which notification shall be deemed received by each Purchaser) in writing whether (i) such closing is to be rescheduled (such rescheduled date to be a Business Day during the Issuance Period not less than one Business Day and not more than 10 Business Days after such scheduled Closing Day (the "**Rescheduled Closing Day"**)) and certify to Prudential (which certification shall be for the benefit of each Purchaser) that the Company reasonably believes that it will be able to comply with the conditions set forth in paragraph 3 on such Rescheduled Closing Day and that the Company will pay the Delayed Delivery Fee in accordance with paragraph 2B(8)(iii) or (ii) such closing is to be canceled. In the event that the Company shall fail to give such notice referred to in the preceding sentence, Prudential (on behalf of each Purchaser) may at its election, at any time after 1:00 P.M., New York City local time, on such scheduled Closing Day, notify the Company in writing that such closing is to be canceled. Notwithstanding anything to the contrary appearing in this Agreement, the Company may not elect to reschedule a closing with respect to any given Accepted Notes on more than one occasion, unless Prudential shall have otherwise consented in writing.

2B(8). Fees.

2B(8)(i). Structuring Fee. [Intentionally omitted.]

2B(8)(ii). Issuance Fee. The Company will pay to each Purchaser in immediately available funds a fee (herein called the "**Issuance Fee"**) on each Closing Day in an amount equal to 0.10% of the aggregate principal amount of Shelf Notes sold to such Purchaser on such Closing Day.

2B(8)(iii). Delayed Delivery Fee. If the closing of the purchase and sale of any Accepted Note is delayed for any reason beyond the original Closing Day for such Accepted Note, the Company will pay to the Purchaser which shall have agreed to purchase such Accepted Note (a) on the Cancellation Date or actual closing date of such purchase and sale and (b) if earlier, the next Business Day following 90 days after the Acceptance Day for such Accepted Note and on each Business Day following 90 days after the prior payment hereunder, a fee (herein called the "**Delayed Delivery Fee"**) calculated as follows:

(BEY – MMY) X DTS/360 X PA

where **"BEY"** means Bond Equivalent Yield, i.e., the bond equivalent yield per annum of such Accepted Note; **"MMY"** means Money Market Yield, i.e., the yield per annum on a commercial paper investment of the highest quality selected by Prudential and having a maturity date or dates the same as, or closest to, the Rescheduled Closing Day or Rescheduled Closing Days for such Accepted Note (a new alternative investment being selected by Prudential each time such closing is delayed); **"DTS"** means Days to Settlement, i.e., the number of actual days elapsed from and including the original Closing Day for such Accepted Note (in the case of the first such payment with respect to such Accepted Note) or from and including the date of the next preceding payment (in the case of any subsequent Delayed Delivery Fee payment with respect to such

Accepted Note) to but excluding the date of such payment; and **"PA"** means Principal Amount, i.e., the principal amount of the Accepted Note for which such calculation is being made. In no case shall the Delayed Delivery Fee be less than zero. Nothing contained herein shall obligate any Purchaser to purchase any Accepted Note on any day other than the Closing Day for such Accepted Note, as the same may be rescheduled from time to time in compliance with paragraph 2B(7).

2B(8)(iv). Cancellation Fee. If the Company at any time notifies Prudential in writing that the Company is canceling the closing of the purchase and sale of any Accepted Note, or if Prudential notifies the Company in writing under the circumstances set forth in the last sentence of paragraph 2B(5) or the penultimate sentence of paragraph 2B(7) that the closing of the purchase and sale of such Accepted Note is to be canceled, or if the closing of the purchase and sale of such Accepted Note is not consummated on or prior to the last day of the Issuance Period (the date of any such notification or the last day of the Issuance Period, as the case may be, being herein called the "**Cancellation Date"**), the Company will pay to the Purchaser which shall have agreed to purchase such Accepted Note in immediately available funds an amount (the "**Cancellation Fee"**) calculated as follows:

PI X PA

where **"PI"** means Price Increase, i.e., the quotient (expressed in decimals) obtained by dividing (a) the excess of the ask price (as determined by Prudential) of the Hedge Treasury Note(s) on the Cancellation Date over the bid price (as determined by Prudential) of the Hedge Treasury Notes(s) on the Acceptance Day for such Accepted Note by (b) such bid price; and **"PA"** has the meaning ascribed to it in paragraph 2B(8)(iii). The foregoing bid and ask prices shall be as reported by TradeWeb LLC (or, if such data for any reason ceases to be available through TradeWeb LLC, any publicly available source of similar market data). Each price shall be based on a U.S. Treasury security having a part value of $100.00 and shall be rounded to the second decimal place. In no case shall the Cancellation Fee be less than zero.

3. CONDITIONS OF AMENDMENT AND RESTATEMENT AND CLOSING. The effectiveness of the amendment and restatement of the Existing Note Agreement pursuant to this Agreement is subject to the satisfaction, on the Series B Closing Day, of, and the obligation of any Purchaser to purchase and pay for the Notes to be purchased by such Purchaser hereunder on any Closing Day is subject to the satisfaction, on or before such Closing Day, of, the following conditions:

3A. Certain Documents. Such Purchaser shall have received original counterparts or, if satisfactory to such Purchaser, certified or other copies of all of the following, each duly executed and delivered by the party or parties thereto, in form and substance satisfactory to such Purchaser dated the date of the applicable Closing Day unless otherwise indicated, and, on the applicable Closing Day, in full force and effect with no event having occurred and being then continuing that would constitute a default thereunder or constitute or provide the basis for the termination thereof:

(i) The Note(s) to be purchased by such Purchaser on such Closing Day in the form of Exhibit A-2 or Exhibit A-3 hereto, as applicable;

(ii) (a) an Amended and Restated Guaranty Agreement in favor of the holders of the Notes in the form of Exhibit E-1 hereto (together with any other guaranty pursuant to which the Notes are guarantied and which is entered into as contemplated hereby or by any other Transaction Document, as the same may be amended, modified or supplemented from time to time in accordance with the provisions thereof, collectively called the **"Guaranty Agreements"** and individually called a **"Guaranty Agreement"**), made by each Person which is, on such Closing Day, obligated under a Guarantee with respect to any Indebtedness of the Company and is not then a party to a Guaranty Agreement, together with an Officer's Certificate certifying as to all Persons which are then obligated under a Guarantee with respect to any Indebtedness of the Company and (b) with respect to any Closing Day other than the Series B Closing Day, a Confirmation of Guaranty made by each Guarantor as of such Closing Day in the form of Exhibit E-2 hereto (collectively, the **"Confirmation of Guaranty"**);

(iii) a Secretary's Certificate signed by the Secretary or an Assistant Secretary and one other officer of the Company and each Guarantor certifying, among other things, (a) as to the names, titles and true signatures of the officers of the Company or such Guarantor, as the case may be, authorized to sign the Notes being delivered on such Closing Day and the other documents to be delivered in connection with this Agreement and the other Transaction Documents to which the Company or such Guarantor, as the case may be, is a party, (b) that attached thereto is a true, accurate and complete copy of the certificate of incorporation or other formation documents of the Company or such Guarantor, as the case may be, certified by the Secretary of State of the state of organization of the Company or such Guarantor, as the case may be, as of a recent date, (c) that attached thereto is a true, accurate and complete copy of the by-laws, operating agreement or other organizational documents of the Company or such Guarantor, as the case may be, which were duly adopted and are in effect as of such Closing Day and have been in effect immediately prior to and at all times since the adoption of the resolutions referred to in clause (d), below, (d) that attached thereto is a true, accurate and complete copy of the resolutions of the board of directors or other managing body of the Company or such Guarantor, as the case may be, duly adopted at a meeting or by unanimous written consent of such board of directors or other managing body, authorizing the execution, delivery and performance of this Agreement, the Notes or other Transaction Documents to which the Company or such Guarantor, as the case may be, is a party, being delivered on such Closing Day and the other documents to be delivered in connection with this Agreement and such other Transaction Documents to which the Company or such Guarantor, as the case may be, is a party, and that such resolutions have not been amended, modified, revoked or rescinded, and are in full force and effect and are the only resolutions of the shareholders, partners or members of the Company or such Guarantor, as the case may be, or of such board of directors or other managing body or any committee thereof relating to the subject matter thereof, (e) this Agreement, the Notes and the other Transaction Documents being delivered on such Closing Day and the other documents to be delivered in connection with this Agreement and the other Transaction Documents executed and delivered to such Purchaser by the Company or such Guarantor, as the case may be, are in the form approved by its board of directors or other managing body in the resolutions referred to in clause (d), above and (f) that no

dissolution or liquidation proceedings as to the Company or any Subsidiary have been commenced or are contemplated; provided, however, that with respect to any Closing Day subsequent to the Series B Closing Day, if none of the matters certified to in the certificate delivered by the Company or any Guarantor under this clause (ii) on any prior Closing Day have changed and the resolutions referred to in sub-clause (d) of this clause (ii) authorize the execution and delivery of the Notes being delivered on such subsequent Closing Day, then the Company or such Guarantor, as the case may be, may, in lieu of the certificate described above, deliver a Secretary's Certificate signed by its Secretary or Assistant Secretary certifying that there have been no changes to the matters certified to in the certificate delivered by the Company delivered on such prior Closing Day under this clause (ii);

(iv) a certificate of corporate or other type of entity and tax good standing for the Company and each of its Subsidiaries from the Secretary of State of the state of organization of the Company and each such Subsidiary and of each state in which the Company or any such Subsidiary is required to be qualified to transact business as a foreign organization, in each case dated as of a recent date;

(v) certified copies of Requests for Information or Copies (Form UCC -11) or equivalent reports listing all effective financing statements which name the Company or any Subsidiary (under its present name and previous names used) as debtor and which are filed in the office of the Secretary of State (or such other office which is, under the Uniform Commercial Code as in effect in the applicable jurisdiction, the proper office in which to file a financing statement under Section 9-501(a)(2) of such Uniform Commercial Code) of the location (as determined under the Uniform Commercial Code) of the Company or such Subsidiary, as applicable, together with copies of such financing statements;

(vi) such other certificates, documents and agreements as such Purchaser may reasonably request.

3B. Opinion of Prudential's Special Counsel. Such Purchaser shall have received from Wiley S. Adams, Vice President and Corporate Counsel of Prudential, or such other counsel who is acting as special counsel for such Purchaser in connection with this transaction, a favorable opinion satisfactory to such Purchaser as to such matters incident to the matters herein contemplated as it may reasonably request.

3C. Opinion of Company's and Guarantors' Counsel. Such Purchaser shall have received from Varnum LLP, special counsel for the Company and the Guarantors (or such other counsel designated by the Company and acceptable to such Purchaser), a favorable opinion satisfactory to such Purchaser, dated such Closing Day, and substantially in the form of Exhibit F-1 attached hereto (in the case of the Series B Notes) or Exhibit F-2 attached hereto (in the case of any Shelf Notes) and as to such other matters as such Purchaser may reasonably request. The Company, by its execution hereof, hereby requests and authorizes such special counsel to render such opinions and to allow such Purchaser to rely on such opinions, agrees that the issuance and sale of any Notes will constitute a reconfirmation of such request and authorization, and

understands and agrees that each Purchaser receiving such an opinion will and is hereby authorized to rely on such opinion.

3D. Representations and Warranties; No Default; Satisfaction of Conditions. The representations and warranties contained in paragraph 8 shall be true on and as of such Closing Day, both before and immediately after giving effect to the issuance of the Notes to be issued on such Closing Day and to the consummation of any other transactions contemplated hereby; there shall exist on such Closing Day no Event of Default or Default, both before and immediately after giving effect to the issuance of the Notes to be issued on such Closing Day and to the consummation of any other transactions contemplated hereby; the Company and each Guarantor shall have performed all agreements and satisfied all conditions required under this Agreement to be performed or satisfied on or before such Closing Day; and the Company and each Guarantor shall have delivered to such Purchaser an Officer's Certificate, dated such Closing Day, to each such effect.

3E. Purchase Permitted by Applicable Laws. The purchase of and payment for the Notes to be purchased by such Purchaser on such Closing Day on the terms and conditions herein provided (including the use of the proceeds of such Notes by the Company) shall not violate any applicable law or governmental regulation (including, without limitation, Section 5 of the Securities Act or Regulation T, U or X of the Board of Governors of the Federal Reserve System) and shall not subject such Purchaser to any tax, penalty, liability or other onerous condition under or pursuant to any applicable law or governmental regulation, and such Purchaser shall have received such certificates or other evidence as it may request to establish compliance with this condition. All necessary authorizations, consents, approvals, exceptions or other actions by or notices to or filings with any court or administrative or governmental body or other Person required in connection with the execution, delivery and performance of this Agreement and the Notes to be issued on such Closing Day or the consummation of the transactions contemplated hereby or thereby shall have been issued or made, shall be final and in full force and effect and shall be in form and substance satisfactory to such Purchaser.

3F. Utilimaster Acquisition Documents. Such Purchaser shall have received copies of the Utilimaster Acquisition documents and shall be satisfied with the form, structure and terms of the Utilimaster Acquisition and all related transactions, the legal and the regulatory aspects of the Utilimaster Acquisition and all related transactions and all other legal (including tax implications), financial and regulatory matters relating to the Utilimaster Acquisition and the Utilimaster Acquisition documents and related transactions.

3G. Payment of Fees. The Company shall have paid to such Purchaser in immediately available funds any fees due it pursuant to or in connection with this Agreement, any Issuance Fee due pursuant to paragraph 2B(8)(ii) (including with respect to the Series B Notes) and any Delayed Delivery Fee due pursuant to paragraph 2B(8)(iii).

3H. Fees and Expenses. Without limiting the provisions of paragraph 11B hereof, the Company shall have paid the reasonable fees, charges and disbursements of any special counsel to the Purchasers in connection with this Agreement or the transactions contemplated hereby.

3I. Proceedings. All corporate and other proceedings taken or to be taken in connection with the transactions contemplated hereby and all documents incident thereto shall be satisfactory in substance and form to such Purchaser, and such Purchaser shall have received all such counterpart originals or certified or other copies of such documents as it may reasonably request.

4. PREPAYMENTS. The Series A Notes shall be subject to prepayment only with respect to the required prepayments specified in paragraph 4E, the optional prepayments permitted by paragraph 4B, and upon acceleration pursuant to paragraph 7A. The Series B Notes shall be subject to prepayment only with respect to the required prepayments specified in paragraph 4E, the optional prepayments permitted by paragraph 4B, and upon acceleration pursuant to paragraph 7A. Any Shelf Notes shall be subject to prepayment only with respect to the required prepayments specified in paragraph 4A(3) and paragraph 4E, the optional prepayments permitted by paragraph 4B, and upon acceleration pursuant to paragraph 7A.

4A. Required Prepayments.

4A(1). No Scheduled Required Prepayments of Series A Notes. The Series A Notes shall not be subject to any scheduled required prepayments. The outstanding principal amount of the Series A Notes, together with any accrued and unpaid interest thereon, shall become due on November 30, 2010, the maturity date of the Series A Notes.

4A(2). Required Prepayments of Series B Notes. The Series B Notes shall not be subject to any scheduled required prepayments. The outstanding principal amount of the Series B Notes, together with any accrued and unpaid interest thereon, shall become due on December 1, 2016, the maturity date of the Series B Notes.

4A(3). Required Prepayments of Shelf Notes. Each Series of Shelf Notes shall be subject to required prepayments, if any, set forth in the Notes of such Series.

4B. Optional Prepayment With Yield-Maintenance Amount. The Notes of each Series shall be subject to prepayment, in whole at any time or from time to time in part (in integral multiples of $1,000,000 and in a minimum amount of $5,000,000 on any one occurrence), at the option of the Company, at 100% of the principal amount so prepaid plus interest thereon to the prepayment date and the Yield-Maintenance Amount, if any, with respect to each such Note. Any partial prepayment of a Series of Notes pursuant to this paragraph 4B shall be applied in satisfaction of required payments of principal thereof (including the required payment of principal due upon the maturity thereof) in inverse order of their scheduled due dates.

4C. Notice of Optional Prepayment. The Company shall give the holder of each Note of a Series to be prepaid pursuant to paragraph 4B irrevocable written notice of such prepayment not less than 10 Business Days prior to the prepayment date (which shall be a Business Day), specifying such prepayment date and the aggregate principal amount of the Notes of such Series, and the Notes of such Series held by such holder, to be prepaid on such date, and stating that such prepayment is to be made pursuant to paragraph 4B. Notice of prepayment having been given as aforesaid, the principal amount of the Notes specified in such notice, together with interest thereon to the prepayment date and together with the Yield-Maintenance

Amount, if any, with respect thereto, shall become due and payable on such prepayment date. The Company shall, on or before the day on which it gives written notice of any prepayment pursuant to paragraph 4B, give telephonic notice of the principal amount of the Notes to be prepaid and the prepayment date to each Significant Holder which shall have designated a recipient of such notices in the Purchaser Schedule attached hereto or the applicable Confirmation of Acceptance or by notice in writing to the Company.

4D. Application of Prepayments. In the case of each prepayment of less than the entire outstanding principal amount of all Notes of any Series pursuant to paragraphs 4A(3) or 4B, the principal amount so prepaid shall be allocated pro rata to all Notes of such Series at the time outstanding in proportion to the respective outstanding principal amounts thereof.

4E. Offer to Prepay Notes in the Event of a Change of Control.

4E(1). Notice of Change of Control. The Company will, at least 30 days prior to any Change of Control, give written notice of such Change of Control to each holder of the Notes. Such notice shall contain and constitute an offer to prepay the Notes as described in paragraph 4E(3) and shall be accompanied by the certificate described in paragraph 4E(6).

4E(2). Notice of Acceptance of Offer under Paragraph 4E(1). If the Company shall at any time receive an acceptance to an offer to prepay Notes under paragraph 4E(1) from some, but not all, of the holders of the Notes, then the Company will, within two Business Days after the receipt of such acceptance, give written notice of such acceptance to each other holder of the Notes.

4E(3). Offer to Prepay Notes. The offer to prepay Notes contemplated by paragraph 4E(1) shall be an offer to prepay, in accordance with and subject to this paragraph 4E, all, but not less than all, of the Notes held by each holder (in this case only, "holder" in respect of any Note registered in the name of a nominee for a disclosed beneficial owner shall mean such beneficial owner) at the time of the occurrence of the Change of Control.

4E(4). Rejection; Acceptance. A holder of Notes may accept or reject the offer to prepay made pursuant to this paragraph 4E by causing a notice of such acceptance or rejection to be delivered to the Company prior to the prepayment date. A failure by a holder of Notes to so respond to an offer to prepay made pursuant to this paragraph 4E shall be deemed to constitute an acceptance of such offer by such holder.

4E(5). Prepayment. Prepayment of the Notes to be prepaid pursuant to this paragraph 4E shall be at 100% of the principal amount of such Notes, together with interest on such Notes accrued to the date of prepayment and the Yield-Maintenance Amount, if any, with respect thereto. The prepayment shall be made at the time of the occurrence of the Change of Control.

4E(6). Officer's Certificate. Each offer to prepay the Notes pursuant to this paragraph 4E shall be accompanied by a certificate, executed by a Responsible Officer of the Company and dated the date of such offer, specifying (i) the proposed prepayment date (which shall be the date of the Change of Control), (ii) that such offer is made pursuant to this paragraph 4E, (iii) the principal amount of each Note offered to be prepaid, (iv) the interest that would be due on each Note offered to be prepaid, accrued to the prepayment date, (v) that the conditions of this paragraph 4E have been fulfilled, and (vi) in reasonable detail, the nature and anticipated date of the Change of Control.

4F. No Acquisition of Notes. The Company shall not, and shall not permit any of its Subsidiaries or Affiliates to, prepay or otherwise retire in whole or in part prior to their stated final maturity (other than by prepayment pursuant to paragraph 4A(3) or 4B, upon acceptance of an offer to prepay pursuant to paragraph 4E, or upon acceleration of such final maturity pursuant to paragraph 7A), or purchase or otherwise acquire, directly or indirectly, Notes of any Series held by any holder unless the Company or such Subsidiary or Affiliate shall have offered to prepay or otherwise retire or purchase or otherwise acquire, as the case may be, the same proportion of the aggregate principal amount of Notes of such Series held by each other holder of Notes of such Series at the time outstanding upon the same terms and conditions. Any Notes so prepaid or otherwise retired or purchased or otherwise acquired by the Company or any of its Subsidiaries or Affiliates shall not be deemed to be outstanding for any purpose under this Agreement.

5. AFFIRMATIVE COVENANTS. During the Issuance Period and so long thereafter as any Note is outstanding and unpaid, the Company covenants as follows:

5A. Financial Statements. The Company covenants that it will deliver to each Significant Holder in duplicate:

(i) as soon as practicable and in any event within 45 days after the end of each quarterly period (other than the last quarterly period) in each fiscal year, consolidated statements of income, stockholders' equity and cash flows of the Company and its Subsidiaries for the period from the beginning of the current fiscal year to the end of such quarterly period, and a consolidated balance sheet of the Company and its Subsidiaries as at the end of such quarterly period, setting forth in each case in comparative form figures for the corresponding period in the preceding fiscal year, all in reasonable detail, prepared in accordance with generally accepted accounting principles applicable to quarterly financial statements and certified by an authorized financial officer of the Company as fairly presenting, in all material respects, the financial position of the Company and its Subsidiaries and their results of operations and cash flows, subject to changes resulting from year-end adjustments;

(ii) as soon as practicable and in any event within 90 days after the end of each fiscal year, consolidated and, if provided to any holder of any Indebtedness of the Company, consolidating statements of income and cash flows and a consolidated statement of stockholders' equity of the Company and its Subsidiaries for such year, and a consolidated and, if provided to any holder of any Indebtedness of the Company, consolidating balance sheet of the Company and its Subsidiaries as at the end of such

year, setting forth in each case in comparative form corresponding consolidated figures from the preceding annual audit, all in reasonable detail, prepared in accordance with generally accepted accounting principles and, as to the consolidated statements, accompanied by an unqualified opinion thereon of independent public accountants of recognized national standing selected by the Company and acceptable to the Required Holder(s), which unqualified opinion shall state that such financial statements present fairly, in all material respects, the financial position of the Company and its Subsidiaries and the results of their operations and cash flows and have been prepared in accordance with generally accepted accounting principles, that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in such circumstances, and shall be without limitation as to the scope of the audit, and, as to the consolidating statements, certified by an authorized financial officer of the Company;

(iii) if delivered to any holder of any Indebtedness of the Company, concurrently with such delivery, copies of financial statement projections for the Company and its Subsidiaries for the following fiscal year in form and detail reasonably satisfactory to the Required Holders;

(iv) promptly and in any event within three calendar days after becoming aware of the occurrence of any development in the business or affairs of the Company, any Guarantor or any of their respective Subsidiaries which has resulted in or which is likely in the reasonable judgment of the Company or any Guarantor, to result in a Material Adverse Effect, a statement of the chief financial officer of the Company setting forth details of such development and the action which the Company has taken and proposes to take with respect thereto;

(v) promptly upon receipt thereof, a copy of each report submitted to the Company or any Subsidiary by independent accountants in connection with any annual, interim or special audit made by them of the books of the Company or any Subsidiary;

(vi) upon request, copies of all notices, reports, financial statements or other communications given to any lender under the Existing Credit Facilities or the Credit Agreement, excluding routine borrowing requests; and

(vii) with reasonable promptness, such other information as such Significant Holder may reasonably request.

Together with each delivery of financial statements required by clauses (i) and (ii) above, the Company will deliver to each Significant Holder an Officer's Certificate demonstrating (with computations in reasonable detail) compliance by the Company and its Subsidiaries with the provisions of paragraphs 6A, 6B, 6C, 6E and 6G and stating that there exists no Event of Default or Default, or, if any Event of Default or Default exists, specifying the nature and period of existence thereof and what action the Company proposes to take with respect thereto. Together with each delivery of financial statements required by clause (ii) above, the Company will deliver to each Significant Holder a certificate of such accountants stating that, in making the

audit necessary for their report on such financial statements, they have obtained no knowledge of any Event of Default or Default, or, if they have obtained knowledge of any Event of Default or Default, specifying the nature and period of existence thereof. Such accountants, however, shall not be liable to anyone by reason of their failure to obtain knowledge of any Event of Default or Default which would not be disclosed in the course of an audit conducted in accordance with generally accepted auditing standards. The Company also covenants that immediately after any Responsible Officer obtains knowledge of an Event of Default or Default, it will deliver to each Significant Holder an Officer's Certificate specifying the nature and period of existence thereof and what action the Company proposes to take with respect thereto.

5B. Information Required by Rule 144A. The Company covenants that it will, upon the request of the holder of any Note, provide such holder, and any qualified institutional buyer designated by such holder, such financial and other information as such holder may reasonably determine to be necessary in order to permit compliance with the information requirements of Rule 144A under the Securities Act in connection with the resale of Notes, except at such times as the Company is subject to and in compliance with the reporting requirements of section 13 or 15(d) of the Exchange Act. For the purpose of this paragraph 5B, the term "qualified institutional buyer" shall have the meaning specified in Rule 144A under the Securities Act.

5C. Inspection of Property. The Company covenants that it will permit any Person designated by any Significant Holder in writing, at such Significant Holder's expense if no Default or Event of Default exists and at the Company's expense if a Default or an Event of Default exists, to visit and inspect any of the properties of the Company and its Subsidiaries, to examine the corporate books and financial records of the Company and its Subsidiaries and make copies thereof or extracts therefrom and to discuss the affairs, finances and accounts of any of such corporations with the principal officers of the Company and its independent public accountants, all at such reasonable times and as often as such Significant Holder may reasonably request.

5D. Covenant to Secure Notes Equally. The Company covenants that, if it or any Subsidiary shall create or assume any Lien upon any of its property or assets, whether now owned or hereafter acquired, other than Liens permitted by the provisions of paragraph 6C (unless prior written consent to the creation or assumption thereof shall have been obtained pursuant to paragraph 11C), it will make or cause to be made effective provision whereby the Notes will be secured by such Lien equally and ratably with any and all other Indebtedness thereby secured so long as any such other Indebtedness shall be so secured; provided that the creation and maintenance of such equal and ratable Lien shall not in any way limit or modify the right of the holders of the Notes to enforce the provisions of paragraph 6C.

5E. Compliance with Law. The Company covenants that it will, and will cause each of its Subsidiaries to, comply with all laws, ordinances or governmental rules or regulations to which each of them is subject, including, without limitation, environmental laws, and will obtain and maintain in full force and effect all licenses, certificates, permits, franchises, operating rights and other authorizations from federal, state, foreign, regional, municipal and other local regulatory bodies or administrative agencies or governmental bodies having jurisdiction over the Company and its Subsidiaries or any of their respective properties necessary to the ownership,

operation or maintenance of their respective properties or to the conduct of their respective businesses, in each case to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in full force and effect such licenses, certificates, permits, franchises, operating rights and other authorizations could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

5F. Maintenance of Insurance. The Company covenants that it will, and will cause each of its Subsidiaries to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts as is customary in the case of entities of established reputations engaged in the same or similar and similarly situated business.

5G. Maintenance of Properties. The Company covenants that it will, and will cause each of its Subsidiaries to, maintain and keep, or cause to be maintained and kept, their respective properties in good repair, working order and condition (other than ordinary wear and tear), and from time to time make, or cause to be made, all needful and proper repairs, renewals and replacements thereto, so that the business carried on in connection therewith may be properly conducted at all times, provided that this paragraph 5G shall not prevent the Company or any Subsidiary from discontinuing the operation and the maintenance of any of its properties if such discontinuance is desirable in the conduct of its business and such discontinuance could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

5H. Payment of Taxes. The Company covenants that it will, and will cause each of its Subsidiaries to, file all income tax or similar tax returns required to be filed in any jurisdiction and to pay and discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges or levies payable by any of them, and to pay and discharge all amounts payable for work, labor and materials, in each case to the extent such taxes, assessments, charges, levies and amounts payable have become due and payable and before they have become delinquent, provided that neither the Company nor any Subsidiary need pay any such tax, assessment, charge, levy or amount payable if (i) the amount, applicability or validity thereof is being actively contested by the Company or such Subsidiary on a timely basis in good faith and in appropriate proceedings, and the Company or such Subsidiary has established adequate reserves therefor in accordance with generally accepted accounting principles on the books of the Company or such Subsidiary or (ii) the nonpayment of all such taxes, assessments, charges, levies and amounts payable in the aggregate could not reasonably be expected to have a Material Adverse Effect.

5I. Corporate Existence. The Company will at all times preserve and keep in full force and effect its corporate existence. Subject to paragraph 6D, the Company will at all times preserve and keep in full force and effect the corporate, limited liability company or partnership, as the case may be, existence of each of its Subsidiaries (unless merged into the Company or a Wholly-Owned Subsidiary), unless the termination of or failure to preserve and keep in full force and effect such corporate existence, could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

5J. Lines of Business. The Company covenants that it will not, and it will not permit any Subsidiary of the Company to, engage in any business if, as a result thereof, the general nature of the businesses of the Company and its Subsidiaries, taken as a whole, would be substantially changed from the businesses of the Company and its Subsidiaries as conducted as of the Series B Closing Day.

5K. Subsequent Guarantors. If any Person that is not then party to the Guaranty Agreement at any time becomes obligated under a Guarantee with respect to any other Indebtedness of the Company, the Company shall cause such Person at such time to execute and deliver to Prudential and the holders of the Notes a joinder to the Guaranty Agreement in the form attached as Exhibit A to the Guaranty Agreement, accompanied by a certificate of the Secretary or Assistant Secretary of such Person certifying such Person's charter and by-laws (or comparable governing documents), resolutions of the board of directors (or comparable governing body) of such Person authorizing the execution and delivery of such joinder to the Guaranty Agreement and incumbency and specimen signatures of the officers of such Person executing such documents and such instruments and documents as Prudential or the Required Holder(s) shall request in connection therewith and an opinion of counsel in form and substance acceptable to Prudential and the Required Holder(s) as to the enforceability of the Guaranty Agreement against such Person.

6. NEGATIVE COVENANTS. During the Issuance Period and so long thereafter as any Note or other amount due hereunder is outstanding and unpaid, the Company covenants as follows:

6A. Financial Covenants. The Company will not:

6A(1). Leverage Ratio. Permit or suffer the Leverage Ratio to exceed (i) commencing with the fiscal quarter ending December 31, 2009 and continuing through the fiscal quarter ending December 31, 2010, 2.75 to 1.00 and (ii) commencing with the fiscal quarter ending March 31, 2011 and thereafter, 2.50 to 1.0 at any time.

6A(2). Interest Coverage Ratio. Permit or suffer the Interest Coverage Ratio to be less than 3.0 to 1.0 as of the end of any fiscal quarter.

6A(3). Tangible Net Worth. Permit or suffer the Consolidated Tangible Net Worth at any time to be less than (i) $75,000,000, plus (ii) 50% of Consolidated Net Income of the Company and its Subsidiaries for each fiscal year, commencing with the fiscal year ending December 31, 2009 provided that if such net income is negative in any such fiscal year, the amount added for such fiscal year shall be zero and such amount shall not reduce the amount added pursuant to any other fiscal year.

6B. Indebtedness. The Company will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Indebtedness, except:

(a) Indebtedness under the Notes;

(b) Indebtedness existing on the date hereof and set forth in Schedule 6B and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof;

(c) Indebtedness of the Company to any Subsidiary and of any Subsidiary to the Company or any other Subsidiary;

(d) Guarantees by the Company of Indebtedness of any Subsidiary and by any Guarantor of Indebtedness of the Company or any other Subsidiary;

(e) Indebtedness of the Company or any Subsidiary incurred to finance the acquisition, construction or improvement of any fixed or capital assets, including Capitalized Lease Obligations and any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof; provided that (i) such Indebtedness is incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement and (ii) the aggregate principal amount of Indebtedness permitted by this clause (e) shall not exceed $1,500,000 at any time outstanding;

(f) unsecured Indebtedness of the Company and the Guarantors outstanding under (i) the Existing Credit Facilities until the closing of the Credit Agreement and termination of the Existing Credit Facilities in accordance with paragraph 6P(a) and (b), and thereafter (ii) the Credit Agreement; and

(g) if no Default or Event of Default exists or would be caused thereby, other unsecured Indebtedness in an aggregate principal amount not exceeding $7,000,000 at any time outstanding.

6C. Liens. The Company will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) Permitted Encumbrances;

(b) any Lien on any property or asset of the Company or any Subsidiary existing on the date hereof and set forth in Schedule 6C; provided that (i) such Lien shall not apply to any other property or asset of the Company or any Subsidiary and (ii) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(c) any Lien existing on any property or asset prior to the acquisition thereof by the Company or any Subsidiary or existing on any property or asset of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary , as the case may be, (ii) such Lien shall not apply to any other property or assets of the Company or any Subsidiary and (iii) such Lien shall secure only

those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof; and

(d) Liens on fixed or capital assets acquired, constructed or improved by the Company or any Subsidiary; provided that (i) such security interests secure Indebtedness permitted by clause (e) of paragraph 6B, (ii) such security interests and the Indebtedness secured thereby are incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement, (iii) the Indebtedness secured thereby does not exceed the cost of acquiring, constructing or improving such fixed or capital assets and (iv) such security interests shall not apply to any other property or assets of the Company or any Subsidiary.

6D. Fundamental Changes. (a) The Company will not, and will not permit any Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all of the stock of any of its Subsidiaries (in each case, whether now owned or hereafter acquired), or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default or Event of Default shall have occurred and be continuing (i) any Subsidiary may merge into the Company in a transaction in which the Company is the surviving corporation, (ii) any Subsidiary may merge into any Subsidiary in a transaction in which the surviving entity is a Subsidiary, (iii) any Subsidiary may sell, transfer, lease or otherwise dispose of its assets to the Company or to another Subsidiary and (iv) any Subsidiary may liquidate or dissolve if the Company determines in good faith that such liquidation or dissolution is in the best interests of the Company and is not materially disadvantageous to the holders of the Notes; provided that any such merger involving a Person that is not a wholly owned Subsidiary immediately prior to such merger shall not be permitted unless also permitted by paragraph 6E.

(b) The Company will not, and will not permit any Subsidiary to, engage to any material extent in any business other than businesses of the type conducted by the Company and its Subsidiaries on the date of execution of this Agreement and businesses reasonably related thereto.

6E. Investments, Loans, Advances, Guarantees and Acquisitions. The Company will not, and will not permit any Subsidiary to, purchase, hold or acquire (including pursuant to any merger with any Person that was not a wholly owned Subsidiary prior to such merger) any capital stock, evidences of indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, guarantee any obligations of, or make or permit to exist any investment or any other interest in, any other Person, or make any Acquisition, except:

(a) Permitted Investments;

(b) investments by the Company in the capital stock of its Subsidiaries;

(c) loans or advances made by the Company to any Subsidiary and made by any Subsidiary to the Company or any other Subsidiary;

(d) Guarantees constituting Indebtedness permitted by paragraph 6B;

(e) the Utilimaster Acquisition if (i) immediately before and after giving effect such Acquisition, no Default or Event of Default shall exist or shall have occurred and be continuing and the representations and warranties contained in paragraph 8 and in the other Transaction Documents shall be true and correct on and as of the date thereof (both before and after such merger or Acquisition is consummated) as if made on the date such merger or acquisition is consummated, (ii) the Company shall have provided to the holders of the Notes a certificate of the Chief Financial Officer or Treasurer of the Company (attaching pro forma computations acceptable to the Required Holders to demonstrate compliance with all financial covenants hereunder), each stating that such Acquisition complies with this paragraph 6E(e), all laws and regulations and that any other conditions under this Agreement relating to such transaction have been satisfied, and such certificate shall contain such other information and certifications as requested by the Required Holders and be in form and substance satisfactory to the Required Holders, (iii) the Company shall have delivered all Utilimaster Acquisition documents pursuant to paragraph 3F, and (iv) the Company shall provide such other certificates and documents as requested by the Required Holders, in form and substance satisfactory to the Required Holders; and

(f) any merger or Acquisition (other than the Utilimaster Acquisition permitted in clause (e) above) if (i) such merger involves the Company, the Company shall be the surviving or continuing corporation thereof, (ii) immediately before and after giving effect such merger or acquisition, no Default or Event of Default shall exist or shall have occurred and be continuing and the representations and warranties contained in paragraph 8 and in the other Transaction Documents shall be true and correct on and as of the date thereof (both before and after such merger or Acquisition is consummated) as if made on the date such merger or acquisition is consummated, (iii) at least 10 Business Days' prior to the consummation of such merger or acquisition, the Company shall have provided to the holders of the Notes a certificate of the Chief Financial Officer or Treasurer of the Company (attaching pro forma computations acceptable to the Required Holders to demonstrate compliance with all financial covenants hereunder), each stating that such merger or acquisition complies with this paragraph 6E(f), all laws and regulations and that any other conditions under this Agreement relating to such transaction have been satisfied, and such certificate shall contain such other information and certifications as requested by the Required Holders and be in form and substance satisfactory to the Required Holders, (iv) at least 10 Business Days' prior to the consummation of such merger or acquisition, the Company shall have delivered all acquisition documents and other agreements and documents relating to such merger or acquisition, and the Required Holders shall have completed a satisfactory review thereof and completed such other due diligence satisfactory to the Required Holders, (v) the Company shall, at least 10 Business Days prior to the consummation of merger or acquisition, provide such other certificates and documents as requested by the Required Holders, in form and substance satisfactory to the Required Holders, (vi) the target of such merger or Acquisition is in the same line of business as the Company or a Subsidiary, and (vii) such merger or Acquisition is not opposed by the board of directors (or similar governing body) of the selling person or the person whose equity interests are to be acquired, unless the Required Holders consent to such merger or Acquisition.

6F. Swap Agreements. The Company will not, and will not permit any Subsidiary to, enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks to which the Company or any Subsidiary has actual exposure, and (b) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Company or any Subsidiary.

6G. Restricted Payments. The Company will not, and will not permit any Subsidiary to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except (a) the Company may declare and pay dividends with respect to its Equity Interests payable solely in additional shares of its common stock, (b) Subsidiaries may declare and pay dividends ratably with respect to their Equity Interests, (c) the Company may make Restricted Payments pursuant to and in accordance with stock option plans or other benefit plans for management or employees of the Company and its Subsidiaries and (d) other Restricted Payments not exceeding (i) $5,000,000 in each of the 2009 fiscal year and the 2010 fiscal year and (ii) $6,000,000 in any fiscal year thereafter.

6H. Transactions with Affiliates. The Company will not, and will not permit any Subsidiary to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) in the ordinary course of business at prices and on terms and conditions not less favorable to the Company or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) transactions between or among the Company and its wholly owned Subsidiaries not involving any other Affiliate and (c) any Restricted Payment permitted by paragraph 6G.

6I. Restrictive Agreements. The Company will not, and will not permit any Subsidiary to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of the Company or any Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets, or (b) the ability of any Subsidiary to pay dividends or other distributions with respect to any shares of its capital stock or to make or repay loans or advances to the Company or any other Subsidiary or to guaranty Indebtedness of the Company or any other Subsidiary; provided that (i) the foregoing shall not apply to (1) restrictions or conditions in the Existing Credit Agreement (for so long as the same remains in effect as is permitted under paragraph 6P) on the ability of the Company or any Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets or (2) restrictions and conditions imposed by law or by this Agreement or the Credit Agreement (so long as the restrictions and conditions in the Credit Agreement are no more restrictive than the restrictions and conditions set forth herein), (ii) the foregoing shall not apply to restrictions and conditions existing on the date hereof identified on Schedule 6I (but shall apply to any extension or renewal of, or any amendment or modification expanding the scope of, any such restriction or condition), (iii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder, (iv) clause (a) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing

such Indebtedness and (v) clause (a) of the foregoing shall not apply to customary provisions in leases and other contracts restricting the assignment thereof.

6J. Disposition of Assets; Etc. The Company will not, and will not permit any Subsidiary to, sell, lease, license, transfer, assign or otherwise dispose of any material portion of its business, assets, rights, revenues or property, real, personal or mixed, tangible or intangible, whether in one or a series of transactions, other than inventory sold in the ordinary course of business upon customary credit terms and sales of scrap or obsolete material or equipment, provided, however, that this paragraph 6J shall not prohibit any such sale, lease, license, transfer, assignment or other disposition if the aggregate book value (disregarding any write-downs of such book value other than ordinary depreciation and amortization) of all of the business, assets, rights, revenues and property disposed of after the date of this Agreement shall be less than 10% percent of such aggregate book value of the total assets of the Company or such Subsidiary, as the case may be and if, immediately before and after such transaction, no Default or Event of Default shall exist or shall have occurred and be continuing.

6K. Nature of Business. The Company covenants that it will not, and will not permit any Subsidiary to, make any substantial change in the nature of its business from that engaged in on the date of this Agreement or engage in any other businesses other than those in which it is engaged on the date of this Agreement.

6L. Inconsistent Agreements. The Company will not, and will not permit any Subsidiary to, enter into any agreement containing any provision which would be violated or breached by this Agreement or any of the transactions contemplated hereby or by performance by the Company or any of its Subsidiaries of its obligations in connection therewith.

6M. Accounting Changes. The Company will not, and will not permit any Subsidiary to, change its fiscal year or make any significant changes (i) in accounting treatment and reporting practices except as permitted by generally accepted accounting principles and disclosed to the holders of the Notes, or (ii) in tax reporting treatment except as permitted by law and disclosed to the holders of the Notes.

6N. Most Favored Lender Status. If the Company or any Subsidiary amends any agreement evidencing Indebtedness of the Company or any Subsidiary to include one or more Additional Covenants or Additional Defaults or shall enter into, assume or otherwise become bound by or obligated under any such agreement with respect to any Indebtedness of the Company or any Subsidiary that contains one or more Additional Covenants or Additional Defaults, the terms of this Agreement shall, without any further action on the part of the Company or any of the holders of the Notes, be deemed to be amended automatically to include each Additional Covenant and each Additional Default contained in such agreement. The Company further covenants to promptly execute and deliver at its expense (including the reasonable fees and expenses of counsel for the holders of the Notes) an amendment to this Agreement in form and substance satisfactory to the Required Holder(s) evidencing the amendment of this Agreement to include such Additional Covenants and Additional Defaults, provided that the execution and delivery of such amendment shall not be a precondition to the effectiveness of such amendment as provided for in this paragraph 6L, but shall merely be for the convenience of the parties hereto.

6O. Terrorism Sanctions Regulations. The Company covenants that it will not and will not permit any Subsidiary to (a) become a Person described or designated in the Specially Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control or in Section 1 of the Anti-Terrorism Order or (b) engage in any dealings or transactions with any such Person.

6P. New Credit Agreement; Termination of Existing Credit Facilities .

(a) The Company covenants that it will not fail to, on or before December 14, 2009, (i) cause the Credit Agreement, providing for a $70,000,000 revolving credit facility to the Company, maturing not earlier than three years after the Series B Closing Day, and in form and substance satisfactory to the holders of the Notes, to have been duly executed and delivered by the Company and the Banks, and be in full force and effect, (ii) cause all conditions precedent to the making of the initial revolving loan under the Credit Agreement to have been satisfied, (iii) have received the proceeds of the initial revolving loan thereunder, and (iv) have delivered to each holder of the Notes a copy of the Credit Agreement and all instruments, documents and agreements delivered at the closing of making of the initial revolving loan thereunder, certified by an Officer's Certificate, dated the date of the Credit Agreement, as correct and complete.

(b) The Company covenants that it will not fail to cause, concurrently with the closing of the Credit Agreement described in clause (a) of this paragraph 6P, all obligations of the Company under the Existing Credit Facilities, to have been terminated, and deliver to the each holder of the Notes such evidence as it may reasonably request to demonstrate the satisfaction of the foregoing.

7. EVENTS OF DEFAULT.

7A. Acceleration. If any of the following events shall occur and be continuing for any reason whatsoever (and whether such occurrence shall be voluntary or involuntary or come about or be effected by operation of law or otherwise):

(i) the Company defaults in the payment of any principal of, or Yield-Maintenance Amount payable with respect to, any Note when the same shall become due, either by the terms thereof or otherwise as herein provided; or

(ii) the Company defaults in the payment of any interest on any Note for more than 5 Business Days after the date due; or

(iii) the Company or any Subsidiary defaults (whether as primary obligor or as guarantor or other surety) in any payment of principal of or interest on any other obligation for money borrowed (or any Capitalized Lease Obligation, any obligation under a conditional sale or other title retention agreement, any obligation issued or assumed as full or partial payment for property whether or not secured by a purchase money mortgage or any obligation under notes payable or drafts accepted representing extensions of credit) beyond any period of grace provided with respect thereto, or the Company or any Subsidiary fails to perform or observe any other agreement, term or condition contained in any agreement under which any such obligation is created (or if

any other event thereunder or under any such agreement shall occur and be continuing) and the effect of such failure or other event is to cause, or to permit the holder or holders of such obligation (or a trustee on behalf of such holder or holders) to cause, such obligation to become due (or to be repurchased by the Company or any Subsidiary) prior to any stated maturity, provided that the aggregate amount of all obligations as to which such a payment default shall occur and be continuing or such a failure or other event causing or permitting acceleration (or resale to the Company or any Subsidiary) shall occur and be continuing exceeds $500,000; or

(iv) any representation or warranty made by the Company herein or by the Company or any of its officers in any writing furnished in connection with or pursuant to this Agreement or any other Transaction Document shall be false or misleading in any material respect on the date as of which made; or

(v) the Company fails to perform or observe any agreement contained in paragraph 4E, paragraph 5A or paragraph 6; or

(vi) the Company fails to perform or observe any other agreement, term or condition contained herein and such failure shall not be remedied within 30 days after any Responsible Officer obtains actual knowledge thereof or the Company or any Guarantor fails to perform or observe any agreement contained in any other Transaction Document and such failure shall not be remedied within the grace period, if any, provided therefor in such Transaction Document; or

(vii) the Company or any Subsidiary makes an assignment for the benefit of creditors or is generally not paying its debts as such debts become due; or

(viii) any decree or order for relief in respect of the Company or any Subsidiary is entered under any bankruptcy, reorganization, compromise, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law, whether now or hereafter in effect (herein called the "**Bankruptcy Law"**), of any jurisdiction; or

(ix) the Company or any Subsidiary petitions or applies to any tribunal for, or consents to, the appointment of, or taking possession by, a trustee, receiver, custodian, liquidator or similar official of the Company or any Subsidiary, or of any substantial part of the assets of the Company or any Subsidiary, or commences a voluntary case under the Bankruptcy Law of the United States or any proceedings (other than proceedings for the voluntary liquidation and dissolution of a Subsidiary) relating to the Company or any Subsidiary under the Bankruptcy Law of any other jurisdiction; or

(x) any such petition or application described in clause (ix) of this paragraph 7A is filed, or any such case or proceedings described in clause (ix) of this paragraph 7A are commenced, against the Company or any Subsidiary and the Company or such Subsidiary by any act indicates its approval thereof, consent thereto or acquiescence therein, or an order, judgment or decree is entered appointing any such trustee, receiver, custodian, liquidator or similar official, or approving the petition in any such

proceedings, and such order, judgment or decree remains unstayed and in effect for more than 90 days; or

(xi) any order, judgment or decree is entered in any proceedings against the Company decreeing the dissolution of the Company and such order, judgment or decree remains unstayed and in effect for more than 60 days: or

(xii) any order, judgment or decree is entered in any proceedings against the Company or any Subsidiary decreeing a split-up of the Company or such Subsidiary which requires the divestiture of assets representing a substantial part, or the divestiture of the stock of a Subsidiary whose assets represent a substantial part, of the consolidated assets of the Company and its Subsidiaries (determined in accordance with generally accepted accounting principles) or which requires the divestiture of assets, or stock of a Subsidiary, which shall have contributed a substantial part of the consolidated net income of the Company and its Subsidiaries (determined in accordance with generally accepted accounting principles) for any of the three fiscal years then most recently ended, and such order, judgment or decree remains unstayed and in effect for more than 60 days; or

(xiii) one or more final judgments in an aggregate amount in excess of $1,000,000 is rendered against the Company or any Subsidiary and either (a) enforcement proceedings have been commenced by any creditor upon any such judgment or (b) within 60 days after entry thereof, any such judgment is not discharged or execution thereof stayed pending appeal, or within 60 days after the expiration of any such stay, such judgment is not discharged; or

(xiv) (a) any Plan shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under section 412 of the Code, (b) a notice of intent to terminate any Plan shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under ERISA section 4042 to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified the Company or any ERISA Affiliate that a Plan may become a subject of such proceedings, (c) the aggregate "amount of unfunded benefit liabilities" (within the meaning of section 4001(a)(18) of ERISA) under all Plans, determined in accordance with Title IV of ERISA, shall exceed $500,000, (d) the Company or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, (e) the Company or any ERISA Affiliate withdraws from any Multiemployer Plan, or (f) the Company or any Subsidiary establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that would increase the liability of the Company or any Subsidiary thereunder; or

(xv) any Guaranty Agreement or joinder thereto shall cease to be in full force and effect, or the Company or any Guarantor shall contest or deny the validity or enforceability of, or deny that it has any liability or obligations under, any Guaranty Agreement or joinder thereto;

then (a) if such event is an Event of Default specified in clause (i) or (ii) of this paragraph 7A, any holder of any Note (other than the Company or any of its Subsidiaries or Affiliates) may at its option, by notice in writing to the Company, declare all of the Notes held by such holder to be, and all of the Notes held by such holder shall thereupon be and become, immediately due and payable at par together with interest accrued thereon, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Company, (b) if such event is an Event of Default specified in clause (viii), (ix) or (x) of this paragraph 7A with respect to the Company, all of the Notes at the time outstanding shall automatically become immediately due and payable together with interest accrued thereon and together with the Yield-Maintenance Amount, if any, with respect to each Note, without presentment, demand, protest or notice of any kind, all of which are hereby waived by the Company, and the Facility shall automatically terminate, and (c) if such event is not an Event of Default specified in clause (viii), (ix) or (x) of this paragraph 7A with respect to the Company, the Required Holder(s) may at its or their option, by notice in writing to the Company, declare all of the Notes to be, and all of the Notes shall thereupon be and become, immediately due and payable together with interest accrued thereon and together with the Yield-Maintenance Amount, if any, with respect to each Note, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Company, and Prudential may at its option, by notice in writing to the Company, terminate the Facility. The Company acknowledges, and the parties hereto agree, that each holder of a Note has the right to maintain its investment in the Notes free from repayment by the Company (except as herein specifically provided for) and without the occurrence of an Event of Default and that the provision for payment of Yield-Maintenance Amount by the Company in the event the Notes are prepaid or are accelerated as a result of an Event of Default is intended to provide compensation for the deprivation of such right under such circumstances.

7B. Rescission of Acceleration. At any time after any or all of the Notes shall have been declared immediately due and payable pursuant to paragraph 7A, the Required Holder(s) may, by notice in writing to the Company, rescind and annul such declaration and its consequences if (i) the Company shall have paid all overdue interest on the Notes, the principal of and Yield-Maintenance Amount, if any, payable with respect to any Notes which have become due otherwise than by reason of such declaration, and interest on such overdue interest and overdue principal and Yield-Maintenance Amount at the Default Rate, (ii) the Company shall not have paid any amounts which have become due solely by reason of such declaration, (iii) all Events of Default and Defaults, other than non-payment of amounts which have become due solely by reason of such declaration, shall have been cured or waived pursuant to paragraph 11C, and (iv) no judgment or decree shall have been entered for the payment of any amounts due pursuant to the Notes of such Series or this Agreement. No such rescission or annulment shall extend to or affect any subsequent Event of Default or Default or impair any right arising therefrom.

7C. Notice of Acceleration or Rescission. Whenever any Note shall be declared immediately due and payable pursuant to paragraph 7A or any such declaration shall be rescinded and annulled pursuant to paragraph 7B, the Company shall forthwith give written notice thereof to the holder of each Note of each Series at the time outstanding.

7D. Other Remedies. If any Event of Default or Default shall occur and be continuing, the holder of any Note may proceed to protect and enforce its rights under this

Agreement, the other Transaction Documents and such Note by exercising such remedies as are available to such holder in respect thereof under applicable law, either by suit in equity or by action at law, or both, whether for specific performance of any covenant or other agreement contained in this Agreement or the other Transaction Documents or in aid of the exercise of any power granted in this Agreement or any Transaction Document.. No remedy conferred in this Agreement or the other Transaction Documents upon the holder of any Note is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy conferred herein or now or hereafter existing at law or in equity or by statute or otherwise.

8. REPRESENTATIONS, COVENANTS AND WARRANTIES. The Company represents, covenants and warrants as follows:

8A(1). Organization; Subsidiary Preferred Equity. The Company is a corporation duly organized and existing in good standing under the laws of the State of Michigan, and each Subsidiary is duly organized and existing in good standing under the laws of the jurisdiction in which it is organized. The Company and each of its Subsidiaries have duly qualified or been duly licensed, and are authorized to do business and are in good standing, in each jurisdiction in which the ownership of their respective properties or the nature of their respective businesses makes such qualification or licensing necessary and in which the failure to be so qualified or licensed could be reasonably likely to have a Material Adverse Effect. No Subsidiary has any outstanding shares of any class of capital stock or other equity interests which has priority over any other class of capital stock or other equity interests of such Subsidiary as to dividends or distributions or in liquidation except as may be owned beneficially and of record by the Company or a Wholly-Owned Subsidiary. Schedule 8A(1), as supplemented by a writing delivered to Prudential before any Closing Date after the Series B Closing Day, sets forth the name and state of organization of each Subsidiary of the Company and whether such Subsidiary is obligated under any Guarantee with respect to any Indebtedness of the Company, in existence as of the date this representation is made

8A(2). Power and Authority. The Company and each Subsidiary has all requisite corporate, limited liability company or partnership, as the case may be, power to own or hold under lease and operate their respective properties which it purports to own or hold under lease and to conduct its business as currently conducted and as currently proposed to be conducted. The Company has all requisite corporate power to execute, deliver and perform its obligations under this Agreement, the Notes and the other Transaction Documents. The execution, delivery and performance of this Agreement, the Notes and the other Transaction Documents has been duly authorized by all requisite corporate action, and this Agreement, the Notes and the other Transaction Documents have been duly executed and delivered by authorized officers of the Company and are valid obligations of the Company, legally binding upon and enforceable against the Company in accordance with their terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

8B. Financial Statements. The Company has furnished each Purchaser of any Note with the following financial statements, identified by a principal financial officer of the Company: (i) a consolidated balance sheet of the Company and its Subsidiaries as at December 31 in each of the three fiscal years of the Company most recently completed prior to the date as of which this representation is made or repeated to such Purchaser (other than fiscal years completed within 90 days prior to such date for which audited financial statements have not been released) and consolidated statements of income and cash flows and a consolidated statement of shareholders' equity of the Company and its Subsidiaries for each such year, all reported on by Ernst & Young LLP (or such other nationally recognized accounting firm as may be reasonably acceptable to such Purchaser) and (ii) consolidated balance sheet of the Company and its Subsidiaries as at the end of the quarterly period (if any) most recently completed prior to such date and after the end of such fiscal year (other than quarterly periods completed within 45 days prior to such date for which financial statements have not been released) and the comparable quarterly period in the preceding fiscal year and consolidated statements of income and cash flows and a consolidated statement of shareholders' equity for the periods from the beginning of the fiscal years in which such quarterly periods are included to the end of such quarterly periods, prepared by the Company. Such financial statements (including any related schedules and/or notes) are true and correct in all material respects (subject, as to interim statements, to changes resulting from audits and year-end adjustments), have been prepared in accordance with generally accepted accounting principles consistently followed throughout the periods involved and show all liabilities, direct and contingent, of the Company and its Subsidiaries required to be shown in accordance with such principles. The balance sheets fairly present the condition of the Company and its Subsidiaries as at the dates thereof, and the statements of income, stockholders' equity and cash flows fairly present the results of the operations of the Company and its Subsidiaries and their cash flows for the periods indicated. There has been no material adverse change in the business, property or assets, condition (financial or otherwise), operations or prospects of the Company and its Subsidiaries taken as a whole since September 30, 2009 (in the case of the making of this representation at the time of the execution of this Agreement and the issuance of the Series B Notes), or, in the case of the making of this representation at the time of the issuance of a Series of Shelf Notes, since the end of the most recent fiscal year for which audited financial statements described in clause (i) of this paragraph 8B had been provided to Prudential prior to the time Prudential provided the interest rate quote to the Company pursuant to paragraph 2B(4) with respect to such Series of Shelf Notes.

8C. Actions Pending. There is no action, suit, investigation or proceeding pending or, to the knowledge of the Company, threatened against the Company or any of its Subsidiaries, or any properties or rights of the Company or any of its Subsidiaries, by or before any court, arbitrator or administrative or governmental body which, individually or in the aggregate, could reasonably be expected to result in any Material Adverse Effect.

8D. Outstanding Indebtedness. Neither the Company nor any of its Subsidiaries has outstanding any Indebtedness except as permitted by paragraph 6B. There exists no default under the provisions of any instrument evidencing such Indebtedness or of any agreement relating thereto.

8E. Title to Properties. The Company has and each of its Subsidiaries has good and indefeasible title to its respective real properties (other than properties which it leases) and good title to all of its other respective properties and assets, including the properties and assets reflected in the most recent audited balance sheet referred to in paragraph 8B (other than properties and assets disposed of in the ordinary course of business), subject to no Lien of any kind except Liens permitted by paragraph 6C. All leases necessary in any material respect for the conduct of the respective businesses of the Company and its Subsidiaries are valid and subsisting and are in full force and effect.

8F. Taxes. The Company has, and each of its Subsidiaries has, filed all federal, state and other income tax returns which, to the knowledge of the officers of the Company and its Subsidiaries, are required to be filed, and each has paid all taxes as shown on such returns and on all assessments received by it to the extent that such taxes have become due, except such taxes as are being actively contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with generally accepted accounting principles.

8G. Conflicting Agreements and Other Matters. Neither the Company nor any of its Subsidiaries is a party to any contract or agreement or subject to any charter, by-law, limited liability company operating agreement, partnership agreement or other corporate, limited liability company or partnership restriction which materially and adversely affects its business, property or assets, condition (financial or otherwise) or operations. Neither the execution nor delivery of this Agreement, the Notes or the other Transaction Documents, nor the offering, issuance and sale of the Notes, nor fulfillment of nor compliance with the terms and provisions hereof and of the Notes and the other Transaction Documents will conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, or result in any violation of, or result in the creation of any Lien upon any of the properties or assets of the Company or any of its Subsidiaries pursuant to, the charter or by-laws of the Company or any of its Subsidiaries, any award of any arbitrator or any agreement (including any agreement with stockholders), instrument, order, judgment, decree, statute, law, rule or regulation to which the Company or any of its Subsidiaries is subject. Neither the Company nor any of its Subsidiaries is a party to, or otherwise subject to any provision contained in, any instrument evidencing Indebtedness of the Company or such Subsidiary, any agreement relating thereto or any other contract or agreement (including its charter) which limits the amount of, or otherwise imposes restrictions on the incurring of, Indebtedness of the Company of the type to be evidenced by the Notes or Indebtedness of any Guarantor of the type to be evidenced by the Guaranty Agreements except as set forth in the agreements listed in Schedule 8G attached hereto (as such Schedule 8G may have been modified from time to time by written supplements thereto delivered by the Company and accepted in writing by Prudential).

8H. Offering of Notes. Neither the Company nor any agent acting on its behalf has, directly or indirectly, offered the Notes or any similar security of the Company for sale to, or solicited any offers to buy the Notes or any similar security of the Company from, or otherwise approached or negotiated with respect thereto with, any Person other than Institutional Investors, and neither the Company nor any agent acting on its behalf has taken or will take any action which would subject the issuance or sale of the Notes to the provisions of Section 5 of the Securities Act or to the provisions of any securities or Blue Sky law of any applicable jurisdiction.

8I. Use of Proceeds. The proceeds of the Series A Notes were used for capital expenditures, to refinance existing Indebtedness of the Company, to repurchase Equity Interests of the Company and for working capital. The proceeds of the Series B Notes will be used to refinance existing Indebtedness of the Company and to finance acquisitions. The proceeds of any Series of Shelf Notes will be used as specified in the Request for Purchase with respect to such Series. Neither the Company nor any Subsidiary owns or has any present intention of acquiring any "margin stock" as defined in Regulation U (12 CFR Part 221) of the Board of Governors of the Federal Reserve System (herein called "margin stock"). None of the proceeds of the sale of any Notes will be used, directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of purchasing or carrying any margin stock or for the purpose of maintaining, reducing or retiring any Indebtedness which was originally incurred to purchase or carry any stock that is then a margin stock or for any other purpose which might constitute the sale or purchase of any Notes a "purpose credit" within the meaning of such Regulation U. The Company is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock. Neither the Company nor any agent acting on its behalf has taken or will take any action which might cause this Agreement, any Note or any other Transaction Document to violate Regulation T, Regulation U or any other regulation of the Board of Governors of the Federal Reserve System or to violate the Exchange Act, in each case as in effect now or as the same may hereafter be in effect.

8J. ERISA. No accumulated funding deficiency (as defined in section 302 of ERISA and section 412 of the Code), whether or not waived, exists with respect to any Plan (other than a Multiemployer Plan). No liability to the PBGC has been or is expected by the Company or any ERISA Affiliate to be incurred with respect to any Plan (other than a Multiemployer Plan) by the Company, any Subsidiary or any ERISA Affiliate which is or could reasonably be expected to be materially adverse to the business, property or assets, condition (financial or otherwise) or operations of the Company and its Subsidiaries taken as a whole. Neither the Company, any Subsidiary nor any ERISA Affiliate has incurred or presently expects to incur any withdrawal liability under Title IV of ERISA with respect to any Multiemployer Plan which is or could reasonably be expected to be materially adverse to the business, property or assets, condition (financial or otherwise) or operations of the Company and its Subsidiaries taken as a whole. The execution and delivery of this Agreement and the issuance and sale of the Notes will be exempt from or will not involve any transaction which is subject to the prohibitions of section 406 of ERISA and will not involve any transaction in connection with which a penalty could be imposed under section 502(i) of ERISA or a tax could be imposed pursuant to section 4975 of the Code. The representation by the Company in the next preceding sentence is made in reliance upon and subject to the accuracy of each Purchaser's representation in paragraph 9B.

8K. Governmental Consent. Neither the nature of the Company or of any Subsidiary, nor any of their respective businesses or properties, nor any relationship between the Company or any Subsidiary and any other Person, nor any circumstance in connection with the offering, issuance, sale or delivery of the Notes is such as to require any authorization, consent, approval, exemption or other action by or notice to or filing with any court or administrative or governmental body (other than routine filings after the Closing Day for any Notes with the Securities and Exchange Commission and/or state Blue Sky authorities) in connection with the execution and delivery of this Agreement or the other Transaction Documents, the offering, issuance, sale or delivery of the Notes or fulfillment of or compliance with the terms and provisions hereof or of the Notes.

8L. Compliance with Environmental and Other Laws. The Company and its Subsidiaries and all of their respective properties and facilities have complied at all times and in all respects with all federal, state, local, foreign and regional statutes, laws, ordinances and judicial or administrative orders, judgments, rulings and regulations, including, without limitation, those relating to protection of the environment, except, in any such case, where failure to comply, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

8M. Regulatory Status. Neither the Company nor any of its Subsidiaries is (i) an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or an "investment adviser" within the meaning of the Investment Advisers Act of 1940, as amended, (ii) a "holding company" or a "subsidiary company" or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company", within the meaning of the Public Utility Holding Company Act of 2005, or (iii) a "public utility" within the meaning of the Federal Power Act, as amended.

8N. Permits and Other Operating Rights. The Company and each Subsidiary has all such valid and sufficient certificates of convenience and necessity, franchises, licenses, permits, operating rights and other authorizations from federal, state, foreign, regional, municipal and other local regulatory bodies or administrative agencies or other governmental bodies having jurisdiction over the Company or any Subsidiary or any of its properties, as are necessary for the ownership, operation and maintenance of its businesses and properties, as presently conducted and as proposed to be conducted while the Notes are outstanding, subject to exceptions and deficiencies which, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect, and such certificates of convenience and necessity, franchises, licenses, permits, operating rights and other authorizations from federal, state, foreign, regional, municipal and other local regulatory bodies or administrative agencies or other governmental bodies having jurisdiction over the Company, any Subsidiary or any of its properties are free from restrictions or conditions which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, and neither the Company nor any Subsidiary is in violation of any thereof in any material respect.

8O. Rule 144A. The Notes are not of the same class as securities of the Company, if any, listed on a national securities exchange registered under Section 6 of the Exchange Act or quoted in a U.S. automated inter‑dealer quotation system.

8P. Absence of Financing Statements, etc. Except with respect to Liens permitted by paragraph 6C hereof, there is no financing statement, security agreement, chattel mortgage, real estate mortgage or other document filed or recorded with any filing records, registry or other public office, that purports to cover, affect or give notice of any present or possible future Lien on, or security interest in, any assets or property of the Company or any of its Subsidiaries or any rights relating thereto.

8Q. Foreign Assets Control Regulations, Etc.

(i) Neither the sale of any Notes by the Company hereunder nor its use of the proceeds thereof will violate the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto.

(ii) Neither the Company nor any Subsidiary (i) is a Person described or designated in the Specially Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control or in Section 1 of the Anti -Terrorism Order or (ii) engages in any dealings or transactions with any such Person. The Company and its Subsidiaries are in compliance, in all material respects, with the USA Patriot Act.

(iii) No part of the proceeds from the sale of any Notes hereunder will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended, assuming in all cases that such Act applies to the Company.

8R. Disclosure. Neither this Agreement nor any other document, certificate or statement furnished to Prudential or any Purchaser by or on behalf of the Company in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. There is no fact or facts peculiar to the Company or any of its Subsidiaries which materially adversely affects or in the future may (so far as the Company can now reasonably foresee), individually or in the aggregate, reasonably be expected to materially adversely affect the business, property or assets, or financial condition of the Company or any of its Subsidiaries and which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to Prudential and each Purchaser by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby. Any financial projections delivered to Prudential or any Purchaser on or prior to the date this representation is made or repeated are reasonable based on the assumptions stated therein and the best information available to the officers of the Company.

8S. Hostile Tender Offers. None of the proceeds of the sale of any Notes will be used to finance a Hostile Tender Offer.

9. REPRESENTATIONS OF EACH PURCHASER. Each Purchaser represents as follows:

9A. Nature of Purchase.

(i) Such Purchaser has such knowledge and experience in financial and business affairs as to be capable of evaluating the merits and risks of its investment, and has had an opportunity to review this Agreement, and ask

questions of the Company, provided that nothing contained herein should be construed as limiting the ability of any Purchaser to rely on the representations and warranties contained herein without any investigation.

(i) Such Purchaser is purchasing the Notes as principal for its own account, not for the benefit of any other person, for investment only and not with a view to the resale or distribution of all or any of the Notes, provided that the disposition of such Purchaser's property shall at all times be and remain within its control. Such Purchaser is an "accredited investor" as defined in Rule 501(a) promulgated under the Securities Act.

(iii) Such Purchaser understands that the Notes have not been registered under the Securities Act and may be resold only if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that the Company is not required to register the Notes.

9B. Source of Funds. At least one of the following statements is an accurate representation as to each source of funds (a **"Source"**) to be used by such Purchaser to pay the purchase price of the Notes to be purchased by such Purchaser hereunder:

(i) the Source is an "insurance company general account" (as that term is defined in the United States Department of Labor's Prohibited Transaction Exemption (**"PTE"**) 95-60) in respect of which the reserves and liabilities (as defined by the annual statement for life insurance companies approved by the National Association of Insurance Commissioners (the **"NAIC Annual Statement"**)) for the general account contract(s) held by or on behalf of any employee benefit plan together with the amount of the reserves and liabilities for the general account contract(s) held by or on behalf of any other employee benefit plans maintained by the same employer (or affiliate thereof as defined in PTE 95-60) or by the same employee organization in the general account do not exceed 10% of the total reserves and liabilities of the general account (exclusive of separate account liabilities) plus surplus as set forth in the NAIC Annual Statement filed with such Purchaser's state of domicile; or

(ii) the Source is a separate account that is maintained solely in connection with such Purchaser's fixed contractual obligations under which the amounts payable, or credited, to any employee benefit plan (or its related trust) that has any interest in such separate account (or to any participant or beneficiary of such plan (including any annuitant)) are not affected in any manner by the investment performance of the separate account; or

(iii) the Source is either (a) an insurance company pooled separate account, within the meaning of PTE 90-1, or (b) a bank collective investment fund, within the meaning of the PTE 91-38 and, except as disclosed by such Purchaser to the Company in writing pursuant to this clause (iii), no employee benefit plan or group of plans

maintained by the same employer or employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund; or

(iv) the Source constitutes assets of an "investment fund" (within the meaning of Part V of PTE 84-14 (the **"QPAM Exemption"**)) managed by a "qualified professional asset manager" or "QPAM" (within the meaning of Part V of the QPAM Exemption), no employee benefit plan's assets that are included in such investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Section V(c)(1) of the QPAM Exemption) of such employer or by the same employee organization and managed by such QPAM, exceed 20% of the total client assets managed by such QPAM, the conditions of Part I(c) and (g) of the QPAM Exemption are satisfied, neither the QPAM nor a person controlling or controlled by the QPAM (applying the definition of "control" in Section V(e) of the QPAM Exemption) owns a 5% or more interest in the Company and (a) the identity of such QPAM and (b) the names of all employee benefit plans whose assets are included in such investment fund have been disclosed to the Company in writing pursuant to this clause (iv); or

(v) the Source constitutes assets of a "plan(s)" (within the meaning of Section IV of PTE 96-23 (the **"INHAM Exemption"**)) managed by an "in-house asset manager" or "INHAM" (within the meaning of Part IV of the INHAM Exemption), the conditions of Part I(a), (g) and (h) of the INHAM Exemption are satisfied, neither the INHAM nor a person controlling or controlled by the INHAM (applying the definition of "control" in Section IV(h) of the INHAM Exemption) owns a 5% or more interest in the Company and (a) the identity of such INHAM and (b) the name(s) of the employee benefit plan(s) whose assets constitute the Source have been disclosed to the Company in writing pursuant to this clause (v); or

(vi) the Source is a governmental plan; or

(vii) the Source is one or more employee benefit plans, or a separate account or trust fund comprised of one or more employee benefit plans, each of which has been identified to the Company in writing pursuant to this clause (vii); or

(viii) the Source does not include assets of any employee benefit plan, other than a plan exempt from the coverage of ERISA.

As used in this paragraph 9B, the terms **"employee benefit plan"**, **"governmental plan"**, and **"separate account"** shall have the respective meanings assigned to such terms in Section 3 of ERISA.

10. DEFINITIONS; ACCOUNTING MATTERS. For the purpose of this Agreement, the terms defined in paragraphs 10A and 10B (or within the text of any other paragraph) shall have the respective meanings specified therein and all accounting matters shall be subject to determination as provided in paragraph 10C.

10A. Yield-Maintenance Terms.

"Called Principal" shall mean, with respect to any Note, the principal of such Note that is to be prepaid pursuant to paragraph 4B or paragraph 4E or is declared to be or otherwise becomes due and payable pursuant to paragraph 7A, as the context requires.

"Discounted Value" shall mean, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (as converted to reflect the periodic basis on which interest on such Note is payable, if interest is payable other than on a semi-annual basis) equal to the Reinvestment Yield with respect to such Called Principal.

"Reinvestment Yield" shall mean, with respect to the Called Principal of any Note, 0.50% over the yield to maturity implied by (i) the yields reported as of 10:00 a.m. (New York City local time) on the Business Day next preceding the Settlement Date with respect to such Called Principal for the most recent actively traded on the run U.S. Treasury securities having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date on the display designated as "Page PX1" on Bloomberg Financial Markets (or such other display as may replace Page PX1 on Bloomberg Financial Markets or, if Bloomberg Financial Markets shall cease to report such yields or shall cease to be Prudential Capital Group's customary source of information for calculating yield-maintenance amounts on privately placed notes, then such source as is then Prudential Capital Group's customary source of such information), or (ii) if such yields shall not be reported as of such time or the yields reported as of such time shall not be ascertainable (including by way of interpolation), the Treasury Constant Maturity Series yields reported, for the latest day for which such yields shall have been so reported as of the Business Day next preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (or any comparable successor publication) for U.S. Treasury securities having a constant maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. In the case of each determination under clause (i) or (ii) of the preceding sentence, such implied yield shall be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the applicable U.S. Treasury security with the maturity closest to and greater than such Remaining Average Life and (2) the applicable U.S. Treasury security with the maturity closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to that number of decimal places as appears in the coupon of the applicable Note.

"Remaining Average Life" shall mean, with respect to the Called Principal of any Note, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) each Remaining Scheduled Payment of such Called Principal (but not of interest thereon) by (b) the number of years (calculated to the nearest one-twelfth year) which will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

"Remaining Scheduled Payments" shall mean, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due on or after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date.

"Settlement Date" shall mean, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to paragraph 4B or paragraph 4E or is declared to be or otherwise becomes due and payable pursuant to paragraph 7A, as the context requires.

"Yield-Maintenance Amount" shall mean, with respect to any Note, an amount equal to the excess, if any, of the Discounted Value of the Called Principal of such Note over the sum of (i) such Called Principal plus (ii) interest accrued thereon as of (including interest due on) the Settlement Date with respect to such Called Principal. The Yield-Maintenance Amount shall in no event be less than zero.

10B. Other Terms.

"Acceptance" shall have the meaning given in paragraph 2B(5) hereof.

"Acceptance Day" shall have the meaning given in paragraph 2B(5) hereof.

"Acceptance Window" shall mean, with respect to any interest rate quotes provided by Prudential pursuant to paragraph 2B(4), the time period designated by Prudential as the time period during which the Company may elect to accept such interest rate quotes. If no such time period is designated by Prudential with respect to any such interest rate quotes, then the Acceptance Window for such interest rate quotes will be 2 minutes after the time Prudential shall have provided such interest rate quotes to the Company.

"Accepted Note" shall have the meaning given in paragraph 2B(5) hereof.

"Acquisition" shall mean any transaction, or any series of related transactions, consummated on or after the date of this Agreement, by which the Company or any of its Subsidiaries (i) acquires any going business or all or substantially all of the assets of any firm, corporation or limited liability company, or division thereof, whether through purchase of assets, merger or otherwise or (ii) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes) of the Equity Interests of a Person.

"Additional Covenant" shall mean any affirmative or negative covenant or similar restriction applicable to the Company or any Subsidiary (regardless of whether such provision is labeled or otherwise characterized as a covenant) the subject matter of which either (i) is similar to that of any covenant in paragraph 5 or 6 of this Agreement, or related definitions in paragraph 10 of this Agreement, but contains one or more percentages, amounts or formulas that is more restrictive than those set forth herein or more beneficial to the holders of any Indebtedness (other than the Notes) of the Company or any Subsidiary (and such covenant or similar restriction shall be deemed an Additional Covenant only to the extent that it is more

restrictive or more beneficial) or (ii) is different from the subject matter of any covenants in paragraph 5 or 6 of this Agreement, or related definitions in paragraph 10 of this Agreement.

"Additional Default" shall mean any provision contained in any agreement evidencing any Indebtedness (other than the Notes) of the Company or any Subsidiary to accelerate (with the passage of time or giving of notice or both) the maturity thereof or otherwise requires any Company or any Subsidiary to purchase such Indebtedness prior to the stated maturity thereof and which either (i) is similar to any Default or Event of Default contained in paragraph 7 of this Agreement, or related definitions in paragraph 10 of this Agreement, but contains one or more percentages, amounts or formulas that is more restrictive or has a shorter grace period than those set forth herein or is more beneficial to the holders of such Indebtedness (and such provision shall be deemed an Additional Default only to the extent that it is more restrictive, has a shorter grace period or is more beneficial) or (ii) is different from the subject matter of any Default or Event of Default contained in paragraph 7 of this Agreement, or related definitions in paragraph 10 of this Agreement.

"Affiliate" shall mean (i) with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such first Person, except a Subsidiary of the Company shall not be an Affiliate of the Company, and (ii) with respect to Prudential, shall include any managed account, investment fund or other vehicle for which Prudential Financial, Inc. or any Affiliate of Prudential Financial, Inc. then acts as investment advisor or portfolio manager. A Person shall be deemed to control a corporation or other entity if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation or other entity, whether through the ownership of voting securities, by contract or otherwise.

"Anti-Terrorism Order" means Executive Order No. 13,224 of September 24, 2001, Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism, 66 U.S. Fed. Reg. 49, 079 (2001), as amended.

"Authorized Officer" shall mean (i) in the case of the Company, its chief executive officer, its chief financial officer, any vice president of the Company designated as an "Authorized Officer" of the Company in the Information Schedule attached hereto or any vice president of the Company designated as an "Authorized Officer" of the Company for the purpose of this Agreement in an Officer's Certificate executed by the Company's chief executive officer or chief financial officer and delivered to Prudential, and (ii) in the case of Prudential or any Prudential Affiliate, any Person designated as an "Authorized Officer" of Prudential and Prudential Affiliates in the Information Schedule or any Person designated as its "Authorized Officer" for the purpose of this Agreement in a certificate executed by one of Prudential's Authorized Officers or a lawyer in Prudential's law department. Any action taken under this Agreement on behalf of the Company by any individual who on or after the date of this Agreement shall have been an Authorized Officer of the Company and whom Prudential or any Prudential Affiliate in good faith believes to be an Authorized Officer of the Company at the time of such action shall be binding on the Company even though such individual shall have ceased to be an Authorized Officer of the Company, and any action taken under this Agreement on behalf of Prudential or any Prudential Affiliate by any individual who on or after the date of this Agreement shall have been an Authorized Officer of Prudential or such Prudential Affiliate

and whom the Company in good faith believes to be an Authorized Officer of Prudential or such Prudential Affiliate at the time of such action shall be binding on Prudential or such Prudential Affiliate even though such individual shall have ceased to be an Authorized Officer of Prudential or such Prudential Affiliate.

"Available Facility Amount" shall have the meaning given in paragraph 2B(1) hereof.

"Bank Agent" shall mean JPMorgan Chase Bank, N.A., as agent for the Banks under the Credit Agreement, and its successors and assigns in that capacity.

"Banks" shall mean JPMorgan Chase Bank, N.A. and Wells Fargo Bank, and their respective successors and assigns, and additional lenders that may become party to the Credit Agreement in accordance with the terms thereof.

"Bankruptcy Law" shall have the meaning given in clause (viii) of paragraph 7A hereof.

"Business Day" shall mean any day other than (i) a Saturday or a Sunday, (ii) a day on which commercial banks in New York City or Detroit, Michigan are required or authorized to be closed and (iii) for purposes of paragraph 2B(3) hereof only, a day on which Prudential is not open for business.

"Cancellation Date" shall have the meaning given in paragraph 2B(8)(iv) hereof.

"Cancellation Fee" shall have the meaning given in paragraph 2B(8)(iv) hereof.

"Capitalized Lease" shall mean any lease the obligations of the lessee under which constitute Capitalized Lease Obligations.

"Capitalized Lease Obligation" shall mean any rental obligation which, under generally accepted accounting principles, would be required to be capitalized on the books of the Company or any Subsidiary, taken at the amount thereof accounted for as indebtedness (net of interest expense) in accordance with such principles.

"Change of Control" shall mean (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the date hereof), of Equity Interests representing more than 49% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Company; (b) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Company by Persons who were neither (i) nominated by the board of directors of the Company nor (ii) appointed by directors so nominated; or (c) the acquisition of direct or indirect Control of the Company by any Person or group.

"Closing Day" shall mean, with respect to the Series B Notes, the Series B Closing Day and, with respect to any Accepted Note, the Business Day specified for the closing of the purchase and sale of such Accepted Note in the Confirmation of Acceptance for such

Accepted Note, provided that (i) if the Company and the Purchaser which is obligated to purchase such Accepted Note agree on an earlier Business Day for such closing, the "Closing Day" for such Accepted Note shall be such earlier Business Day, and (ii) if the closing of the purchase and sale of such Accepted Note is rescheduled pursuant to paragraph 2B(7), the Closing Day for such Accepted Note, for all purposes of this Agreement except references to "original Closing Day" in paragraph 2B(8)(iii), shall mean the Rescheduled Closing Day with respect to such Accepted Note.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Confirmation of Acceptance" shall have the meaning given in paragraph 2B(5).

"Consolidated" or **"consolidated"** shall mean, when used with reference to any financial term in this Agreement, the aggregate for two or more persons of the amounts signified by such term for all such persons determined on a consolidated basis in accordance with generally accepted accounting principles.

"Consolidated EBIT" shall mean Consolidated Net Income (excluding foreign currency gains or losses and non-cash income or charges) plus, to the extent deducted from revenues in determining Consolidated Net Income, (a) Consolidated Interest Expense, (b) expense for income taxes paid or accrued, (c) extraordinary charges (as determined in accordance with GAAP), (d) unusual or non-recurring charges in an aggregate amount not to exceed $2,000,000 (or such greater amount as may be approved in writing by the Required Holders, which approval shall not be unreasonably withheld) for any consecutive four fiscal quarter period, and (e) amounts related to impairment of any intangible assets, minus, to the extent included in Consolidated Net Income, (i) extraordinary gains (as determined in accordance with GAAP) realized other than in the ordinary course of business, (ii) the income (or deficit) of any Person (other than a Subsidiary) in which the Company or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by the Company or such Subsidiary in the form of dividends or similar distributions and (iii) the undistributed earnings of any Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any contractual obligation (other than under any Transaction Document) or Requirement of Law applicable to such Subsidiary, all calculated for the Company and its Subsidiaries on a consolidated basis.

"Consolidated EBITDA" shall mean Consolidated EBIT, *plus*, to the extent deducted from revenues in determining Consolidated EBIT, (a) depreciation expense, and (b) amortization expense.

"Consolidated Indebtedness" shall mean at any time the Indebtedness of the Company and its Subsidiaries calculated on a consolidated basis.

"Consolidated Interest Expense" shall mean, with reference to any period, the cash Interest Expense of the Company and its Subsidiaries calculated on a consolidated basis for such period.

"Consolidated Net Income" shall mean, with reference to any period, the net income (or loss) of the Company and its Subsidiaries calculated on a consolidated basis for such period.

"Consolidated Tangible Net Worth" shall mean, as of any date, (a) the amount of any capital stock, paid in capital and similar equity accounts plus (or minus in the case of a deficit) the capital surplus and retained earnings of such person and the amount of any foreign currency translation adjustment account shown as a capital account of such person, less (b) the net book value of all items of the following character which are included in the assets of such person: (i) goodwill, including, without limitation, the excess of cost over book value of any asset, (ii) organization expenses, (iii) unamortized debt discount and expense, (iv) patents, trademarks, trade names and copyrights, (v) treasury stock, (vi) deferred taxes and deferred charges, (vii) franchises, licenses and permits, and (viii) other assets which are deemed intangible assets under generally accepted accounting principles, all calculated for the Company and its Subsidiaries on a consolidated basis.

"Consolidated Total Debt" shall mean at any time the sum of all of the following for Company and its Subsidiaries calculated on a consolidated basis: (i) obligations for borrowed money and similar obligations, (ii) obligations representing the deferred purchase price of property or services (other than accounts payable arising in the ordinary course of business payable on terms customary in the trade), (iii) obligations, whether or not assumed, secured by liens or payable out of the proceeds or production from property now or hereafter owned or acquired, (iv) obligations which are evidenced by notes, acceptances, or other instruments, (v) Capitalized Lease Obligations, (vi) obligations under asset securitizations, sale/leasebacks, "synthetic lease" transaction or similar obligations which are the functional equivalent of or take the place of borrowing, based on the amount that would be outstanding thereunder if it were structured as borrowing, (vii) contingent obligations under letters of credit, bankers acceptances and similar instruments, (viii) the amount of any earn-out obligation related to any Acquisition in excess of $4,000,000 calculated in accordance with generally accepted accounting principles, and (ix) any contingent obligation for any of the foregoing obligations of others, including, without limitation, Guarantees. "Consolidated Total Debt" shall specifically exclude liabilities related to the Supplemental Employee Retirement Program.

"Contractual Obligation" shall mean as to any person, any provision of any security issued by such person or of any agreement, instrument or other undertaking to which such person is a party or by which it or any of its property is bound.

"Credit Agreement" shall mean, the Credit Agreement, dated after the Series B Closing Day and on or before December 14, 2009, by and among the Bank Agent, the Banks and the Company, as amended, restated, supplemented or otherwise modified from time to time.

"Default" shall mean any of the events specified in paragraph 7A, whether or not any requirement for such event to become an Event of Default has been satisfied.

"Default Rate" shall mean, with respect to any Note, a rate per annum from time to time equal to the lesser of (i) the maximum rate permitted by applicable law, and (ii) the greater of (a) 2.00% per annum above the rate of interest stated in such Note, or (b) 2.00% over

the rate of interest publicly announced by JPMorgan Chase Bank, National Association, from time to time in New York City as its Prime Rate.

"Delayed Delivery Fee" shall have the meaning given in paragraph 2B(8)(iii) hereof.

"Environmental Laws" at any date shall mean all provisions of law, statute, ordinances, rules, regulations, judgments, writs, injunctions, decrees, orders, awards and standards promulgated by the government of the United States of America or any foreign government or by any state, province, municipality or other political subdivision thereof or therein, or by any court, agency, instrumentality, regulatory authority or commission of any of the foregoing concerning the protection of, or regulating the discharge of substances into, the environment.

"Equity Interests" shall mean shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" shall mean any corporation which is a member of the same controlled group of corporations as the Company within the meaning of section 414(b) of the Code, or any trade or business which is under common control with the Company within the meaning of section 414(c) of the Code.

"Event of Default" shall mean any of the events specified in paragraph 7A, provided that there has been satisfied any requirement in connection with such event for the giving of notice, or the lapse of time, or the happening of any further condition, event or act.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Existing Credit Agreement" shall mean, collectively, (i) the Credit Agreement, dated as of December 3, 1998, among the Company and JPMorgan, as amended, restated, supplemented or otherwise modified from time to time and (ii) the Term Loan Agreement, dated as of November 20, 2007, among the Company and JPMorgan, as amended, restated, supplemented or otherwise modified from time to time.

"Existing Credit Facilities" shall mean each of (a) the Credit Agreement, dated as of December 3, 1998, among the Company and JPMorgan, as amended, restated, supplemented or otherwise modified from time to time, (b) the Term Loan Agreement, dated as of November 20, 2007, among the Company and JPMorgan, as amended, restated, supplemented or otherwise modified from time to time and (c) the Loan Agreement, dated as of October 6, 2006, among the Company and Charter One Bank, N.A., as amended, restated, supplemented or otherwise modified from time to time.

"Existing Holders" shall have the meaning given in the address block to this agreement.

"**Existing Note Agreement**" shall have the meaning given in the Introduction.

"Facility" shall have the meaning given in paragraph 2B(1) hereof.

"Guarantee" of any Person shall mean, as of any date, all obligations of such Person or of others for which such Person is contingently liable, as obligor, guarantor, surety, accommodation party, partner or in any other capacity, or in respect of which obligations such Person assures a creditor against loss or agrees to take any action to prevent any such loss (other than endorsements of negotiable instruments for collection in the ordinary course of business), including without limitation all reimbursement obligations of such Person in respect of any letters of credit, surety bonds or similar obligations (including, without limitation, bankers acceptances) and all obligations of such Person to advance funds to, or to purchase assets, property or services from, any other Person in order to maintain the financial condition of such other Person.

"Guarantor" shall mean each Person which may from time to time execute a Guaranty Agreement.

"Guaranty Agreement" and "**Guaranty Agreements"** shall have the same meaning given in paragraph 3A (ii) hereof.

"Hedge Treasury Note(s)" shall mean, with respect to any Accepted Note, the United States Treasury Note or Notes whose duration (as determined by Prudential) most closely matches the duration of such Accepted Note.

"Hostile Tender Offer" shall mean, with respect to the use of proceeds of any Note, any offer to purchase, or any purchase of, shares of capital stock of any corporation or equity interests in any other entity, or securities convertible into or representing the beneficial ownership of, or rights to acquire, any such shares or equity interests, if such shares, equity interests, securities or rights are of a class which is publicly traded on any securities exchange or in any over -the-counter market, other than purchases of such shares, equity interests, securities or rights representing less than 5% of the equity interests or beneficial ownership of such corporation or other entity for portfolio investment purposes, and such offer or purchase has not been duly approved by the board of directors of such corporation or the equivalent governing body of such other entity prior to the date on which the Company makes the Request for Purchase of such Note.

"including" shall mean, unless the context clearly requires otherwise, "including without limitation", whether or not so stated.

"Indebtedness" of any Person shall mean, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property

acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), (f) all obligations of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the obligations secured thereby has been assumed, (g) all Guarantees by such Person of obligations of others of the type described in clauses (a)-(f) and (h)-(j) hereof, (h) all Capitalized Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty and (j) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

"Interest Coverage Ratio" shall mean, the ratio, determined as of the end of each of fiscal quarter of the Company, of (a) Consolidated EBIT, to (b) Consolidated Interest Expense, all as calculated for the most-recently ended four fiscal quarters and for the Company and its Subsidiaries on a consolidated basis.

"Interest Expense" shall mean, with reference to any period, total interest expense (including that attributable to Capital Lease Obligations) of the Company and its Subsidiaries for such period with respect to all outstanding Indebtedness of the Company and its Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under Swap Agreements in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP), calculated on a consolidated basis for the Company and its Subsidiaries for such period in accordance with GAAP.

"Institutional Investor" shall mean any insurance company, commercial, investment or merchant bank, finance company, mutual fund, registered money or asset manager, savings and loan association, credit union, registered investment advisor, pension fund, investment company, licensed broker or dealer, "qualified institutional buyer" (as such term is defined under Rule 144A promulgated under the Securities Act) or "accredited investor" (as such term is defined in Regulation D promulgated under the Securities Act).

"Issuance Fee" shall have the meaning given in paragraph 2B(8)(ii) hereof.

"Issuance Period" shall have the meaning given in paragraph 2B(2) hereof.

"JPMorgan" shall mean JPMorgan Chase Bank, N.A., successor by merger with Bank One, NA (Main Office-Chicago), successor by merger with Bank One, Michigan, formerly known as NBD Bank.

"Leverage Ratio" shall mean, as of the end of any fiscal quarter, the ratio of the Consolidated Total Debt as of such fiscal quarter end to the Consolidated EBITDA for the period of four consecutive fiscal quarters ending with such fiscal quarter end.

"Lien" shall mean, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Material Adverse Effect" shall mean a (i) material adverse effect on the business, assets, liabilities, operations, prospects or condition, financial or otherwise, of the Company and its Subsidiaries, taken as a whole, (ii) material impairment of the Company's or any Guarantor's ability to perform any of its obligations under this Agreement, the Notes or the other Transaction Documents or (iii) material impairment of the validity or enforceability of the rights of, or the benefits available to, the holders of any of the Notes under this Agreement, the Notes or any other Transaction Document.

"Moody's" shall mean Moody's Investors Service, Inc.

"Multiemployer Plan" shall mean any Plan which is a "multiemployer plan" (as such term is defined in section 4001(a)(3) of ERISA.

"Notes" shall have the meaning given in paragraph 1B hereof.

"Officer's Certificate" shall mean a certificate signed in the name of the Company by an Authorized Officer of the Company.

"PBGC" shall mean the Pension Benefit Guaranty Corporation, or any successor or replacement entity thereto under ERISA.

"Permitted Encumbrances" shall mean:

(a) liens imposed by law for taxes that are not yet delinquent or are being contested in compliance with paragraph 5H;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested in compliance with paragraph 5H;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under clause (xiii) of paragraph 7A; and

(f) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Company or any Subsidiary;

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

"Permitted Investments" shall mean:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody's;

(c) investments in certificates of deposit, banker's acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof which has a combined capital and surplus and undivided profits of not less than $500,000,000;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above; and

(e) money market funds that (i) comply with the criteria set forth in Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least $5,000,000,000.

"Person" shall mean and include an individual, a partnership, a joint venture, a corporation, a trust, a limited liability company, an unincorporated organization and a government or any department or agency thereof.

"Plan" shall mean any employee pension benefit plan (as such term is defined in section 3 of ERISA) which is or has been established or maintained, or to which contributions are or have been made, by the Company or any ERISA Affiliate.

"Proposed Prepayment Date" shall have the meaning given in paragraph 4E(4) hereof.

"Prudential" shall have the meaning given in the address block of this Agreement.

"Prudential Affiliate" shall mean any Affiliate of Prudential.

"**Purchasers**" shall mean shall mean the Existing Holders with respect to the Series A Notes, the Series B Note Purchasers with respect to the Series B Notes, and, with respect to any Accepted Notes, the Prudential Affiliate(s) which are purchasing such Accepted Notes.

"Request for Purchase" shall have the meaning given in paragraph 2B(3) hereof.

"Required Holder(s)" shall mean the holder or holders of more than 50% of the aggregate principal amount of the Notes or, if the term is expressly used with respect to a Series of Notes, of such Series of Notes from time to time outstanding.

"Rescheduled Closing Day" shall have the meaning given in paragraph 2B(7) hereof.

"Responsible Officer" shall mean the chief executive officer, chief operating officer, chief financial officer or chief accounting officer of the Company or any other officer of the Company involved principally in its financial administration or its controllership function.

"Restricted Payment" shall mean any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Company or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in the Company or any option, warrant or other right to acquire any such Equity Interests in the Company.

"S&P" shall mean Standard & Poor's.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Series" shall have the meaning given in paragraph 1B hereof.

"**Series A Notes**" shall have the meaning given in the Introduction.

"Series B Note Purchasers" shall have the meaning specified in the address block to this agreement.

"**Series B Notes**" shall have the meaning specified in paragraph 1A.

"**Series B Closing Day**" shall have the meaning specified in paragraph 2A.

"Shelf Notes" shall have the meaning given in paragraph 1B hereof.

"Significant Holder" shall mean (i) Prudential, (ii) each Purchaser, so long as such Purchaser or any of its Affiliates shall hold (or be committed under this Agreement to

purchase) any Note, or (iii) any other Person which, together with its Affiliates, is the holder of at least 10% of the aggregate principal amount of the Notes of any Series from time to time outstanding.

"Subsidiary" shall mean, as to any Person, any corporation, association or other business entity in which such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar function) of such entity, and any partnership or joint venture if more than a 50% interest in profits or capital thereof is owned by such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries (unless such partnership can and does ordinarily taken major business actions without the approval of such Person or one or more of its Subsidiaries). Unless the context otherwise clearly requires, any reference to a "Subsidiary" is a reference to a Subsidiary of the Company.

"Supplemental Employee Retirement Program" shall mean the deferred compensation program established under the Spartan Motors, Inc. Supplemental Executive Retirement Plan as originally adopted on January 1, 2006 and amended January 1, 2009.

"Swap Agreement" shall mean any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Company or the Subsidiaries shall be a Swap Agreement.

"Transaction Documents" shall mean this Agreement, the Notes, the Guaranty Agreement, each Confirmation of Guaranty and the other agreements, documents, certificates and instruments now or hereafter executed or delivered by the Company or any Subsidiary or Affiliate in connection with this Agreement.

"Transferee" shall mean any direct or indirect transferee of all or any part of any Note purchased by any Purchaser under this Agreement.

"USA Patriot Act" shall mean United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"Utilimaster Acquisition" shall mean the Acquisition by the Company of substantially all of the stock of Utilimaster Holdings, Inc.

"Wholly-Owned Subsidiary" shall mean any Subsidiary of the Company all of the outstanding capital stock or other equity interests of every class of which is owned by the Company or another Wholly-Owned Subsidiary of the Company, and which has outstanding no

options, warrants, rights or other securities entitling the holder thereof (other than the Company or a Wholly-Owned Subsidiary) to acquire shares of capital stock or other equity interests of such Subsidiary.

10C. Accounting and Legal Principles, Terms and Determinations. All references in this Agreement to "generally accepted accounting principles" or "GAAP" shall be deemed to refer to generally accepted accounting principles in effect in the United States at the time of application thereof. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all determinations with respect to accounting matters hereunder shall be made, and all unaudited consolidated financial statements and certificates and reports as to financial matters required to be furnished hereunder shall be prepared, in accordance with generally accepted accounting principles applied on a basis consistent with the most recent audited consolidated financial statements of the Company and its Subsidiaries delivered pursuant to clause (ii) of paragraph 5A or, if no such statements have been so delivered, the most recent audited financial statements referred to in clause (i) of paragraph 8B, provided that, if the Company notifies the holders of the Notes that the Company requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Required Holders notify the Company that the Required Holders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in generally accepted accounting principles or in the application thereof, then such provision shall be interpreted on the basis of generally accepted accounting principles as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Any reference herein to any specific citation, section or form of law, statute, rule or regulation shall refer to such new, replacement or analogous citation, section or form should such citation, section or form be modified, amended or replaced. Notwithstanding the foregoing or any other provision of this Agreement providing for any amount to be determined in accordance with generally accepted accounting principles, for all purposes of this Agreement the outstanding principal amount of any Indebtedness of the Company, any Guarantor or any of their Subsidiaries shall be equal to the actual outstanding principal amount thereof irrespective of the amount that might otherwise be accounted for under generally accepted accounting principles as the amount of the liability of the Company, any Guarantor or any Subsidiary with respect thereto, and any determination of the net income (or net loss), equity or assets of the Company, any Guarantor or any Subsidiary shall not take into account any effect of marking any such outstanding Indebtedness of the Company, any Guarantor or any Subsidiary to market value. For purposes of calculating all financial covenants and all other covenants, any Acquisition or any sale or other disposition outside the ordinary course of business by the Company or any of its Subsidiaries of any asset or group of related assets in one or a series of related transactions, including the incurrence of any Indebtedness and any related financing or other transactions in connection with any of the foregoing, occurring during the period for which such matters are calculated shall be deemed to have occurred on the first day of the relevant period for which such matters were calculated on a pro forma basis acceptable to the Require Holders.

11. MISCELLANEOUS.

11A. Note Payments. The Company agrees that, so long as any Purchaser shall hold any Note, it will make payments of principal of, interest on, and any Yield-Maintenance Amount payable with respect to, such Note, which comply with the terms of this Agreement, by wire transfer of immediately available funds for credit (not later than 12:00 noon, New York City time, on the date due) to (i) such Purchaser's account or accounts specified in the Purchaser Schedule attached hereto in the case of any Series A Note or any Series B Note, (ii) such Purchaser's account or accounts specified in the Confirmation of Acceptance with respect to such Note in the case of any Shelf Note or (iii) such other account or accounts in the United States as such Purchaser may from time to time designate in writing, notwithstanding any contrary provision herein or in any Note with respect to the place of payment. Each Purchaser agrees that, before disposing of any Note, such Purchaser will make a notation thereon (or on a schedule attached thereto) of all principal payments previously made thereon and of the date to which interest thereon has been paid. The Company agrees to afford the benefits of this paragraph 11A to any Transferee which shall have made the same agreement as each Purchaser has made in this paragraph 11A. No holder shall be required to present or surrender any Note or make any notation thereon, except that upon the written request of the Company made concurrently with or reasonably promptly after the payment or prepayment in full of any Note, the applicable holder shall surrender such Note for cancellation, reasonably promptly after such request, to the Company at its principal office.

11B. Expenses. Whether or not the transactions contemplated hereby shall be consummated, the Company shall pay, and save Prudential, each Purchaser and any Transferee harmless against liability for the payment of, all out‑of‑pocket expenses arising in connection with such transactions, including:

(i) (a) all stamp and documentary taxes and similar charges, (b) costs of obtaining a private placement number from Standard and Poor's Ratings Group for the Notes and (c) fees and expenses of brokers, agents, dealers, investment banks or other intermediaries or placement agents, in each case as a result of the execution and delivery of this Agreement or the other Transaction Documents or the issuance of the Notes;

(ii) document production and duplication charges and the fees and expenses of any special counsel engaged by such Purchaser or such Transferee in connection with (a) this Agreement, any of the other Transaction Documents and the transactions contemplated hereby and (b) any subsequent proposed waiver, amendment or modification of, or proposed consent under, this Agreement or any other Transaction Document, whether or not such proposed waiver, amendment, modification or consent shall be effected or granted;

(iii) the costs and expenses, including attorneys' and financial advisory fees, incurred by such Purchaser or such Transferee in enforcing (or determining whether or how to enforce) any rights under this Agreement or the Notes or any other Transaction Document or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement or any other Transaction Document or the transactions contemplated hereby or by reason of the Company or such

Transferee's having acquired any Note, including without limitation costs and expenses incurred in any workout, restructuring or renegotiation proceeding or bankruptcy case; and

(iv) any judgment, liability, claim, order, decree, cost, fee, expense, action or obligation resulting from the consummation of the transactions contemplated hereby, including the use of the proceeds of the Notes by the Company.

The Company also will promptly pay or reimburse each Purchaser or holder of a Note (upon demand, in accordance with each such Purchaser's or holder's written instruction) for all fees and costs paid or payable by such Purchaser or holder to the Securities Valuation Office of the National Association of Insurance Commissioners in connection with the initial filing of this Agreement and all related documents and financial information, and all subsequent annual and interim filings of documents and financial information related to this Agreement, with such Securities Valuation Office or any successor organization acceding to the authority thereof.

The obligations of the Company under this paragraph 11B shall survive the transfer of any Note or portion thereof or interest therein by any Purchaser or any Transferee and the payment of any Note.

11C. Consent to Amendments. This Agreement may be amended, and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, if the Company shall obtain the written consent to such amendment, action or omission to act, of the Required Holder(s) except that, (i) with the written consent of the holders of all Notes of a particular Series, and, if an Event of Default shall have occurred and be continuing, of the holders of all Notes of all Series at the time outstanding (and not without such written consents), the Notes of such Series may be amended or the provisions thereof waived to change the maturity thereof, to change or affect the principal thereof, or to change or affect the rate, method of computation or time of payment of interest on or any Yield-Maintenance Amount payable with respect to the Notes of such Series, (ii) without the written consent of the holder or holders of all Notes at the time outstanding, no amendment to or waiver of the provisions of this Agreement shall change or affect the provisions of paragraph 7A or this paragraph 11C insofar as such provisions relate to proportions of the principal amount of the Notes of any Series, or the rights of any individual holder of Notes, required with respect to any declaration of Notes to be due and payable or with respect to any consent, amendment, waiver or declaration, (iii) with the written consent of Prudential (and not without the written consent of Prudential) the provisions of paragraph 2B may be amended or waived (except insofar as any such amendment or waiver would affect any rights or obligations with respect to the purchase and sale of Notes which shall have become Accepted Notes prior to such amendment or waiver), and (iv) with the written consent of all of the Purchasers which shall have become obligated to purchase Accepted Notes of any Series (and not without the written consent of all such Purchasers), any of the provisions of paragraphs 2B and 3 may be amended or waived insofar as such amendment or waiver would affect only rights or obligations with respect to the purchase and sale of the Accepted Notes of such Series or the terms and provisions of such Accepted Notes. Each holder of any Note at the time or thereafter outstanding shall be bound by any consent authorized by this paragraph 11C, whether or not such Note shall have been marked to indicate such consent, but any Notes issued thereafter may bear a notation referring to any such

consent. No course of dealing between the Company and the holder of any Note nor any delay in exercising any rights hereunder or under any Note shall operate as a waiver of any rights of any holder of any Note. Without limiting the generality of the foregoing, no negotiations or discussions in which Prudential or any holder of any Note may engage regarding any possible amendments, consents or waivers with respect to this Agreement or the Notes shall constitute a waiver of any Default or Event of Default, any term of this Agreement or any Note or any rights of Prudential or any such holder under this Agreement or the Notes. As used herein and in the Notes, the term "this Agreement" and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

11D. Form, Registration, Transfer and Exchange of Notes; Lost Notes. The Notes are issuable as registered notes without coupons in denominations of at least $100,000, except as may be necessary to (i) reflect any principal amount not evenly divisible by $100,000 or (ii) enable the registration of transfer by a holder of its entire holding of Notes; provided, however, that no such minimum denomination shall apply to Notes issued upon transfer by any holder of the Notes to Prudential or Prudential Affiliates or to any other entity or group of Affiliates with respect to which the Notes so issued or transferred shall be managed by a single entity. The Company shall keep at its principal office a register in which the Company shall provide for the registration of Notes and of transfers of Notes. Upon surrender for registration of transfer of any Note at the principal office of the Company, the Company shall, at its expense, execute and deliver one or more new Notes of like tenor and of a like aggregate principal amount, registered in the name of such transferee or transferees. At the option of the holder of any Note, such Note may be exchanged for other Notes of like tenor and of any authorized denominations, of a like aggregate principal amount, upon surrender of the Note to be exchanged at the principal office of the Company. Whenever any Notes are so surrendered for exchange, the Company shall, at its expense, execute and deliver the Notes which the holder making the exchange is entitled to receive. Every Note surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer duly executed, by the holder of such Note or such holder's attorney duly authorized in writing. Any Note or Notes issued in exchange for any Note or upon transfer thereof shall carry the rights to unpaid interest and interest to accrue which were carried by the Note so exchanged or transferred, so that neither gain nor loss of interest shall result from any such transfer or exchange. Upon receipt of written notice from the holder of any Note of the loss, theft, destruction or mutilation of such Note and, in the case of any such loss, theft or destruction, upon receipt of such holder's unsecured indemnity agreement, or in the case of any such mutilation upon surrender and cancellation of such Note, the Company will make and deliver a new Note, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Note.

11E. Persons Deemed Owners; Participations. Prior to due presentment for registration of transfer, the Company may treat the Person in whose name any Note is registered as the owner and holder of such Note for the purpose of receiving payment of principal of, interest on and any Yield-Maintenance Amount payable with respect to such Note and for all other purposes whatsoever, whether or not such Note shall be overdue, and the Company shall not be affected by notice to the contrary. Subject to the preceding sentence, the holder of any Note may from time to time grant participations in all or any part of such Note to any Person on such terms and conditions as may be determined by such holder in its sole and absolute discretion.

11F. Survival of Representations and Warranties; Entire Agreement. All representations and warranties contained herein or made in writing by or on behalf of the Company in connection herewith shall survive the execution and delivery of this Agreement, the Notes and the other Transaction Documents, the transfer by any Purchaser of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any Transferee, regardless of any investigation made at any time by or on behalf of any Purchaser or any Transferee. Subject to the preceding sentence, this Agreement, the Notes and the other Transaction Documents embody the entire agreement and understanding between the Purchasers and the Company with respect to the subject matter hereof and supersede all prior agreements and understandings relating to such subject matter.

11G. Successors and Assigns. All covenants and other agreements in this Agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto (including, without limitation, any Transferee) whether so expressed or not.

11H. Independence of Covenants. All covenants hereunder and under the other Transaction Documents shall be given independent effect so that if a particular action or condition is prohibited by any one of such covenants, the fact that it would be permitted by an exception to, or otherwise be in compliance within the limitations of, another covenant shall not (i) avoid the occurrence of a Default or Event of Default if such action is taken or such condition exists or (ii) in any way prejudice an attempt by the holder of any Note to prohibit through equitable action or otherwise the taking of any action by the Company or any Subsidiary which would result in a Default or Event of Default.

11I. Notices. All written communications provided for hereunder (other than communications provided for under paragraph 2) shall be sent by first class mail or nationwide overnight delivery service (with charges prepaid) and (i) if to Prudential or any Purchaser, addressed to Prudential or such Purchaser at the address specified for such communications in the Purchaser Schedule attached hereto (in the case of Prudential, the Existing Holders or the Purchasers of the Series B Notes) or the Purchaser Schedule attached to the applicable Confirmation of Acceptance (in the case of any Purchaser of any Shelf Notes) or at such other address as Prudential or such Purchaser shall have specified to the Company in writing, (ii) if to any other holder of any Note, addressed to such other holder at such address as such other holder shall have specified to the Company in writing or, if any such holder shall not have so specified an address to the Company, then addressed to such holder in care of the last holder of such Note which shall have so specified an address to the Company and (iii) if to the Company, addressed to it at 1165 Reynolds Road, Charlotte, Michigan, 48813, Attention: Chief Financial Officer or at such other address as the Company shall have specified to the holder of each Note in writing, provided, however, that any such communication to the Company may also, at the option of the Person sending such communication, be delivered by any other means either to the Company at its address specified above or to any Authorized Officer of the Company. Any communication pursuant to paragraph 2 shall be made by the method specified for such communication in paragraph 2, and shall be effective to create any rights or obligations under this Agreement only if, in the case of a telephone communication, an Authorized Officer of the party conveying the information and of the party receiving the information are parties to the telephone call, and in the case of a facsimile transmission communication, the communication is signed by an Authorized

Officer of the party conveying the information, addressed to the attention of an Authorized Officer of the party receiving the information, and in fact received at the facsimile terminal the number of which is listed for the party receiving the communication in the Information Schedule or at such other facsimile terminal as the party receiving the information shall have specified in writing to the party sending such information.

11J. Payments Due on Non-Business Days. Anything in this Agreement or the Notes to the contrary notwithstanding, any payment of principal of, interest on, or Yield-Maintenance Amount payable with respect to, any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day.

11K. Satisfaction Requirement. If any agreement, certificate or other writing, or any action taken or to be taken, is by the terms of this Agreement required to be satisfactory to any Purchaser, to any holder of Notes or to the Required Holder(s), the determination of such satisfaction shall be made by such Purchaser, such holder or the Required Holder(s), as the case may be, in the sole and exclusive judgment (exercised in good faith) of the Person or Persons making such determination.

11L. GOVERNING LAW. THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE LAW OF THE STATE OF ILLINOIS (EXCLUDING ANY CONFLICTS OF LAW RULES WHICH WOULD OTHERWISE CAUSE THIS AGREEMENT TO BE CONSTRUED OR ENFORCED IN ACCORDANCE WITH, OR THE RIGHTS OF THE PARTIES TO BE GOVERNED BY, THE LAWS OF ANY OTHER JURISDICTION).

11M. SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT, THE NOTES O THE OTHER TRANSACTION DOCUMENTS MAY BE BROUGHT IN THE COURTS OF THE STATE OF ILLINOIS IN COOK COUNTY, ILLINOIS, OR OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, THE COMPANY HEREBY IRREVOCABLY ACCEPTS, UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS WITH RESPECT TO ANY SUCH ACTION OR PROCEEDING. THE COMPANY FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO IT AT ITS ADDRESS PROVIDED IN PARAGRAPH 11I OR TO CT CORPORATION SYSTEM AT 208 SOUTH LASALLE STREET, CHICAGO, ILLINOIS 60604, SUCH SERVICE TO BECOME EFFECTIVE UPON RECEIPT. THE COMPANY AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN ANY OTHER JURISDICTION BY SUIT ON SUCH JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING HEREIN SHALL AFFECT THE RIGHT OF ANY HOLDER OF A NOTE TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE

LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST THE COMPANY IN ANY OTHER JURISDICTION. THE COMPANY HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE NOTES BROUGHT IN ANY OF THE AFORESAID COURTS AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. TO THE EXTENT THAT THE COMPANY HAS OR MAY HEREAFTER ACQUIRE IMMUNITY FROM JURISDICTION OF ANY COURT OR FROM ANY LEGAL PROCESS (WHETHER THROUGH SERVICE OF NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION, EXECUTION OR OTHERWISE WITH RESPECT TO ITSELF OR ITS PROPERTY), THE COMPANY HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER THIS AGREEMENT OR THE NOTES. THE COMPANY, PRUDENTIAL AND EACH PURCHASER HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE NOTES OR THE TRANSACTIONS CONTEMPLATED THEREBY.

11N. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

11O. Descriptive Headings; Advice of Counsel; Interpretation; Time of the Essence. The descriptive headings of the several paragraphs of this Agreement are inserted for convenience only and do not constitute a part of this Agreement. Each party to this Agreement represents to the other parties to this Agreement and the other Transaction Documents that such party has been represented by counsel in connection with this Agreement, the Notes and the other Transaction Documents, that such party has discussed this Agreement, the Notes and the other Transaction Documents with its counsel and that any and all issues with respect to this Agreement, the Notes and the other Transaction Documents have been resolved as set forth herein and therein. No provision of this Agreement, the Notes or the other Transaction Documents shall be construed against or interpreted to the disadvantage of any party hereto by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured, drafted or dictated such provision. Time is of the essence in the performance of this Agreement, the Notes and the other Transaction Documents.

11P. Counterparts; Facsimile or Electronic Signatures. This Agreement may be executed in any number of counterparts (or counterpart signature pages), each of which counterparts shall be an original, but all of which together shall constitute one instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

11Q. Severalty of Obligations. The sales of Notes to the Purchasers are to be several sales, and the obligations of Prudential and the Purchasers under this Agreement are several obligations. No failure by Prudential or any Purchaser to perform its obligations under this Agreement shall relieve any other Purchaser or the Company of any of its obligations hereunder, and neither Prudential nor any Purchaser shall be responsible for the obligations of, or any action taken or omitted by, any other such Person hereunder.

11R. Independent Investigation. Each Purchaser represents to and agrees with each other Purchaser that it has made its own independent investigation of the condition (financial and otherwise), prospects and affairs of the Company and its Subsidiaries in connection with its purchase of the Notes hereunder and has made and shall continue to make its own appraisal of the creditworthiness of the Company. No holder of Notes shall have any duties or responsibility to any other holder of Notes, either initially or on a continuing basis, to make any such investigation or appraisal or to provide any credit or other information with respect thereto. No holder of Notes is acting as agent or in any other fiduciary capacity on behalf of any other holder of Notes.

11S. Directly or Indirectly. Where any provision in this Agreement refers to actions to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether the action in question is taken directly or indirectly by such Person.

11T. Transaction References. The Company agrees that Prudential and Prudential Capital Group may, with the Company's prior reasonable approval, which approval will no be unreasonably delayed or denied, (a) refer to its role in establishing the Facility, as well as the identity of the Company and the maximum aggregate principal amount of the Notes and the date on which the Facility was established, on its internet site or in marketing materials, press releases, published "tombstone" announcements or any other print or electronic medium and (b) display the Company's corporate logo in conjunction with any such reference.

11U. Binding Agreement. When this Agreement is executed and delivered by the Company, Prudential, the Existing Holders and the Series B Note Purchasers, it shall become a binding agreement between the Company, Prudential, the Existing Holders and the Series B Note Purchasers. This Agreement shall also inure to the benefit of each Purchaser which shall have executed and delivered a Confirmation of Acceptance, and each such Purchaser shall be bound by this Agreement to the extent provided in such Confirmation of Acceptance.

[signature pages follow]

Very truly yours,

SPARTAN MOTORS, INC.

By: /s/ Joseph M. Nowicki
Name: Joseph M. Nowicki
Title: Chief Financial Officer

The foregoing Agreement is
hereby accepted as of the
date first above written.

PRUDENTIAL INVESTMENT MANAGEMENT, INC.

By: /s/ [Conformed Signature]
Vice President

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

By: /s/ [Conformed Signature]
Vice President

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY

By: /s/ [Conformed Signature]
Vice President

GIBRALTAR LIFE INSURANCE CO., LTD.

By: Prudential Investment Management (Japan), Inc., as Investment Manager

By: Prudential Investment Management, Inc., as Sub-Adviser

By: /s/ [Conformed Signature]
Vice President

PURCHASER SCHEDULE

PRUDENTIAL INVESTMENT MANAGEMENT, INC.

(1) All payments to Prudential shall be made by wire transfer of immediately available funds for credit to:

JPMorgan Chase Bank
New York, New York
ABA No.: 021-000-021
Account No.: 304232491
Account Name: PIM Inc. - PCG

(2) Address for all notices relating to payments:

Prudential Investment Management, Inc.
c/o The Prudential Insurance Company of America
Investment Operations Group
Gateway Center Two, 10th Floor
100 Mulberry Street
Newark, New Jersey 07102-4077

Attention: Manager

(3) Address for all other communications and notices:

Prudential Investment Management, Inc.
c/o Prudential Capital Group
Two Prudential Plaza, Suite 5600
Chicago, Illinois 60601

Attention: Managing Director

(4) Recipient of telephonic prepayment notices:

Manager, Trade Management Group
Telephone: (973) 367-3141
Facsimile: (800) 224-2278

(5) Tax Identification No.: 22-2540245

PURCHASER SCHEDULE

(Series A Notes)

	Aggregate Principal Amount of Series A Notes held	Series A Notes Notes Denomination(s)
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA	$5,000,000.00	$5,000,000.00

(1) All payments on account of the Notes held by such Purchaser shall be made by wire transfer of immediately available funds for credit to:

Account Name: The Prudential - Privest Portfolio
Account No.: P86189 (please do not include spaces)

JPMorgan Chase Bank
New York, NY
ABA No.: 021-000-021

Each such wire transfer shall set forth the name of the Company, a reference to "4.93% Series A Senior Note due November 30, 2010, Security No. !INV____!, PPN 846819 A*1" , and the due date and application (as among principal, interest and Yield-Maintenance Amount) of the payment being made.

(2) Address for all notices relating to payments:

The Prudential Insurance Company of America
c/o Investment Operations Group
Gateway Center Two, 10th Floor
100 Mulberry Street
Newark, NJ 07102-4077

Attention: Manager, Billings and Collections

(3) Address for all other communications and notices:

The Prudential Insurance Company of America
c/o Prudential Capital Group
Two Prudential Plaza
180 North Stetson, Suite 5600
Chicago, IL 60601-6716

Attention: Managing Director

(4) Recipient of telephonic prepayment notices:

Manager, Trade Management Group

Telephone: (973) 367-3141
Facsimile: (888) 889-3832

(5) Address for Delivery of Notes:

Send physical security by nationwide overnight delivery service to:

Prudential Capital Group
Two Prudential Plaza
180 North Stetson, Suite 5600
Chicago, IL 60601-6716

Attention: Wiley S. Adams
Telephone: (312) 540-4204

(6) Tax Identification No.: 22-1211670

	Aggregate Principal Amount of Series A Notes held	Series A Notes Notes Denomination(s)
PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY	$5,000,000.00	$5,000,000.00

(1) All payments on account of Notes held by such purchaser shall be made by wire transfer of immediately available funds for credit to:

Account No.: P86202 (please do not include spaces)
Account Name: Pruco Life of New Jersey Private Placement

JPMorgan Chase Bank
New York, NY
ABA No.: 021-000-021

Each such wire transfer shall set forth the name of the Company, a reference to "4.93% Series A Senior Note due November 30, 2010, Security No. !INV____!, PPN 846819 A*1" , and the due date and application (as among principal, interest and Yield-Maintenance Amount) of the payment being made.

(2) Address for all notices relating to payments:

Pruco Life Insurance Company of New Jersey
c/o The Prudential Insurance Company of America
c/o Investment Operations Group
Gateway Center Two, 10th Floor
100 Mulberry Street
Newark, NJ 07102-4077

Attention: Manager, Billings and Collections

(3) Address for all other communications and notices:

Pruco Life Insurance Company of New Jersey
c/o Prudential Capital Group
Two Prudential Plaza
180 North Stetson, Suite 5600
Chicago, IL 60601-6716

Attention: Managing Director

(4) Recipient of telephonic prepayment notices:

Manager, Trade Management Group

Telephone: (973) 367-3141
Facsimile: (888) 889-3832

(5) Address for Delivery of Notes:

Send physical security by nationwide overnight delivery service to:

Prudential Capital Group
Two Prudential Plaza
180 North Stetson, Suite 5600
Chicago, IL 60601-6716

Attention: Wiley S. Adams
Telephone: (312) 540-4204

(6) Tax Identification No.: 22-2426091

PURCHASER SCHEDULE

(Series B Notes)

PURCHASER SCHEDULE

	Aggregate Principal Amount of Series B Notes to be Purchased	Series B Notes Denomination(s)
GIBRALTAR LIFE INSURANCE CO., LTD.	**$5,000,000.00**	**$5,000,000.00**

(1) All principal, interest and Make-Whole Amount payments on account of Notes held by such purchaser shall be made by wire transfer of immediately available funds for credit to:

JPMorgan Chase Bank
New York, NY
ABA No.: 021-000-021

Account Name: Gibraltar Private
Account No.: P86246 (please do not include spaces)

Each such wire transfer shall set forth the name of the Company, a reference to "5.46% Series B Senior Notes due December 1, 2016, Security No. INV10955, PPN 846819 A@9" and the due date and application (as among principal, interest and Yield-Maintenance Amount) of the payment being made.

(2) All payments, other than principal, interest or Yield-Maintenance Amount, on account of Notes held by such purchaser shall be made by wire transfer of immediately available funds for credit to:

JPMorgan Chase Bank
New York, NY
ABA No. 021-000-021
Account No. 304199036
Account Name: Prudential International Insurance Service Company

Each such wire transfer shall set forth the name of the Company, a reference to "5.46% Series B Senior Notes due December 1, 2016, Security No. INV10955, PPN 846819 A@9" and the due date and application (e.g., type of fee) of the payment being made.

(3) Address for all notices relating to payments:

The Gibraltar Life Insurance Co., Ltd.
2-13-10, Nagatacho
Chiyoda-ku, Tokyo 100-8953, Japan

Telephone: 81-3-5501-6680
Facsimile: 81-3-5501-6432
E-mail: yoshiki.saito@gib-life.co.jp

Attention: Yoshiki Saito, Vice President of Investment Operations Team

(4) Address for all other communications and notices:

Prudential Private Placement Investors, L.P.
c/o Prudential Capital Group
Two Prudential Plaza
180 North Stetson, Suite 5600
Chicago, IL 60601-6716

Attention: Managing Director

(5) Address for Delivery of Notes:

Send physical security by nationwide overnight delivery service to:

Prudential Capital Group
Two Prudential Plaza
180 North Stetson, Suite 5600
Chicago, IL 60601-6716

Attention: Wiley S. Adams
Telephone: (312) 540-4204

(6) Tax Identification No.: 98-0408643

INFORMATION SCHEDULE

Authorized Officers for Prudential and Prudential Affiliates

P. Scott von Fischer
Managing Director
Prudential Capital Group
Two Prudential Plaza, Suite 5600
Chicago, Illinois 60601

Telephone: (312) 540-4225
Facsimile: (312) 540-4222

Marie L. Fioramonti
Managing Director
Prudential Capital Group
Two Prudential Plaza, Suite 5600
Chicago, Illinois 60601

Telephone: (312) 540-4233
Facsimile: (312) 540-4222

Paul G. Price
Managing Director
Central Credit
Prudential Capital Group
Four Gateway Center
100 Mulberry Street
Newark, New Jersey 07102

Telephone: (973) 802-9819
Facsimile: (973) 802-2333

William S. Engelking
Senior Vice President
Prudential Capital Group
Two Prudential Plaza, Suite 5600
Chicago, Illinois 60601

Telephone: (312) 540-4214
Facsimile: (312) 540-4222

Julia D. Buthman
Senior Vice President
Prudential Capital Group
Two Prudential Plaza, Suite 5600
Chicago, Illinois 60601

Telephone: (312) 540-4237
Facsimile: (312) 540-4222

G. Anthony Coletta
Vice President
Prudential Capital Group
Two Prudential Plaza, Suite 5600
Chicago, Illinois 60601

Telephone: (312) 540-4226
Facsimile: (312) 540-4222

Tan Vu
Senior Vice President
Prudential Capital Group
Two Prudential Plaza, Suite 5600
Chicago, Illinois 60601

Telephone: (312) 540-5437
Facsimile: (312) 540-4222

James J. McCrane
Vice President
Prudential Capital Group
4 Gateway Center
Newark, New Jersey 07102-4062

Telephone: (973) 802-4222
Facsimile: (973) 624-6432

Charles J. Senner
Director
Prudential Capital Group
4 Gateway Center
Newark, New Jersey 07102-4062

Telephone: (973) 802-6660
Facsimile: (973) 624-6432

Dianna D. Carr
Vice President
Prudential Capital Group
Two Prudential Plaza, Suite 5600
Chicago, Illinois 60601

Telephone: (312) 540-4224
Facsimile: (312) 540-4222

David S. Quackenbush
Vice President
Prudential Capital Group
Two Prudential Plaza, Suite 5600
Chicago, Illinois 60601

Telephone: (312/540-4222
Facsimile: (312) 540-4245

Authorized Officers for the Company

John E. Sztykiel, CEO and President
SPARTAN MOTORS, INC.
1165 Reynolds Road
Charlotte, MI 48813

Telephone: (517) 541-3803 x 3318
Facsimile:: (517) 541-3292

Joseph M. Nowicki,
Chief Financial Officer
SPARTAN MOTORS, INC.
1165 Reynolds Road
Charlotte, MI 48813

Telephone: (517) 541-3803 x 3803
Facsimile:: (517) 541-3292

[FORM OF SERIES A NOTE]

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED AND ASSIGNED (I) IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS OR (II) UNLESS SOLD PURSUANT TO AN APPLICABLE EXEMPTION FROM REGISTRATION UNDER SAID ACT AND APPLICABLE STATE SECURITIES LAWS.

SPARTAN MOTORS, INC.

4.93% SERIES A SENIOR NOTE DUE NOVEMBER 30, 2010

No. _____ [Date]
$_____ PPN 846819 A*1

FOR VALUE RECEIVED, the undersigned, Spartan Motors, Inc., a corporation organized and existing under the laws of the State of Michigan (herein called the "Company"), hereby promises to pay to _____, or registered assigns, the principal sum of _____ DOLLARS on November 30, 2010, with interest (computed on the basis of a 360-day year—30-day month) (a) on the unpaid balance thereof at the rate of 4.93% per annum (or during any period when an Event of Default shall be in existence, at the election of the Required Holder(s) of the Series A Notes, at the Default Rate (as defined below)) from the date hereof, payable quarterly on February 28, May 30, August 30 and November 30 in each year, commencing with the February 28, May 30, August 30 or November 30 next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) on any overdue payment (including any overdue prepayment) of principal, any overdue payment of Yield-Maintenance Amount and, to the extent permitted by applicable law, any overdue payment of interest, payable quarterly as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the Default Rate. The "Default Rate" shall mean a rate per annum from time to time equal to the lesser of (i) the maximum rate permitted by applicable law, and (ii) the greater of (a) 6.93% or (b) 2.00% over the rate of interest publicly announced by JPMorgan Chase Bank, National Association, from time to time in New York City as its Prime Rate.

Payments of principal of, interest on and any Yield-Maintenance Amount payable with respect to this Note are to be made at the main office of JPMorgan Chase Bank, National Association, in New York City or at such other place as the holder hereof shall designate to the Company in writing, in lawful money of the United States of America.

This Note is one of a series of Senior Notes (herein called the "Notes") issued pursuant to an Amended and Restated Note Purchase and Private Shelf Agreement, dated as of November 30, 2009 (herein called the "Agreement"), between the Company, on the one hand, and Prudential Investment Management, Inc., the Existing Holders named on the Purchaser Schedule attached thereto, the Series B Note Purchasers named on the Purchaser Schedule attached thereto and each Prudential Affiliate which becomes party thereto, on the other hand, and is entitled to the benefits thereof.

This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company shall not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, on the terms specified in the Agreement.

This Note is guaranteed pursuant to one or more Guaranty Agreements executed by certain guarantors. Reference is made to such Guaranty Agreements for a statement concerning the terms and conditions governing such guarantee of the obligations of the Company hereunder.

The Company and any and all endorsers, guarantors and sureties severally waive grace, demand, presentment for payment, notice of dishonor or default, notice of intent to accelerate, notice of acceleration (except to the extent required in the Agreement), protest and diligence in collecting in connection with this Note, whether now or hereafter required by applicable law.

In case an Event of Default shall occur and be continuing, the principal of this Note may be declared or otherwise become due and payable in the manner and with the effect provided in the Agreement.

Capitalized terms used herein which are defined in the Agreement and not otherwise defined herein shall have the meanings as defined in the Agreement.

THIS NOTE IS INTENDED TO BE PERFORMED IN THE STATE OF ILLINOIS AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAW OF SUCH STATE (EXCLUDING ANY CONFLICTS OF LAW RULES WHICH WOULD OTHERWISE CAUSE THIS NOTE TO BE CONSTRUED OR ENFORCED IN ACCORDANCE WITH THE LAWS OF ANY OTHER JURISDICTION).

SPARTAN MOTORS, INC.

By: _____

Title:_____

[FORM OF SERIES B NOTE]

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED AND ASSIGNED (I) IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS OR (II) UNLESS SOLD PURSUANT TO AN APPLICABLE EXEMPTION FROM REGISTRATION UNDER SAID ACT AND APPLICABLE STATE SECURITIES LAWS.

SPARTAN MOTORS, INC.

5.46% SERIES B SENIOR NOTE DUE DECEMBER 1, 2016

No. _____ [Date]
$_____ PPN 846819 A@9

FOR VALUE RECEIVED, the undersigned, Spartan Motors, Inc., a corporation organized and existing under the laws of the State of Michigan (herein called the "Company"), hereby promises to pay to _____, or registered assigns, the principal sum of _____ DOLLARS on December 1, 2016, with interest (computed on the basis of a 360-day year—30-day month) (a) on the unpaid balance thereof at the rate of 5.46% per annum (or during any period when an Event of Default shall be in existence, at the election of the Required Holder(s) of the Series B Notes, at the Default Rate (as defined below)) from the date hereof, payable quarterly on March 1, June 1, September 1 and December 1 in each year, commencing March 1, 2010, until the principal hereof shall have become due and payable, and (b) on any overdue payment (including any overdue prepayment) of principal, any overdue payment of Yield-Maintenance Amount and, to the extent permitted by applicable law, any overdue payment of interest, payable quarterly as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the Default Rate. The "Default Rate" shall mean a rate per annum from time to time equal to the lesser of (i) the maximum rate permitted by applicable law, and (ii) the greater of (a) 7.46% or (b) 2.00% over the rate of interest publicly announced by JPMorgan Chase Bank, National Association, from time to time in New York City as its Prime Rate.

Payments of principal of, interest on and any Yield-Maintenance Amount payable with respect to this Note are to be made at the main office of JPMorgan Chase Bank, National Association, in New York City or at such other place as the holder hereof shall designate to the Company in writing, in lawful money of the United States of America.

This Note is one of a series of Senior Notes (herein called the "Notes") issued pursuant to an Amended and Restated Note Purchase and Private Shelf Agreement, dated as of November 30, 2009 (herein called the "Agreement"), between the Company, on the one hand, and Prudential Investment Management, Inc., the Existing Holders named on the Purchaser Schedule attached thereto, the Series B Note Purchasers named on the Purchaser Schedule attached thereto and each Prudential Affiliate which becomes party thereto, on the other hand, and is entitled to the benefits thereof.

This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company shall not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, on the terms specified in the Agreement.

This Note is guaranteed pursuant to one or more Guaranty Agreements executed by certain guarantors. Reference is made to such Guaranty Agreements for a statement concerning the terms and conditions governing such guarantee of the obligations of the Company hereunder.

The Company and any and all endorsers, guarantors and sureties severally waive grace, demand, presentment for payment, notice of dishonor or default, notice of intent to accelerate, notice of acceleration (except to the extent required in the Agreement), protest and diligence in collecting in connection with this Note, whether now or hereafter required by applicable law.

In case an Event of Default shall occur and be continuing, the principal of this Note may be declared or otherwise become due and payable in the manner and with the effect provided in the Agreement.

Capitalized terms used herein which are defined in the Agreement and not otherwise defined herein shall have the meanings as defined in the Agreement.

THIS NOTE IS INTENDED TO BE PERFORMED IN THE STATE OF ILLINOIS AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAW OF SUCH STATE (EXCLUDING ANY CONFLICTS OF LAW RULES WHICH WOULD OTHERWISE CAUSE THIS NOTE TO BE CONSTRUED OR ENFORCED IN ACCORDANCE WITH THE LAWS OF ANY OTHER JURISDICTION).

SPARTAN MOTORS, INC.

By: _____

Title:_____

[FORM OF SHELF NOTE]

SPARTAN MOTORS, INC.

___% SENIOR SERIES ___ NOTE DUE _____

No. ___
ORIGINAL PRINCIPAL AMOUNT:
ORIGINAL ISSUE DATE:
INTEREST RATE:
INTEREST PAYMENT DATES:
FINAL MATURITY DATE:
PRINCIPAL PREPAYMENT DATES AND AMOUNTS:
PPN_____

FOR VALUE RECEIVED, the undersigned, Spartan Motors, Inc., a corporation organized and existing under the laws of the State of Michigan (herein called the "Company"), hereby promises to pay to _____, or registered assigns, the principal sum of _____ DOLLARS [on the Final Maturity Date specified above] [, payable on the Principal Prepayment Dates and in the amounts specified above, and on the Final Maturity Date specified above in an amount equal to the unpaid balance of the principal hereof,] with interest (computed on the basis of a 360-day year—30-day month) (a) on the unpaid balance thereof at the Interest Rate per annum specified above (or, during any period when an Event of Default shall be in existence, at the election of the Required Holder(s) of this Series of Notes at the Default Rate (as defined below)), from the date hereof, payable on each Interest Payment Date specified above and on the Final Maturity Date specified above, commencing with the Interest Payment Date next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) on any overdue payment (including any overdue prepayment) of principal, any overdue payment of Yield Maintenance Amount and, to the extent permitted by applicable law, any overdue payment of interest, payable on each Interest Payment Date as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the Default Rate. The "Default Rate" shall mean a rate per annum from time to time equal to the lesser of (i) the maximum rate permitted by applicable law, and (ii) the greater of (a) 2.00% over the Interest Rate specified above or (b) 2.00% over the rate of interest publicly announced by JPMorgan Chase Bank, National Association, from time to time in New York City as its Prime Rate.

Payments of principal of, interest on and any Yield Maintenance Amount payable with respect to this Note are to be made at the main office of JPMorgan Chase Bank, National Association, in New York City or at such other place as the holder hereof shall designate to the Company in writing, in lawful money of the United States of America.

This Note is one of a series of Senior Notes (herein called the "Notes") issued pursuant to an Amended and Restated Note Purchase and Private Shelf Agreement, dated as of November

30, 2009 (herein called the "Agreement"), between the Company, on the one hand, and Prudential Investment Management, Inc., the Existing Holders named on the Purchaser Schedule attached thereto, the Series B Note Purchasers named on the Purchaser Schedule attached thereto and each Prudential Affiliate which becomes party thereto, on the other hand, and is entitled to the benefits thereof.

This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company shall not be affected by any notice to the contrary.

[The Company agrees to make required prepayments of principal on the dates and in the amounts specified above or in the Agreement.**]** **[**This Note is **[**also**]** subject to optional prepayment, in whole or from time to time in part, on the terms specified in the Agreement.**]**

This Note is guaranteed pursuant to one or more Guaranty Agreements executed by certain guarantors. Reference is made to such Guaranty Agreements for a statement concerning the terms and conditions governing such guarantee of the obligations of the Company hereunder.

The Company and any and all endorsers, guarantors and sureties severally waive grace, demand, presentment for payment, notice of dishonor or default, notice of intent to accelerate, notice of acceleration (except to the extent required in the Agreement), protest and diligence in collecting in connection with this Note, whether now or hereafter required by applicable law.

In case an Event of Default shall occur and be continuing, the principal of this Note may be declared or otherwise become due and payable in the manner and with the effect provided in the Agreement.

Capitalized terms used herein which are defined in the Agreement and not otherwise defined herein shall have the meanings as defined in the Agreement.

THIS NOTE IS INTENDED TO BE PERFORMED IN THE STATE OF ILLINOIS AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAW OF SUCH STATE (EXCLUDING ANY CONFLICTS OF LAW RULES WHICH WOULD OTHERWISE CAUSE THIS NOTE TO BE CONSTRUED OR ENFORCED IN ACCORDANCE WITH THE LAWS OF ANY OTHER JURISDICTION).

SPARTAN MOTORS, INC.

By: _____
Title:_____

EXHIBIT B

[FORM OF DISBURSEMENT DIRECTION LETTER]

[On Company Letterhead - place on one page]

November 30, 2009

Gibraltar Life Insurance Co., Ltd.
c/o Prudential Capital Group
Two Prudential Plaza
180 North Stetson, Suite 5600
Chicago, IL 60601-6716

Re: 5.46% Series B Senior Notes due December 1, 2016 (the "Notes")

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Note Purchase and Private Shelf Agreement (the "Note Agreement"), dated November 30, 2009, between Spartan Motors, Inc., a Michigan corporation (the "Company"), Prudential Investment Management, Inc., and you. Capitalized terms used herein shall have the meanings assigned to such terms in the Note Agreement.

You are hereby irrevocably authorized and directed to disburse the $5,000,000 purchase price of the Notes by wire transfer of immediately available funds to JPMorgan Chase Bank, N.A., ABA #021-00-00-21, for credit to the account of Spartan Motors, account no. 318433.

Disbursement when so made shall constitute payment in full of the purchase price of the Notes and shall be without liability of any kind whatsoever to you.

Very truly yours,

SPARTAN MOTORS, INC.

By: _____
Title:_____

EXHIBIT C

[FORM OF REQUEST FOR PURCHASE]

SPARTAN MOTORS, INC.

REQUEST FOR PURCHASE

Reference is made to the Amended and Restated Note Purchase and Private Shelf Agreement (the "Agreement"), dated as of November 30, 2009, between Spartan Motors, Inc. (the "Company"), on the one hand, and Prudential Investment Management, Inc. ("Prudential"), the Existing Holders named in the Purchaser Schedule attached thereto, the Series B Note Purchaser named in the Purchaser Schedule attached thereto and each Prudential Affiliate which becomes party thereto, on the other hand. Capitalized terms used and not otherwise defined herein shall have the respective meanings specified in the Agreement.

Pursuant to Paragraph 2B(3) of the Agreement, the Company hereby makes the following Request for Purchase:

1. Aggregate principal amount of the Notes covered hereby (the "Notes") $_____ [1]

2. Individual specifications of the Notes:

Principal Amount	Final Maturity Date	Principal Prepayment Dates and Amounts	Interest Payment Period [2]

3. Use of proceeds of the Notes:

4. Proposed day for the closing of the purchase and sale of the Notes:

5. The purchase price of the Notes is to be transferred to:

Name, Address and ABA Routing Number of Bank	Number of Account

[1] Minimum principal amount of $5,000,000

[2] Specify quarterly or semiannually in arrears

6. The Company certifies (a) that the representations and warranties contained in paragraph 8 of the Agreement and in the other Transaction Documents are true on and as of the date of this Request for Purchase, and (b) that there exists on the date of this Request for Purchase no Event of Default or Default.

7. The Issuance Fee to be paid pursuant to the Agreement will be paid by the Company on the closing date.

Dated:

SPARTAN MOTORS, INC.

By: _____
Authorized Officer

[FORM OF CONFIRMATION OF ACCEPTANCE]

SPARTAN MOTORS, INC.

CONFIRMATION OF ACCEPTANCE

Reference is made to the Amended and Restated Note Purchase and Private Shelf Agreement (the "Agreement"), dated as of November 30, 2009 between Spartan Motors, Inc. (the "Company"), on the one hand, and Prudential Investment Management, Inc. ("Prudential"), the Existing Holders named in the Purchaser Schedule attached thereto, the Series B Note Purchaser named in the Purchaser Schedule attached thereto and each Prudential Affiliate which becomes party thereto, on the other hand. All terms used herein that are defined in the Agreement have the respective meanings specified in the Agreement.

Prudential or the Prudential Affiliate which is named below as a Purchaser of Notes hereby confirms the representations as to such Notes set forth in paragraph 9 of the Agreement, and agrees to be bound by the provisions of paragraphs 2B(5) and 2B(7) of the Agreement relating to the purchase and sale of such Notes and by the provisions of the second sentence of paragraph 11A of the Agreement.

Pursuant to paragraph 2B(5) of the Agreement, an Acceptance with respect to the following Accepted Notes is hereby confirmed:

I. Accepted Notes: Aggregate principal amount $_____

(A) (a) Name of Purchaser:
(b) Principal amount:
(c) Final maturity date:
(d) Principal prepayment dates and amounts:
(e) Interest rate:
(f) Interest payment period:
(g) Payment and notice instructions: As set forth on attached Purchaser Schedule

(B) (a) Name of Purchaser:
(b) Principal amount:
(c) Final maturity date:
(d) Principal prepayment dates and amounts:
(e) Interest rate:
(f) Interest payment period:
(g) Payment and notice instructions: As set forth on attached Purchaser Schedule

[(C), (D) same information as above.]

II. Closing Day:

III. Issuance Fee:

Dated: _____

SPARTAN MOTORS, INC.

By: _____
Title:_____

[PRUDENTIAL AFFILIATE]

By: _____
Vice President

[FORM OF AMENDED AND RESTATED GUARANTY AGREEMENT]

AMENDED AND RESTATED
GUARANTY AGREEMENT

This **AMENDED AND RESTATED GUARANTY AGREEMENT** (the **"Guaranty"**), dated as of November 30, 2009, is made by the guarantors named in the Guarantor Schedule attached hereto and each guarantor that may become a party to this Guaranty by executing a joinder hereto (herein referred to, individually, as a **"Guarantor"** and, collectively, as **"Guarantors"**), in favor of Prudential Investment Management, Inc. (**"Prudential"**) and the holders of the Notes (as defined below) from time to time (the **"Holders"**).

WITNESSETH:

WHEREAS, Spartan Motors, Inc., a corporation organized and existing under the laws of the State of Michigan (the **"Company"**), The Prudential Investment Management, Inc. (**"Prudential"**), The Prudential Insurance Company of America (**"TPICA"**) and Pruco Life Insurance Company of New Jersey (**"Pruco New Jersey";** and, together with TPICA, the **"Exiting Holders"**) are parties to that certain Note Purchase and Private Shelf Agreement dated as of November 30, 2007 (the **"Existing Note Agreement"**), under which the Company issued its 4.93% Series A Senior Notes due November 30, 2010 (as amended, modified, supplemented or restated from time to time, the **"Series A Notes"**), and

WHEREAS, the Guarantors have executed a Guaranty Agreement, dated as of November 30, 2007 (the **"Existing Guaranty Agreement"**), under which the Guarantors have guarantied the Company's obligations under the Existing Note Agreement and the Series A Notes; and

WHEREAS, the Company, Prudential, TPICA, Pruco New Jersey and Gibraltar Life Insurance Co., Ltd. (the " **Series B Note Purchaser**") are entering into the Amended and Restated Note Purchase and Private Shelf Agreement, dated as of November 30, 2009, 2009 (as amended, modified, supplemented or restated from time to time, the **"Note Agreement"**), which will amend and restate the Existing Note Agreement in its entirety and under which the Company is issuing its 5.46% Series B Senior Notes due December 1, 2016 (as amended, modified, supplemented or restated from time to time, the **"Series B Notes"**) and may from time to time issue additional series of senior notes (as amended, modified, supplemented or restated from time to time, the **"Shelf Notes"**; together with the Series A Notes and the Series B Notes referred to herein as the **"Notes"**); and

WHEREAS, each Guarantor is a direct or indirect Wholly-Owned Subsidiary of the Company;

WHEREAS, the Guarantors will derive substantial value and benefit from the issuance of the Notes pursuant to the Note Agreement; and

WHEREAS, as a condition to the obligation of the Series B Note Purchaser to purchase the Series B Notes and the obligation of any Prudential Affiliate to purchase any Shelf Notes under the Note Agreement, each Purchaser and Prudential has required that the Guarantors execute and deliver this Guaranty for the benefit of Prudential and the Holders.

NOW THEREFORE, for value received, to satisfy one of the conditions precedent to the effectiveness of the Note Agreement, to induce Prudential, the Existing Holders, the Series B Note Purchaser and any future purchasers of any Shelf Notes to enter into the Note Agreement described above, to induce the Series B Note Purchaser to purchase the Series B Notes and any Prudential Affiliate to purchase any Shelf Notes under the Note Agreement, for the reasons set forth above and set forth in the Note Agreement, for and in consideration of the premises and mutual covenants herein contained, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, each Guarantor, intending to be legally bound, does hereby covenant and agree as follows:

1. DEFINITIONS; RECITALS. Capitalized terms that are used in this Guaranty and not defined in this Guaranty shall have the meaning ascribed to them in the Note Agreement. The recitals in this Guaranty are incorporated into this Guaranty.

2. THE GUARANTY.

2A. Guaranty of Payment and Performance of Obligations. Each Guarantor, jointly and severally with each Guarantor, absolutely, unconditionally and irrevocably guarantees, and confirms the absolute, unconditional and irrevocable guarantee under the Existing Guaranty Agreement of, the full and prompt payment in United States currency when due (whether at maturity, a stated prepayment date or earlier by reason of acceleration or otherwise) and at all times thereafter, and the due and punctual performance, of all of the indebtedness, obligations and liabilities existing on the date hereof or arising from time to time hereafter, whether direct or indirect, joint or several, actual, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise, of the Company to Prudential or any Holder under or in respect of the Note Agreement, the Notes, the other Transaction Documents or any other agreements, documents, certificates and instruments now or hereafter executed or delivered by the Company, such Guarantor or any other guarantor in connection with the Note Agreement, including, without limitation, the principal of and interest (including, without limitation, interest accruing before, during or after any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, liquidation or dissolution proceeding, and, if interest ceases to accrue by operation of law by reason of any such proceeding, interest which otherwise would have accrued in the absence of such proceeding, whether or not allowed as a claim in such proceeding) on the Notes and any Yield-Maintenance Amount with respect to any of the Notes (collectively, the **"Guarantied Obligations"**). This is a continuing guaranty of payment and performance and not of collection. Notwithstanding the foregoing, the aggregate amount of any Guarantor's liability under this Guaranty shall not exceed the maximum amount that such Guarantor can guaranty without violating, or causing this Guaranty or such Guarantor's obligations under this Guaranty to be

void, voidable or otherwise unenforceable under, any fraudulent conveyance or fraudulent transfer law, including Section 548(a)(2) of the Bankruptcy Code.

Upon an Event of Default, Prudential or any Holder may, at its sole election and without notice, proceed directly and at once against any Guarantor to seek and enforce performance of, and to collect and recover, the Guarantied Obligations, or any portion thereof, without first proceeding against the Company or any other Person or any security for the Guarantied Obligations or for the liability of any such other Person or the Guarantors hereunder. Prudential and each Holder shall have the exclusive right to determine the application of payments and credits, if any, from the Guarantors, the Company or from any other Person on account of the Guarantied Obligations or otherwise. This Guaranty and all covenants and agreements of the Guarantors contained herein shall continue in full force and effect and shall not be discharged until such a time as all of the Guarantied Obligations shall be indefeasibly paid in full in cash.

2B. Obligations Unconditional. The obligations of each Guarantor under this Guaranty shall be continuing, absolute and unconditional, irrespective of (i) the invalidity or unenforceability of the Note Agreement, the Notes, the other Transaction Documents or any other agreements, documents, certificates and instruments now or hereafter executed or delivered by the Company, any other Guarantor or any other Person in connection with the Note Agreement or any other Transaction Document or any provision thereof; (ii) the absence of any attempt by Prudential or any Holder to collect the Guarantied Obligations or any portion thereof from the Company, any other Guarantor or any other Person or other action to enforce the same; (iii) any action taken by Prudential or any Holder whether or not authorized by this Guaranty; (iv) any failure by Prudential or any Holder to acquire, perfect or maintain any security interest or lien in, or take any steps to preserve its rights to, any security for the Guarantied Obligations or any portion thereof or for the liability of such Guarantor hereunder or the liability of the Company, any other Guarantor or any other Person or any or all of the Guarantied Obligations; (v) any defense arising by reason of any disability or other defense (other than a defense of payment, unless the payment on which such defense is based was or is subsequently invalidated, declared to be fraudulent or preferential, otherwise avoided and/or required to be repaid to the Company or any Guarantor, as the case may be, or the estate of any such party, a trustee, receiver or any other Person under any bankruptcy law, state or federal law, common law or equitable cause, in which case there shall be no defense of payment with respect to such payment) of the Company or any other Person liable on the Guarantied Obligations or any portion thereof; (vi) Prudential's or any Holder's election, in any proceeding instituted under Chapter 11 of Title 11 of the Federal Bankruptcy Code (11 U.S.C. §101 et seq.) (the "**Bankruptcy Code**"), of the application of Section 1111(b)(2) of the Bankruptcy Code; (vii) any borrowing or grant of a security interest to Prudential or any Holder by the Company as debtor-in-possession, or extension of credit, under Section 364 of the Bankruptcy Code; (viii) the disallowance or avoidance of all or any portion of Prudential's or any Holder's claim(s) for repayment of the Guarantied Obligations under the Bankruptcy Code or any similar state law or the avoidance, invalidity or unenforceability of any Lien securing the Guarantied Obligations or the liability of any Guarantor hereunder or under any of the other Transaction Documents or of the Company or any other guarantor of all or any part of the Guarantied Obligations; (ix) any amendment to, waiver or modification of, or consent, extension, indulgence or other action or inaction under or in respect of the Note Agreement, the Notes, the other Transaction Documents or any other

agreements, documents, certificates and instruments now or hereafter executed or delivered by the Company or any Guarantor or any other guarantor in connection with the Note Agreement (including, without limitation, the issuance of Notes from time to time under the Note Agreement and any increase in the interest rate on the Notes); (x) any change in any provision of any applicable law or regulation; (xi) any order, judgment, writ, award or decree of any court, arbitrator or governmental authority, domestic or foreign, binding on or affecting any Guarantor, the Company or any other guarantor or any of their assets; (xii) the articles of incorporation or articles of organization (as the case may be), or the by-laws or limited liability company agreement (as the case may be) of any Guarantor or the Company or any other guarantor; (xiii) any mortgage, indenture, lease, contract, or other agreement (including without limitation any agreement with stockholders), instrument or undertaking to which any Guarantor or the Company is a party or which purports to be binding on or affect any such Person or any of its assets; (xiv) any bankruptcy, insolvency, readjustment, composition, liquidation or similar proceeding with respect to the Company, any Guarantor or any other guarantor of all or any portion of any Guarantied Obligations or any such Person's property and any failure by Prudential or any Holder to file or enforce a claim against the Company, any Guarantor or any such other Person in any such proceeding; (xv) any failure on the part of the Company for any reason to comply with or perform any of the terms of any other agreement with any Guarantor; or (xvi) any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor.

2C. Obligations Unimpaired. Prudential and each Holder is authorized, without demand or notice, which demand and notice are hereby waived, and without discharging or otherwise affecting the obligations of any Guarantor hereunder (which shall remain absolute and unconditional notwithstanding any such action or omission to act), from time to time to (i) renew, extend, accelerate or otherwise change the time for payment of, or other terms relating to, the Guarantied Obligations or any portion thereof, or otherwise modify, amend or change the terms of the Note Agreement, the Notes, any other Transaction Documents or any other agreements, documents, certificates and instruments now or hereafter executed or delivered by the Company, any Guarantor or any other guarantor of all or any of the Guarantied Obligations in connection with the Note Agreement; (ii) accept partial payments on the Guarantied Obligations; (iii) take and hold security for the Guarantied Obligations or any portion thereof or any other liabilities of the Company, the obligations of any Guarantor under this Guaranty and the obligations under any other guaranties and sureties of all or any of the Guarantied Obligations, and exchange, enforce, waive, release, sell, transfer, assign, abandon, fail to perfect, subordinate or otherwise deal with any such security; (iv) apply such security and direct the order or manner of sale thereof as Prudential or any Holder may determine in its sole discretion; (v) settle, release, compromise, collect or otherwise liquidate the Guarantied Obligations or any portion thereof and any security therefor or guaranty thereof in any manner; (vi) extend additional loans, credit and financial accommodations to the Company and otherwise create additional Guarantied Obligations, including, without limitation, by the purchase of Notes from time to time under the Note Agreement; (vii) waive strict compliance with the terms of the Note Agreement, the Notes, any other Transaction Document or any other agreements, documents, certificates and instruments now or hereafter executed or delivered by the Company, any Guarantor or any other guarantor of all or any of the Guarantied Obligations in connection with the Note Agreement and otherwise forbear from asserting Prudential's or any Holder's rights and remedies thereunder; (viii) take and hold additional guaranties or sureties and enforce or forbear

from enforcing any guaranty or surety of any other guarantor or surety of the Guarantied Obligations, any portion thereof or release or otherwise take any action (or omit to take any action) with respect to any such guarantor or surety; (ix) assign this Guaranty in part or in whole in connection with any assignment of the Guarantied Obligations or any portion thereof; (x) exercise or refrain from exercising any rights against the Company or any Guarantor; and (xi) apply any sums, by whomsoever paid or however realized, to the payment of the Guarantied Obligations as Prudential or any Holder in its sole discretion may determine.

2D. Waivers of Guarantors. Each Guarantor waives for the benefit of Prudential and the Holders:

(i) any right to require Prudential or any Holder, as a condition of payment or performance by such Guarantor or otherwise to (a) proceed against the Company, any other Guarantor, any other guarantor of the Guarantied Obligations or any other Person, (b) proceed against or exhaust any security given to or held by Prudential or any Holder in connection with the Guarantied Obligations or any other guaranty, or (c) pursue any other remedy available to Prudential or any Holder whatsoever;

(ii) any defense arising by reason of (a) the incapacity, lack of authority or any disability or other defense of the Company, including, without limitation, any defense based on or arising out of the lack of validity or the unenforceability of the Guarantied Obligations or any agreement or instrument relating thereto, (b) the cessation of the liability of the Company from any cause other than indefeasible payment in full of the Guarantied Obligations in cash or (c) any act or omission of Prudential or any Holder or any other Person which directly or indirectly, by operation of law or otherwise, results in or aids the discharge or release of the Company or any security given to or held by Prudential or any Holder in connection with the Guarantied Obligations or any other guaranty;

(iii) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal;

(iv) any defense based upon Prudential's any Holder's errors or omissions in the administration of the Guarantied Obligations;

(v) (a) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms of this Guaranty and any legal or equitable discharge of such Guarantor's obligations hereunder, (b) the benefit of any statute of limitations affecting the Guarantied Obligations or such Guarantor's liability hereunder or the enforcement hereof, (c) any rights to set-offs, recoupments and counterclaims, and (d) promptness, diligence and any requirement that Prudential or any Holder protect, maintain, secure, perfect or insure any Lien or any property subject thereto;

(vi) notices (a) of nonperformance or dishonor, (b) of acceptance of this Guaranty by Prudential or any Holder or by such Guarantor, (c) of default in respect of the Guarantied Obligations or any other guaranty, (d) of the existence, creation or incurrence of new or additional indebtedness, arising either from additional loans extended to the Company or

otherwise, including without limitation, as a result of the issuance of any Notes, (e) that the principal amount, or any portion thereof, and/or any interest on any document or instrument evidencing all or any part of the Guarantied Obligations is due, (f) of any and all proceedings to collect from the Company, any Guarantor or any other guarantor of all or any part of the Guarantied Obligations, or from anyone else, (g) of exchange, sale, surrender or other handling of any security or collateral given to Prudential or any Holder to secure payment of the Guarantied Obligations or any guaranty therefor, (h) of renewal, extension or modification of any of the Guarantied Obligations, (i) of assignment, sale or other transfer of any Note to a Transferee, or (j) of any of the matters referred to in paragraph 2B and any right to consent to any thereof;

(vii) presentment, demand for payment or performance and protest and notice of protest with respect to the Guarantied Obligations or any guaranty with respect thereto; and

(viii) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms of this Guaranty.

Each Guarantor agrees that neither Prudential nor any Holder shall be under any obligation to marshall any assets in favor of such Guarantor or against or in payment of any or all of the Guarantied Obligations.

No Guarantor will exercise any rights which it may have acquired by way of subrogation under this Guaranty, by any payment made hereunder or otherwise, or accept any payment on account of such subrogation rights, or any rights of exoneration, reimbursement or indemnity or contribution or any rights or recourse to any security for the Guarantied Obligations or this Guaranty unless at the time of such Guarantor's exercise of any such right there shall have been performed and indefeasibly paid in full in cash all of the Guarantied Obligations.

2E. Revival. Each Guarantor agrees that, if any payment made by the Company or any other Person is applied to the Guarantied Obligations and is at any time annulled, set aside, rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be refunded or repaid, or the proceeds of any security are required to be returned by Prudential or any Holder to the Company, its estate, trustee, receiver or any other Person, including, without limitation, such Guarantor, under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or repayment, such Guarantor's liability hereunder (and any lien, security interest or other collateral securing such liability) shall be and remain in full force and effect, as fully as if such payment had never been made, or, if prior thereto this Guaranty shall have been canceled or surrendered (and if any lien, security interest or other collateral securing such Guarantor's liability hereunder shall have been released or terminated by virtue of such cancellation or surrender), this Guaranty (and such lien, security interest or other collateral) shall be reinstated and returned in full force and effect, and such prior cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect the obligations of such Guarantor in respect of the amount of such payment (or any lien, security interest or other collateral securing such obligation).

2F. Obligation to Keep Informed. Each Guarantor shall be responsible for keeping itself informed of the financial condition of the Company and any other Persons primarily or secondarily liable on the Guarantied Obligations or any portion thereof, and of all other circumstances bearing upon the risk of nonpayment of the Guarantied Obligations or any portion thereof, and each Guarantor agrees that neither Prudential nor any Holder shall have any duty to advise such Guarantor of information known to Prudential or such Holder regarding such condition or any such circumstance. If Prudential or any Holder, in its discretion, undertakes at any time or from time to time to provide any such information to any Guarantor, neither Prudential nor such Holder shall be under any obligation (i) to undertake any investigation, whether or not a part of its regular business routine, (ii) to disclose any information which Prudential or such Holder wishes to maintain confidential, or (iii) to make any other or future disclosures of such information or any other information to any Guarantor.

2G. Bankruptcy. If any Event of Default specified in clauses (viii) or (ix) of paragraph 7A of the Note Agreement shall occur and be continuing, then each Guarantor agrees to immediately pay to the Holders the full outstanding amount of the Guarantied Obligations without notice.

3. REPRESENTATIONS AND WARRANTIES.

Each Guarantor represents, covenants and warrants as follows:

3A. Organization. Such Guarantor is a company duly organized and existing in good standing under the laws of its state of organization and is qualified to do business and in good standing in every jurisdiction where the ownership of its property or the nature of the business conducted by it makes such qualification necessary and in which the failure to be so qualified could be reasonably likely to result in a Material Adverse Effect.

3B. Power and Authority. Such Guarantor and each Subsidiary of such Guarantor has all requisite power to conduct its business as currently conducted and as currently proposed to be conducted. Such Guarantor has all requisite power to execute, deliver and perform its obligations under this Guaranty. The execution, delivery and performance of this Guaranty have been duly authorized by all requisite action and this Guaranty has been duly executed and delivered by authorized officers of such Guarantor and are valid obligations of such Guarantor, legally binding upon and enforceable against such Guarantor in accordance with their terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3C. Conflicting Agreements and Other Matters. The execution and delivery of this Guaranty, the offering, issuance and sale of the Notes, and the fulfillment of or the compliance with the terms and provisions hereof will not conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, or result in any violation of, or result in the creation of any Lien upon any of the properties or assets of such Guarantor or any of its Subsidiaries pursuant to, the certificate of incorporation or articles of organization (as the case may be), the by-laws or limited liability company agreement (as the case may be) of

such Guarantor or any of its Subsidiaries, any award of any arbitrator or any agreement (including any agreement with stockholders of such Guarantor or Persons with direct or indirect ownership interests in stockholders of such Guarantor), instrument, order, judgment, decree, statute, law, rule or regulation to which such Guarantor or any of its Subsidiaries is subject. Neither such Guarantor nor any of its Subsidiaries is a party to, or otherwise subject to any provision contained in, any instrument evidencing any Indebtedness of such Guarantor or such Subsidiary, any agreement relating thereto or any other contract or agreement (including its charter) which limits the amount of, or otherwise imposes restrictions on the incurring of, obligations of such Guarantor of the type to be evidenced by this Guaranty.

3D. ERISA. The execution and delivery of this Guaranty will be exempt from, or will not involve any transaction which is subject to, the prohibitions of section 406 of ERISA and will not involve any transaction in connection with which a penalty could be imposed under section 502(i) of ERISA or a tax could be imposed pursuant to section 4975 of the Code.

3E. Governmental Consent. Neither the nature of such Guarantor or of any Subsidiary of such Guarantor nor any of their respective businesses or properties, nor any relationship between such Guarantor or any Subsidiary of such Guarantor and any other Person, nor any circumstance in connection with the execution, delivery and performance of this Guaranty, nor the offering, issuance, sale or delivery of the Notes is such as to require any authorization, consent, approval, exemption or other action by or notice to or filing with any court or administrative or governmental body (including, without limitation, notifications required by the Hart-Scott-Rodino Antitrust Improvements Act of 1976, but excluding routine filings after the date of closing with the Securities and Exchange Commission and/or state Blue Sky authorities).

3F. Regulatory Status. Neither such Guarantor nor any Subsidiary of such Guarantor is (i) an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, (ii) a "holding company" or a "subsidiary company" or an "affiliate" of a "holding company" or a "subsidiary company" of a "holding company", within the meaning of the Public Utility Holding Company Act of 2005, as amended, or (iii) a "public utility" within the meaning of the Federal Power Act, as amended.

3G. Actions by the Guarantor and its Subsidiaries. Each Guarantor covenants that it will not take any action that would directly or indirectly result in an Event of Default or Default.

4. MISCELLANEOUS.

4A. Successors, Assigns and Participants. This Guaranty shall be binding upon each Guarantor and its successors and assigns and shall inure to the benefit of Prudential and each Holder and their respective successors, transferees and assigns; all references herein to each Guarantor shall be deemed to include its successors and assigns, and all references herein to Prudential or any Holder shall be deemed to include their respective successors and assigns. This Guaranty shall be enforceable by Prudential and each Holder and any of Prudential's or

such Holder's successors, assigns and participants, and any such successors and assigns shall have the same rights and benefits with respect to each Guarantor under this Guaranty as Prudential or such Holder hereunder.

4B. Consent to Amendments. This Guaranty may be amended, and each Guarantor may take any action herein prohibited, or omit to perform any act herein required to be performed by it, if such Guarantor shall obtain the written consent to such amendment, action or omission to act, of the Required Holder(s) of the Notes, except that, without the written consent of all of the Holders, (i) no amendment to or waiver of the provisions of this Guaranty shall change or affect the provisions of this paragraph 4B insofar as such provisions relate to proportions of the principal amount of the Notes, or the rights of any individual Holder, required with respect to any consent, (ii) no Guarantor shall be released from this Guaranty, and (iii) no amendment, consent or waiver with respect to paragraph 2A or the definition of "Guarantied Obligations" (except to add additional obligations of the Company) shall be effective. Each Holder at the time or thereafter outstanding shall be bound by any consent authorized by this paragraph 4B, whether or not the Notes held by such Holder shall have been marked to indicate such consent, but any Notes issued thereafter may bear a notation referring to any such consent. No course of dealing between any Guarantor and Prudential or any Holder, nor any delay in exercising any rights hereunder or under any Note shall operate as a waiver of any rights of Prudential or any Holder. As used herein, the term "this Guaranty" and references thereto shall mean this Guaranty as it may from time to time be amended or supplemented. Notwithstanding the foregoing, this Guaranty may be amended by the addition of additional Guarantors pursuant to a Guaranty Joinder in the form of Exhibit A hereto without any consent by any Guarantor, Prudential or any Holder.

4C. Survival of Representations and Warranties; Entire Agreement. All representations and warranties contained herein or made in writing by or on behalf of each Guarantor in connection herewith shall survive the execution and delivery of this Guaranty, the transfer by any Holder of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any Transferee, regardless of any investigation made at any time by or on behalf of Prudential, any Holder or any Transferee. Subject to the two preceding sentences, this Guaranty embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to the subject matter hereof.

4D. Notices. All written communications provided for hereunder shall be sent by first class mail or telegraphic notice or nationwide overnight delivery service (with charges prepaid) or by hand delivery or telecopy and addressed:

(i) in the case of any Guarantor, to:

c/o Spartan Motors, Inc.
1165 Reynolds Road
Charlotte, Michigan 48813
Attention: Chief Financial Officer
Phone: (517) 541-3803 x 3803
Fax: (517) 541-3292

(ii) in the case of Prudential or any Holder, to the address specified for notices to Prudential or such Holder under the Note Agreement;

or, in either case, at such other address as shall be designated by such Person in a written notice to the other parties hereto.

4E. Descriptive Headings; Advice of Counsel; Interpretation. The descriptive headings of the several sections of this Guaranty are inserted for convenience only and do not constitute a part of this Guaranty. Each Guarantor represents to Prudential and the Holders that such Guarantor has been represented by counsel in connection with this Guaranty, that such Guarantor has discussed this Guaranty with its counsel and that any and all issues with respect to this Guaranty have been resolved as set forth herein. No provision of this Guaranty shall be construed against or interpreted to the disadvantage of Prudential or any Holder by any court or other governmental or judicial authority by reason of Prudential or such Holder having or being deemed to have structured, drafted or dictated such provision.

4F. Satisfaction Requirement. If any agreement, certificate or other writing, or any action taken or to be taken, is by the terms of this Guaranty required to be satisfactory to Prudential, any Holder or the Required Holder(s) of the Notes, the determination of such satisfaction shall be made by Prudential, such Holder or such Required Holder(s), as the case may be, in the sole and exclusive judgment (exercised in good faith) of the Person or Persons making such determination.

4G. Governing Law. THIS GUARANTY SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE LAW OF THE STATE OF ILLINOIS (EXCLUDING ANY CONFLICTS OF LAW RULES WHICH WOULD OTHERWISE CAUSE THIS GUARANTY TO BE CONSTRUED OR ENFORCED IN ACCORDANCE WITH, OR THE RIGHTS OF THE PARTIES TO BE GOVERNED BY, THE LAWS OF ANY OTHER JURISDICTION).

4H. Counterparts; Facsimile Signatures. This Guaranty may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one and the same agreement. It shall not be necessary in making proof of this Guaranty to produce or account for more than one such counterpart. Delivery of an executed counterpart of a signature page to this Guaranty by facsimile or electronic transmission shall be effective as delivery of a manually executed counterpart of this Guaranty.

4I. Counsel's Opinion. Each Guarantor requests directs the counsel referred to in paragraph 3C of the Note Agreement to deliver the opinion referred to in such paragraph.

4J. SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS GUARANTY OR THE OTHER TRANSACTION DOCUMENTS MAY BE BROUGHT IN THE COURTS OF THE STATE OF ILLINOIS IN COOK COUNTY, ILLINOIS, OR OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS AND, BY EXECUTION AND DELIVERY OF THIS GUARANTY, EACH GUARANTOR HEREBY

IRREVOCABLY ACCEPTS, UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS WITH RESPECT TO ANY SUCH ACTION OR PROCEEDING. EACH GUARANTOR FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO IT AT ITS ADDRESS PROVIDED IN PARAGRAPH 4D(i), SUCH SERVICE TO BECOME EFFECTIVE UPON RECEIPT. EACH GUARANTOR AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN ANY OTHER JURISDICTION BY SUIT ON SUCH JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING HEREIN SHALL AFFECT THE RIGHT OF PRUDENTIAL OR ANY HOLDER TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANY GUARANTOR IN ANY OTHER JURISDICTION. EACH GUARANTOR HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS GUARANTY BROUGHT IN ANY OF THE AFORESAID COURTS AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. TO THE EXTENT THAT ANY GUARANTOR HAS OR MAY HEREAFTER ACQUIRE IMMUNITY FROM JURISDICTION OF ANY COURT OR FROM ANY LEGAL PROCESS (WHETHER THROUGH SERVICE OF NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION, EXECUTION OR OTHERWISE WITH RESPECT TO ITSELF OR ITS PROPERTY, SUCH GUARANTOR HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER THIS GUARANTY. EACH GUARANTOR HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE TRANSACTIONS CONTEMPLATED THEREBY.

4K. Independence of Covenants. All covenants hereunder shall be given independent effect so that if a particular action or condition is prohibited by any one of such covenants, the fact that it would be permitted by an exception to, or otherwise be in compliance within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or such condition exists.

4L. Severability. Any provision of this Guaranty which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

4M. Contribution with Respect to Guaranty Obligations. At all times when there is more than one Guarantor party hereto, each Guarantor party hereto agrees as follows:

(i) To the extent any Guarantor shall make a payment of all or any of the Guarantied Obligations (a **"Guarantor Payment"**) that exceeds the amount that such Guarantor would otherwise have paid, taking into account all other Guarantor Payments then previously or concurrently made by any other Guarantor, if each Guarantor had paid the aggregate Guarantied Obligations satisfied by all such Guarantor Payments in the same proportion that such Guarantor's Allocable Amount (as determined immediately prior to such Guarantor Payment) bore to the aggregate Allocable Amounts of all Guarantors (as determined immediately prior to such Guarantor Payment), then, after the Guarantied Obligations shall be indefeasibly paid in full in cash and no Holder shall have any commitment under the Note Agreement, such Guarantor shall be entitled to receive contribution and indemnification payments from and be reimbursed by each other Guarantor for the amount of such excess, pro rata based upon their respective Allocable Amounts in effect immediately prior to such Guarantor Payment.

(ii) As of any date of determination, the "Allocable Amount" of any Guarantor shall be equal to the maximum amount of the claim that could then be recovered from such Guarantor under this Section 4M without rendering such claim void, voidable or otherwise unenforceable under, any fraudulent conveyance or fraudulent transfer law, including Section 548 of the Bankruptcy Code.

(iii) This Section 4M is intended only to define the relative rights of Guarantors, and nothing in this Section 4M is intended to or shall impair the obligations of Guarantors, jointly and severally, to pay any amounts as and when the same shall become due and payable in accordance with this Guaranty.

(iv) The rights of contribution and indemnification hereunder shall constitute assets of the Guarantor to which such contribution and indemnification is owing.

(v) The rights of the indemnifying Guarantors against other Guarantors under this Section 4M shall be exercisable once the Guarantied Obligations shall be indefeasibly paid in full in cash and no Holder shall have any commitment under the Note Agreement.

4N. Restatement. Upon the execution hereof by the Guarantors and acceptance hereof by Prudential and the Existing Holders, the Existing Guaranty Agreement shall be amended and restated in its entirety to read as set forth above.

[signature pages follow]

IN WITNESS WHEREOF, each Guarantor has caused this Guaranty Agreement to be duly executed as of the date first above written.

CRIMSON FIRE AERIAL, INC.

By: _____
Title:_____

CRIMSON FIRE, INC.

By: _____
Title:_____

ROAD RESCUE, INC.

By: _____
Title:_____

SPARTAN MOTORS CHASSIS, INC.

By: _____
Title:_____

UTILIMASTER HOLDINGS, INC.

By: _____
Title:_____

UTILIMASTER CORPORATION

By: _____
Title:_____

Accepted as of the date first written above:

PRUDENTIAL INVESTMENT MANAGEMENT, INC.

By: _____
Title: Vice President

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

By: _____
Title: Vice President

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY

By: _____
Title: Vice President

GIBRALTAR LIFE INSURANCE CO., LTD.

By: Prudential Investment Management (Japan), Inc., as Investment Manager

By: Prudential Investment Management, Inc., as Sub-Adviser

By: _____
Vice President

GUARANTOR SCHEDULE

Crimson Fire Aerial, Inc., a Pennsylvania corporation

Crimson Fire, Inc., a South Dakota corporation

Road Rescue, Inc., a South Carolina corporation

Spartan Motors Chassis, Inc., a Michigan corporation

Utilimaster Holdings, Inc., a Delaware corporation

Utilimaster Corporation, a Delaware corporation

EXHIBIT A

[FORM OF JOINDER AGREEMENT TO AMENDED AND RESTATED GUARANTY AGREEMENT]

JOINDER AGREEMENT NO. ____ TO AMENDED AND RESTATED GUARANTY AGREEMENT

RE: SPARTAN MOTORS, INC.

This Joinder Agreement is made as of _____, in favor of Prudential Investment Management, Inc. (**"Prudential"**) and the Holders (as such term is defined in the Guaranty, as hereinafter defined).

A. Reference is made to the Amended and Restated Guaranty Agreement made as of November 30, 2009 (as such guarantee may be supplemented, amended, restated or consolidated from time to time, the **"Guaranty"**) by certain Persons in favor of Prudential and the Holders, under which such Persons have guaranteed to Prudential and the Holders the due payment and performance by Spartan Motors, Inc. a Michigan corporation (the **"Company"**) of the Guarantied Obligations (as defined in the Guaranty).

B. Capitalized terms used but not otherwise defined in this Joinder Agreement have the respective meanings given to such terms in the Guaranty, including the definitions of terms incorporated in the Guaranty by reference to other agreements.

C. Section 4B of the Guaranty provides that additional Persons may from time to time after the date of the Guaranty become Guarantors under the Guaranty by executing and delivering to Prudential and the Holders a supplemental agreement to the Guaranty in the form of this Joinder Agreement.

For valuable consideration, each of the undersigned (each a " **New Guarantor"**) severally (and not jointly, or jointly and severally) agrees as follows:

1. Each of the New Guarantors has received a copy of, and has reviewed, the Guaranty and the Transaction Documents in existence on the date of this Joinder Agreement and is executing and delivering this Joinder Agreement to Prudential and the Holders pursuant to paragraph 4B of the Guaranty.

2. Effective from and after the date this Joinder Agreement is executed and delivered to Prudential and the Holders by any one of the New Guarantors (and irrespective of whether this Joinder Agreement has been executed and delivered by any other Person), such New Guarantor is, and shall be deemed for all purposes to be, a Guarantor under the Guaranty with the same force and effect, and subject to the same agreements, representations, guarantees, indemnities, liabilities and obligations, as if such New Guarantor was, effective as of the date of this Joinder Agreement, an original signatory to the Guaranty as a Guarantor. In furtherance of the foregoing, each of the New Guarantors jointly and severally guarantees to Prudential and the Holders in accordance with the provisions of the Guaranty the due and punctual payment and

performance in full of each of the Guarantied Obligations as each such Guarantied Obligation becomes due from time to time (whether because of maturity, default, demand, acceleration or otherwise) and understands, agrees and confirms that Prudential and the Holders may enforce the Guaranty and this Joinder Agreement against such New Guarantor for the benefit of Prudential and the Holders up to the full amount of the Guarantied Obligations without proceeding against any other Guarantor, the Company, any other Person, or any collateral securing the Guarantied Obligations. The terms and provisions of the Guaranty are incorporated by reference in this Joinder Agreement.

3. Upon this Joinder Agreement bearing the signature of any Person claiming to have authority to bind any New Guarantor coming into the hands of Prudential or any Holder, and irrespective of whether this Joinder Agreement or the Guaranty has been executed by any other Person, this Joinder Agreement will be deemed to be finally and irrevocably executed and delivered by, and be effective and binding on, and enforceable against, such New Guarantor free from any promise or condition affecting or limiting the liabilities of such New Guarantor and such New Guarantor shall be, and shall be deemed for all purposes to be, a Guarantor under the Guaranty. No statement, representation, agreement or promise by any officer, employee or agent of Prudential or any Holder forms any part of this Joinder Agreement or the Guaranty or has induced the making of this Joinder Agreement or the Guaranty by any of the New Guarantors or in any way affects any of the obligations or liabilities of any of the New Guarantors in respect of the Guarantied Obligations.

4. This Joinder Agreement may be executed in counterparts. Each executed counterpart shall be deemed to be an original and all counterparts taken together shall constitute one and the same Joinder Agreement. Delivery of an executed counterpart of a signature page to this Joinder Agreement by facsimile or electronic transmission shall be effective as delivery of a manually executed counterpart of this Joinder Agreement.

5. This Joinder Agreement is a contract made under, and will for all purposes be governed by and interpreted and enforced according to, the internal laws of the State of Illinois excluding any conflict of laws rule or principle which might refer these matters to the laws of another jurisdiction.

6. This Joinder Agreement and the Guaranty shall be binding upon each of the New Guarantors and the successors of each of the New Guarantors. None of the New Guarantors may assign any of its obligations or liabilities in respect of the Guarantied Obligations.

IN WITNESS OF WHICH this Joinder Agreement has been duly executed and delivered by each of the New Guarantors as of the date indicated on the first page of this Joinder Agreement.

[NEW GUARANTOR]

By:_____
Name:_____
Title:_____

[Form of Confirmation of Amended and Restated Guaranty Agreement]

CONFIRMATION OF AMENDED AND RESTATED GUARANTY AGREEMENT

THIS CONFIRMATION OF AMENDED AND RESTATED GUARANTY AGREEMENT (this **"Confirmation**") is entered into on a joint and several basis by each of the undersigned (which parties are hereinafter referred to individually as a "**Guarantor**" and collectively as the "**Guarantors**") in favor of the holders of the Notes (as defined below) from time to time (the **"Holders"**).

WHEREAS, each of the Guarantors is a direct or indirect Wholly-Owned Subsidiary of Spartan Motors, Inc. (the "**Company**"); and

WHEREAS, the Company has entered into that certain Amended and Restated Note Purchase and Private Shelf Agreement, dated as of November 30, 2009, between the Company, on one hand, and Prudential Investment Management, Inc., the Existing Holders named in the Purchaser Schedule attached thereto, the Series B Note Purchaser named in the Purchaser Schedule attached thereto and each Prudential Affiliate which becomes a party thereto, on the other hand (the " **Note Agreement**"), pursuant which the Company has outstanding its 4.93% Series A Notes due November 30, 2010 (the **"Series A Notes")** and has issued its 5.46% Series B Notes due November 30, 2009 (the **"Series B Notes"** and, together with the Series A Notes and any Shelf Notes that may be issued from time to time under the Note Agreement, as amended, restated, supplemented or otherwise modified from time to time, collectively, the "**Notes**"); and

WHEREAS, the Guarantors have guarantied the obligations of the Company under the Note Agreement and the Notes pursuant to that certain Amended and Restated Guaranty Agreement, dated as of November 30, 2009, made by [certain of] the undersigned[, and joined by certain of the undersigned pursuant to that certain Joinder Agreement dated as of _____], in favor of each holder (as amended, supplemented or otherwise modified, the " **Guaranty**"). Capitalized terms used herein and not otherwise defined shall have the meanings given in the Guaranty.

WHEREAS, pursuant to that certain Request for Purchase dated as of _____ and that certain Confirmation of Acceptance dated as of _____, the Company will issue and certain Prudential Affiliates (the " **Series ___ Purchasers**") will purchase the Company's _____% Series _____ Senior Notes Due _____ (the " **Series _____ Notes**").

WHEREAS, each Guarantor will benefit from the proceeds of the issuance of the Series ____ Notes.

WHEREAS, the Holders have required as a condition to the effectiveness of the Series ___ Purchasers' obligation to purchase the Series ____ Notes that each of the Guarantors

execute and deliver this Confirmation and reaffirm that the Guaranty secures and guarantees the liabilities and obligations of the Company under the Series ____ Notes.

NOW, THEREFORE, in order to induce, and in consideration of, the purchase of the Series ____ Notes by the Series ___ Purchasers, each Guarantor hereby, jointly and severally, covenants and agrees with, and represents and warrants to, each of the Series ___ Purchasers and each Holder from time to time of the Notes as follows:

1. Confirmation. Each Guarantor, hereby ratifies and reaffirms all of its payment and performance obligations, contingent or otherwise, under the Guaranty, and confirms and agrees that each reference in the Guaranty to the Guaranteed Obligations (as defined in the Guaranty) is construed to hereafter include the Series ____ Notes. Each Guarantor acknowledges that the Guaranty remains in full force and effect and is hereby ratified and confirmed. Without limiting the generality of the foregoing, each Guarantor hereby acknowledges and confirms that it intends that the Guaranty will continue to secure, to the fullest extent provided thereby, the payment and performance of all Guarantied Obligations, including, without limitation, the payment and performance of the Series _____ Notes. Each Guarantor confirms and agrees that, with respect to the Guaranty, each and every covenant, condition, obligation, representation (except those representations which relate only to a specific date, which are confirmed as of such date only), warranty and provision set forth therein is, and shall continue to be, in full force and effect and are hereby confirmed and ratified in all respects.

2. Successors and Assigns. All covenants and other agreements contained in this Confirmation by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent Holder of a Note) whether so expressed or not.

3. No Waiver. The execution of this Confirmation shall not operate as a novation, waiver of any right, power or remedy of Prudential or any holder, nor constitute a waiver of any provision of the Note Purchase Agreement or any Note.

4. Governing Law. This Confirmation shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of Illinois excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

5. Severability. Any provision of this Confirmation that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

6. Counterparts; Facsimile Signatures. This Confirmation may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto. Delivery of an executed

counterpart of a signature page to this Confirmation by facsimile or electronic transmission shall be effective as delivery of a manually executed counterpart of this Confirmation.

7. Section Headings. The section headings herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

8. Authorization. Each Guarantor is duly authorized to execute and deliver this Confirmation, and, is and will continue to be duly authorized to perform its obligations under the Guaranty.

9. No Defenses. Each Guarantor hereby represents and warrants to, and covenants that, as of the date hereof, (a) such Guarantor has no defenses, offsets or counterclaims of any kind or nature whatsoever against Prudential or any Holder with respect to the Guarantied Obligations, or any action previously taken or not taken by Prudential or any holder with respect thereto, and (b) that Prudential and each Holder has fully performed all obligations to such Guarantor which it may have had or has on and as of the date hereof.

[signature page follows]

IN WITNESS WHEREOF, this Confirmation of Guaranty Agreement has been duly executed and delivered as of the date first above written.

CRIMSON FIRE AERIAL, INC.

By: _____
Title:_____

CRIMSON FIRE, INC.

By: _____
Title:_____

ROAD RESCUE, INC.

By: _____
Title:_____

SPARTAN MOTORS CHASSIS, INC.

By: _____
Title:_____

UTILIMASTER HOLDINGS, INC.

By: _____
Title:_____

UTILIMASTER CORPORATION

By: _____
Title:_____

EXHIBIT F-1

[FORM OF OPINION OF COMPANY'S COUNSEL – SERIES B NOTES]

[Letterhead of Varnum LLP]

November 30, 2009

Prudential Investment Management, Inc.
c/o Prudential Capital Group
Two Prudential Plaza, Suite 5600
Chicago, Illinois 60601

The Prudential Insurance Company of America
Pruco Life Insurance Company of New Jersey
Gibraltar Life Insurance Co., Ltd.
c/o Prudential Capital Group
Two Prudential Plaza
180 North Stetson, Suite 5600
Chicago, IL 60601-6716

Re: Amended and Restated Note Purchase and Private Shelf Agreement dated November 30, 2009

Ladies and Gentlemen:

We have acted as counsel for Spartan Motors, Inc., a Michigan corporation (the "**Company**") in connection with the Amended and Restated Note Purchase and Private Shelf Agreement, dated as of November 30, 2009, between the Company, Prudential Investment Management, Inc. ("**Prudential**"), the Existing Holders named in the Purchaser Schedule attached thereto, the Series B Note Purchaser named in the Purchaser Schedule attached thereto and each Prudential Affiliate which becomes a party thereto (the "**Note Agreement**"), pursuant to which the Company has issued to the Series B Note Purchaser the 5.46% Series B Senior Notes due December 1, 2016 of the Company in the aggregate principal amount of $5,000,000 (the "**Notes**"). The Note Agreement requires the following subsidiaries of the Company to execute and deliver a Guaranty in favor of the Existing Holders and the Series B Note Purchaser: Spartan Motors Chassis, Inc., a Michigan corporation (the "**Michigan Subsidiary**"), Crimson Fire, Inc., a South Dakota corporation, Crimson Fire Aerials, Inc., a Pennsylvania corporation, Road Rescue, Inc., a South Carolina corporation, Utilimaster Holdings, Inc., a Delaware corporation, and Utilimaster Corporation, a Delaware corporation (with the Michigan Subsidiary, each, a "**Subsidiary**" and collectively, the "**Subsidiaries**"). All terms used herein that are defined in the Note Agreement have the respective meanings specified in the Note Agreement.

We have examined the following documents:

- Note Agreement;
- 5.46% Series B Senior Note due December 1, 2016, dated November 30, 2009, issued by Company to Gibraltar Life Insurance Co., Ltd.;
- Amended and Restated Guaranty Agreement, dated November 30, 2009, from the Subsidiaries in favor of Prudential, the Existing Holders and the Series B Note Purchaser (the "**Guaranty Agreement**");
- A Secretary' Certificate dated November 30, 2009, with respect to the Company and each Subsidiary (collectively, the "**Secretary's Certificates**");
- An Officer's Certificate of the Company, dated November 30, 2009, with respect to the Company and the Subsidiaries (the "**Officer's Certificate**");
- A copy of the articles of incorporation of the Company, as certified by the Michigan Department of Energy, Labor and Economic Growth (the "**Michigan Department**") on November 20, 2009 (the "**Company Articles**"), and a good standing certificate with respect to the Company issued by the Michigan Department on November 20, 2009 (the "**Company Good Standing Certificate**");
- A copy of the articles of incorporation of Spartan Motor Chassis, Inc., as certified by the Michigan Department on November 20, 2009 (the "**Chassis Articles**"), and a good standing certificate with respect to Spartan Motor Chassis, Inc. issued by the Michigan Department on November 20, 2009 (the " **Chassis Good Standing Certificate**");
- A copy of the articles of incorporation of Crimson Fire, Inc., as certified by the South Dakota Secretary of State (the "**South Dakota Department**") on November 23, 2009 (the "**Crimson Articles**"), and a good standing certificate with respect to Crimson Fire, Inc. issued by the South Dakota Department on November 23, 2009 (the " **Crimson Good Standing Certificate**");
- A copy of the articles of incorporation of Crimson Fire Aerials, Inc., as certified by the Pennsylvania Department of State ("**Pennsylvania Department**") on November 20, 2009 (the "**Aerials Articles**"), and a good standing certificate with respect to Crimson Fire Aerials, Inc. issued by the Pennsylvania Department on November 20, 2009 (the " **Aerials Good Standing Certificate**");

- A copy of the articles of incorporation of Road Rescue, Inc., as certified by the South Carolina Secretary of State ("**South Carolina Department**") on November 23, 2009 (the "**Road Articles**"), and a good standing certificate with respect to Road Rescue, Inc. issued by the South Carolina Department on November 23, 2009 (the " **Road Good Standing Certificate**").

- A copy of the certificate of incorporation of Utilimaster Holdings, Inc., as certified by the Delaware Secretary of State ("**Delaware Department**") on November 25, 2009 (the "**UHI Articles**"), and a good standing certificate with respect to Utilimaster Holdings, Inc. issued by the Delaware Department on November 24, 2009 (the " **UHI Good Standing Certificate**").

- A copy of the certificate of incorporation of Utilimaster Corporation, as certified by the Delaware Department on November 24, 2009 (the "**UC Articles**"), and a good standing certificate with respect to Utilimaster Corporation issued by the Delaware Department on November 24, 2009 (the " **UC Good Standing Certificate**").

The Note Agreement, Notes and the Guaranty Agreement are collectively referred to in this opinion letter as the " **Transaction Documents**".

We have assumed (1) the genuineness of all signatures and of all documents that have been submitted to us as originals; (2) that each copy that has been submitted to us conforms to the original; (3) the legal capacity of each natural Person; and (4) as to each document to be entered into by Prudential, the Existing Holders or the Series B Note Purchaser or other Persons, other than Company or the Subsidiaries, that each Person that has executed the document had the power to enter into and perform its obligations under it and that the document has been duly authorized, executed and delivered by, and is binding on and enforceable against, that Person.

Any reference in this opinion to our knowledge means the actual knowledge of the attorney who has signed this opinion and each attorney in this firm who has been actively involved in reviewing the Transaction Documents or in preparing this opinion, and those attorneys have not made any investigation of or inquiry as to those factual matters with respect to which this opinion states that we do or do not have knowledge, other than reviewing Secretary's Certificates and Officer's Certificates.

Based upon the foregoing and subject to the assumptions, qualifications and limitations stated below, we express the following opinions:

1. The Company is a corporation duly incorporated and validly existing in good standing under the laws of the State of Michigan. The Company has all requisite corporate power and authority to conduct its business.

2. Each Subsidiary is a corporation duly incorporated and validly existing in good standing under the laws of the state of its incorporation.

3. The Michigan Subsidiary has all requisite corporate power and authority to conduct its business.

4. The Company has all requisite corporate power and authority to execute and deliver, and to perform its obligations under each Transaction Document to which it is a party. The execution, delivery and performance of the Transaction Documents by the Company has been duly authorized by the Company. The Transaction Documents have been duly executed and delivered by the Company.

5. When it is executed and delivered by the Company, each Transaction Document to which it is a party will constitute the valid and binding obligation of the Company, enforceable in accordance with its terms.

6. The Michigan Subsidiary has all requisite corporate power and authority to execute and deliver, and to perform its obligations under each Transaction Document to which it is a party. The execution, delivery and performance of the Transaction Documents by the Michigan Subsidiary has been duly authorized by the Michigan Subsidiary. The Michigan Subsidiary has duly executed and delivered the Transaction Documents to which it is a party.

7. When it is executed and delivered by each Subsidiary, each Transaction Document to which such Subsidiary is a party will constitute the valid and binding obligation of such Subsidiary, enforceable in accordance with its terms.

8. The execution, delivery and performance of the Transaction Documents does not conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, or result in any violation of, or result in the creation of any Lien upon any of the properties or assets of the Company pursuant to, the articles of incorporation and bylaws of the Company, any applicable law, or any agreement or instrument to which Company is bound and of which we have knowledge, or any order, judgment or decree of any court, administrative agency or other governmental authority that is applicable to Company and of which we have knowledge.

9. The execution, delivery and performance of the Transaction Documents does not conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, or result in any violation of, or result in the creation of any Lien upon any of the properties or assets of any of the Subsidiaries pursuant to, the articles of incorporation and bylaws of such Subsidiary, any applicable law, or any agreement or instrument to which such Subsidiary is bound and of which we have knowledge, or any order, judgment or decree of any court, administrative agency or other governmental authority that is applicable to such Subsidiary and of which we have knowledge.

10. No authorization, consent, approval, exemption or other action by or notice to or filing with any governmental authority (other than filings after the date hereof with the Securities and Exchange Commission and/or state Blue Sky authorities) is required under the federal laws or the laws of the State of Michigan for the due execution, delivery or performance by the Company and the Subsidiaries of the Transaction Documents, except for any such authorizations, consents, approvals, exemptions or other actions as have been obtained or made.

11. Subject to the assumptions, limitations and qualifications set forth in this opinion letter, in particular those set forth in paragraph (h), Company is not required to register the Notes under the Securities Act of 1933, as amended, and Company is not required to qualify an indenture under the Trust Indenture Act of 1939, as amended, to issue the Notes.

12. None of the transactions contemplated by the Transaction Documents violates or results in a violation of regulations T, U or X of the Board of Governors of the Federal Reserve System.

13. Neither the Company nor any of its Subsidiaries is (a) an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or an "investment adviser" within the meaning of the Investment Advisers Act of 1940, as amended, (b) a "holding company" of a "public utility company" of an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company", within the meaning of the Public Utility Holding Company Act of 2005, as amended, or (c) a "public utility" within the meaning of the Federal Power Act, as amended.

14. Notwithstanding any choice of law provision to the contrary, assuming the applicability of the substantive laws of the State of Michigan, the charging and collection by the Series B Note Purchaser (or by any other holder of the Notes) of the aggregate interest, fees and other charges described in the Note Agreement and the Notes (including, without limitation, any prepayment premium, late charge, default rate of interest, and any other charges payable in the event of a full or partial prepayment of amounts due to the Series B Note Purchaser pursuant to the Note Agreement and the Notes or payment of the amounts due to the Series B Note Purchaser pursuant to the Note Agreement and the Notes after acceleration, and the reimbursement to the Series B Note Purchaser of fees and expenses provided for in the Note Agreement and the Notes) and the method of calculation and payment thereof is lawful and will not violate any applicable usury or similar laws, independently of and without reference to or reliance on any interest or usury "savings" provision that may be set out in the Note Agreement and the Notes, provided the applicable rate of any such interest, fees and other charges which would be considered under the laws of the State of Michigan to constitute "interest" shall never exceed, in the aggregate, 25% per annum.

15. To our knowledge, there are no actions, suits or proceedings pending or threatened against the Company or any of the Subsidiaries in any court or before any arbitrator of any kind or before or by any governmental authority that we expect, either individually or in the aggregate, to have a Material Adverse Effect.

The opinions expressed above are subject to the following assumptions, limitations and qualifications:

(a) We have assumed the accuracy of all factual representations in the Transaction Documents.

(b) We provide no opinion on any person's ability to perform or carry out any obligations under the Transaction Documents.

(c) We have assumed that the statements contained in the Secretary's Certificates and the Officer's Certificates are true and correct as of the date of this opinion letter.

(d) We do not express any opinion as to any laws, statutes, rules or regulations other than the laws, statutes, rules and regulations of the State of Michigan (excluding municipal or other local ordinances, codes and regulations) and the laws of the United States of America. We do not express any opinions under any state or federal securities laws, except as set forth above. In addition, our opinions are limited to laws, rules and regulations that we have, in the exercise of customary professional diligence, determined apply to both (1) business entities doing business in Michigan, without regard to the activities in which they are engaged, and (2) transactions of the type provided for in the Transaction Documents. For example, we do not express an opinion as to laws or regulations that require a business entity to obtain a license or meet other requirements in order to engage in certain activities. Notwithstanding that the Transaction Documents provide that they are governed by the laws of the State of Illinois, we are giving these opinions as if each of the Transaction Documents provided for and is governed by the internal laws of the State of Michigan.

(e) Our opinions as to the due incorporation, valid existence and good standing of the Company are based solely upon the Company Articles and Company Good Standing Certificate.

(f) Our opinions as to the due incorporation, valid existence and good standing of each of the Subsidiaries are based solely upon the Chassis Articles, Crimson Articles, Aerials Articles, Road Articles, UHI Articles, UC Articles, Chassis Good Standing Certificate, Crimson Good Standing Certificate, Aerials Good Standing Certificate, Road Good Standing Certificate, UHI Good Standing Certificate and UC Good Standing Certificate.

(g) We have assumed that each Subsidiary, other than the Michigan Subsidiary, (1) has the requisite corporate power and authority to own and encumber its properties and assets and to conduct its business; (2) has all requisite corporate power and authority to execute and deliver and to perform its obligations under, the Transaction Documents; and (3) the execution, delivery and performance of the Transaction Documents by such Subsidiary have been duly authorized by all necessary corporate action on the part of such Subsidiary. We have also assumed the individual or individuals signing the Transaction Documents on behalf of the Subsidiaries, other than the Michigan Subsidiary, is a duly elected officer acting within the scope of the authorization given under clause (3) of the previous sentence and that the signature of such individual or individuals, together with delivery of the Transaction Documents, constitutes due execution and delivery under the laws of such Subsidiary's state of incorporation.

(h) Our opinions with respect to enforceability of the Transaction Documents are subject to limitations imposed by the effect of general applicable bankruptcy, insolvency, fraudulent transfer or conveyance, reorganization, arrangement, moratorium, and other similar laws and by the effect of general principles of equity (regardless of whether enforcement is considered in proceedings at law or in equity). Additionally, without limitation of the above, the Transaction Documents may be subject to, and this opinion is limited by, the effect of generally applicable laws that:

- limit or affect the enforcement of provisions of a contract that purport to require waiver of the obligations of good faith, fair dealing, diligence and reasonableness;

- provide that forum selection clauses in contracts are not necessarily binding on the court(s) in the forum selected;

- limit the enforceability of provisions releasing, exculpating or exempting a party from, or requiring indemnification of a party for, liability for its own action or inaction, to the extent the action or inaction involves gross negligence, recklessness, willful misconduct or unlawful conduct;

- may, where less than all of a contract may be unenforceable, limit the enforceability of the balance of the contract to circumstances in which the unenforceable portion is not an essential part of the agreed exchange;

- govern and afford judicial discretion regarding the determination of damages and entitlement to attorneys' fees and other costs;

- may, in the absence of a waiver or consent, discharge a guarantor to the extent that guaranteed debt is materially modified, or otherwise permit a guarantor to assert defenses, notwithstanding the waivers and similar provisions in the guaranty;

- may permit a party who has materially failed to render or offer performance required by the contract to cure that failure unless (i) permitting a cure would unreasonably hinder the aggrieved party from making substitute arrangements for performance, or (ii) it was important in the circumstances to the aggrieved party that performance occur by the date stated in the contract;

- limit the enforceability of a contract where the fundamental purpose of the contract has been frustrated, extinguished, or made impossible;

- limit the availability of a remedy for a breach which is not material or does not adversely affect the party seeking the remedy;

- may give effect to an oral agreement or implied agreement by trade practice or course of conduct modifying provisions of the Transaction Documents, notwithstanding the provisions requiring written waivers or amendments;

- provide for a waiver of rights (including, without limitation, broad, vaguely stated, or future rights), claims, demands, liabilities, or defenses to obligations, known or unknown, suspected or unsuspected;

- provide that rights or remedies are or are not exclusive, that every right or remedy is cumulative and may be exercised in addition to or with any other right or remedy, or that the election of some particular remedy or remedies does not preclude recourse to one or another remedy; or

- provide for consent to or selection of jurisdiction or venue or applicable law, or the waiver of a right to a trial by jury.

(i) Our opinion in paragraph 9 with regard to the articles of incorporation and bylaws of the Subsidiaries, other than the Michigan Subsidiary, is based on a reading of the plain language of all such documents, without regard to the statutory or other laws of each Subsidiary's respective state of incorporation.

(j) In connection with our opinions in paragraphs 10 and 11, we have assumed the Series B Note Purchaser is purchasing the Notes for its own account and not for any other person, with its own funds and not with the funds of any other person. We have further assumed that the Series B Note Purchaser is purchasing the Notes for investment for an indefinite period and not with a view to the sale or distribution of all or any part thereof. We have assumed that the Series B Note Purchaser is an "accredited investor" under Rule 501(a) of the Securities Act of 1933, as amended, and that the Notes have not been offered or sold through any form of general solicitation or general advertising. Finally, we note that the assumptions in this opinion letter and this paragraph may be more limited or inconsistent with the provisions of the Transaction Documents.

(k) Our opinions also assume that a Form D will be timely filed with the U.S. Securities & Exchange Commission in connection with the issuance of the Notes and that timely "blue sky" filings will also be made under applicable state's securities laws including, without limitation, the filing of a Form D and a Consent to Service of Process, if required, as well as the payment of any required filing fee.

(l) Our opinions are limited to the sale of the Notes to the Series B Note Purchaser and do not take into account any other potential sales of the Notes.

(m) In giving our opinion set forth in paragraph 12, we have assumed that: (1) Company will apply the proceeds of the Notes to capital expenditures, to refinance existing indebtedness of the Company, to repurchase capital stock of the Company and for working capital; (2) no part of the proceeds of the Notes will be used, directly or indirectly, for the purpose of buying or carrying any margin stock, within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221), or for the purpose of buying or carrying or trading in any securities under such circumstances as to involve Company in a violation of Regulation X of that Board (12 CFR 224); and (3) neither the Series B Note Purchaser, nor any person for whose account any Series B Note Purchaser may acquire the Notes, is a "broker" or a "dealer" within the meaning of Regulation T of the Board of Governors of the Federal Reserve System (12 CFR 200). In this paragraph, the terms "margin stock" and "purpose of buying or carrying" have the meanings assigned to them in Regulation U.

(n) If, and to the extent that, any of the Transaction Documents are construed to provide for the payment of interest on interest, that construction may be unenforceable to the extent that the stated interest rate exceeds ten percent (10%) per annum, or if no interest rate is stated, the interest charged exceeds seven percent (7%) per annum pursuant to Michigan Compiled Laws § 438.101.

(o) We have assumed that the Subsidiaries are wholly owned directly or indirectly by the Company.

Our opinions are matters of professional judgment and are not a guaranty of results. We furnish this opinion solely and exclusively for the benefit of Prudential, the Existing Holders and the Series B Note Purchasers and their Transferees, and no other person may rely upon it without our prior written consent. The opinions expressed above are as of the date of this opinion letter only, and we do not assume any obligation to update or supplement those opinions to reflect any fact or circumstances that in the future comes to our attention or any change in law that in the future occurs or becomes effective. This opinion letter is limited to the matters set forth in it, and no opinions are intended to be implied or may be inferred beyond those expressly stated above.

Sincerely yours,

VARNUM LLP

By _____

,

[FORM OF OPINION OF COMPANY'S COUNSEL – SHELF NOTES]

[Letterhead of _____]

[Date of Closing]

[List Purchasers]
c/o Prudential Capital Group
Two Prudential Plaza
Suite 5600
Chicago, Illinois 60601

Ladies and Gentlemen:

We have acted as counsel for Spartan Motors, Inc. (the "Company") in connection with the Amended and Restated Note Purchase and Private Shelf Agreement, dated as of November 30, 2009, between the Company, on one hand, and Prudential Investment Management, Inc., the Existing Holders named in the Purchaser Schedule attached thereto, the Series B Note Purchaser named in the Purchaser Schedule attached thereto and each Prudential Affiliate which becomes a party thereto, on the other hand (the "Note Agreement"), pursuant to which the Company has issued to you today the _____% Series ___ Senior Notes due _____, ____ of the Company in the aggregate principal amount of $_____ (the "Notes"). All terms used herein that are defined in the Note Agreement have the respective meanings specified in the Note Agreement. This letter is being delivered to you in satisfaction of the condition set forth in paragraph 3C of the Note Agreement and with the understanding that you are purchasing the Notes in reliance on the opinions expressed herein.

In this connection, we have examined such certificates of public officials, certificates of officers of the Company and copies certified to our satisfaction of corporate documents and records of the Company and of other papers, and have made such other investigations, as we have deemed relevant and necessary as a basis for our opinion hereinafter set forth. We have relied upon such certificates of public officials and of officers of the Company with respect to the accuracy of material factual matters contained therein which were not independently established; nothing, however, has come to our attention to cause us to believe that any such factual matters are untrue. With respect to the opinion expressed in paragraph 3 below, we have also relied upon the representation made by each of you in paragraph 9A of the Note Agreement.

Based on the foregoing, it is our opinion that:

1. The Company and each of its Subsidiaries is a corporation duly organized and validly existing in good standing under the laws of the State of its organization. The Company and each of its Subsidiaries is duly qualified to transact business and is in good standing in each jurisdiction where the ownership of property by it or the nature of the business conducted by it makes such qualification necessary. The Company and each of its Subsidiaries

has all requisite corporate power to conduct its business as currently conducted and as currently proposed to be conducted.

2. The Company and each Subsidiary has all requisite corporate power to execute, deliver and perform its obligations under the Note Agreement, the Notes, and the other Transaction Documents to which it is a party. The Note Agreement, the Notes, and the other Transaction Documents have been duly authorized by all requisite corporate action on the part of the Company and each Subsidiary party thereto and duly executed and delivered by authorized officers of the Company and each Subsidiary party thereto, and are valid obligations of the Company and each Subsidiary party thereto, legally binding upon and enforceable against the Company and each Subsidiary party thereto in accordance with their respective terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3. It is not necessary in connection with the offering, issuance, sale and delivery of the Notes under the circumstances contemplated by the Note Agreement to register the Notes under the Securities Act or to qualify an indenture in respect of the Notes under the Trust Indenture Act of 1939, as amended.

4. The extension, arranging and obtaining of the credit represented by the Notes do not result in any violation of Regulation T, U or X of the Board of Governors of the Federal Reserve System.

5. The execution and delivery of the Note Agreement, the Notes, and the other Transaction Documents, the offering, issuance and sale of the Notes and fulfillment of and compliance with the respective provisions of the Note Agreement, the Notes, and the other Transaction Documents do not conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, or result in any violation of, or result in the creation of any Lien upon any of the properties or assets of the Company or any of its Subsidiaries pursuant to, or require any authorization, consent, approval, exemption or other action by or notice to or filing with any court, administrative or governmental body or other Person (other than routine filings after the date hereof with the Securities and Exchange Commission and/or state Blue Sky authorities) pursuant to, the charter or by-laws of the Company or any of its Subsidiaries, any applicable law (including any securities or Blue Sky law), statute, rule or regulation or (insofar as is known to us after having made due inquiry with respect thereto) any agreement (including, without limitation, any agreement listed in Schedule 8G to the Note Agreement), instrument, order, judgment or decree to which the Company or any of its Subsidiaries is a party or otherwise subject.

6. Neither the Company nor any of its Subsidiaries is (a) an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or an "investment adviser" within the meaning of the Investment Advisers Act of 1940, as amended, (b) a "holding company" of a "public utility company" of an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company", within the meaning of the Public Utility Holding Company Act of 2005, as amended, or (c) a "public utility" within the meaning of the Federal Power Act, as amended.

7. To our knowledge, there are no actions, suits or proceedings pending or threatened against or affecting the Company or any of its Subsidiaries or any property of the Company or any of its Subsidiaries in any court or before any arbitrator of any kind or before or by any governmental authority either (i) with respect to the Note Agreement, the Notes or any other Transaction Document or (ii) that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

We acknowledge that the Company has requested that this opinion letter be rendered to each of you and to any Transferee, that this opinion letter is rendered with the intention that each of you and any Transferee may rely on this opinion letter, and that each of you and any Transferee may rely on this opinion letter.

Very truly yours,

Exhibit 10.16

AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER (the "Agreement"), dated as of November 18, 2009 (the "Signing Date"), is entered into by and among Spartan Motors, Inc., a Michigan corporation ("Purchaser"); SMI Sub, Inc., a Delaware corporation ("Acquisition Sub"); Utilimaster Holdings, Inc., a Delaware corporation ("Holdings"); Utilimaster Corporation, a Delaware corporation (the "Company"); and John Hancock Life Insurance Company, a Massachusetts life insurance company ("Hancock"). Except as otherwise indicated in this Agreement, capitalized terms used in this Agreement are defined in Article 1 below.

RECITALS

A. Hancock owns a majority of the issued and outstanding capital stock of Holdings. Holdings owns all of the issued and outstanding capital stock of the Company. The Company is engaged in the business of designing, manufacturing, and selling walk-in vans and commercial truck bodies.

B. Purchaser owns all of the issued and outstanding capital stock of Acquisition Sub, which is a corporation formed specifically for the purposes of the Merger described in this Agreement.

C. The respective Boards of Directors of Holdings and Acquisition Sub have determined that the merger of Acquisition Sub with and into Holdings (the "Merger"), in accordance with and subject to the terms and conditions of this Agreement, is in the best interests of the respective corporations and their respective shareholders. Hancock, as the holder of a majority of the issued and outstanding voting stock of Holdings, and Purchaser, as the sole shareholder of Acquisition Sub, have also approved the Merger.

D. The Parties are entering into this Agreement in order to agree upon the terms and conditions of the Merger.

AGREEMENT

For good and valuable consideration, including the mutual representations, warranties, covenants, and agreements contained in this Agreement, the Parties agree as follows:

ARTICLE 1
DEFINITIONS

When used in this Agreement, the following terms shall have the following meanings:

"8-K Filings" is defined in Section 7.2.

"Accounting Firm" is defined in Section 2.7.

"Acquisition Sub" is defined in the opening paragraph of this Agreement.

"Adjustment Notice" is defined in Section 2.7.

"Affiliate" of any particular Person means any other Person controlling, controlled by, or under common control with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, contract, or otherwise.

"Aggregate Bonus Amount" means One Million Seven Hundred Forty-Eight Thousand Nine Hundred Ninety-Five Dollars ($1,748,995).

"Affiliated Group" means an affiliated group as defined in Section 1504 of the Code (or any similar combined, consolidated, or unitary group defined under state, local, or foreign income tax law).

"Agreement" means this Agreement and Plan of Merger, including all of its exhibits and schedules.

"Annual Earn Out Amount" means 4.0% of the Net Sales (i) in excess of $115 million for calendar year 2010, (ii) in excess of $138 million for calendar year 2011, (iii) in excess of $165 million for calendar year 2012, and (iv) in excess of $173 million for calendar years 2013 and 2014; provided that the calculation of each Annual Earn Out Amount shall be subject to the provisions of Section 2.10 below.

"Annual Earn Out Dispute Notice" is defined in Section 2.10.

"Annual Earn Out Notice" is defined in Section 2.10.

"Annual Earn Out Period" is defined in Section 2.10.

"Base Purchase Price" means an amount equal to (i) Fifty Million Dollars ($50,000,000), less (ii) an amount necessary to pay off as of the Closing Date the Long-Term Debt, less (iii) an amount necessary to pay off as of the Closing Date any Indebtedness other than the Long-Term Debt, capital lease obligations, and any other Indebtedness included in the calculation of Estimated Net Working Capital, less (or plus if a negative number) (iv) the amount by which the Target Net Working Capital exceeds the Estimated Net Working Capital less (v) the Aggregate Bonus Amount.

"Closing" is defined in Section 2.11.

"Closing Cash Payment" means an amount equal to the sum of (i) the Base Purchase Price, less (ii) the Indemnity Escrow Deposit, less (iii) the Company NWC Deposit, less (iv) the State Tax Escrow Deposit.

"Closing Per Share Merger Consideration" is the amount per Share of the Closing Cash Payment as determined pursuant to Schedule 2.4.

"Closing Date" is defined in Section 2.11.

"Closing Net Working Capital" means the UC Parties' (i) consolidated current assets, including cash, cash equivalents, marketable securities, third party accounts receivable, inventories, deposits made in the ordinary course of business, and prepaid expenses paid in the ordinary course of business, but excluding any current deferred income tax assets, less (ii) consolidated current liabilities including third party accounts payable, accrued wages and salary liabilities, customer deposits, accrued product liability and warranty, and other short-term liabilities, but excluding Long-Term Debt, other Indebtedness taken into account in calculating the Base Purchase Price, and any current income tax liabilities, less (iii) (but without duplication) the full amount accrued (including the current and long term portions) for all capital leases. Closing Net Working Capital shall be calculated as of the close of business on the Closing Date in accordance with GAAP applied on a consistent basis with the UC Parties' past practices except as otherwise set forth on Schedule 2.7 The Closing Net Working Capital shall be determined in accordance with Section 2.7 below.

"Closing NWC Payment" means an amount equal to the Estimated Net Working Capital less the Company NWC Deposit.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company" is defined in the opening paragraph of this Agreement.

"Company NWC Deposit" means an amount equal to fifteen percent (15%) of the difference between the Target Net Working Capital and the Estimated Net Working Capital.

"Competitor" means any of Supreme Corporation, Morgan Truck Body, LLC, and Morgan Olson, LLC.

"Contract" means, with respect to any Person, any contract, license, agreement, note, bond, mortgage, indenture, lease, or other property agreement, partnership or joint venture agreement, or other legally binding agreement, whether oral or written, applicable to any such Person or its properties or assets.

"Controlling Interest" means the possession or control of Equity Interests in a Person (a) having the right to elect a majority of the board of directors or other governing body of such Person or to otherwise direct the management and policies of such Person, or (b) that constitute more than thirty percent (30%) of the issued and outstanding Equity Interests of any class of voting Equity Securities of such Person.

"CV23 Payment" means a payment, if any, required to be made by Purchaser pursuant to Section 2.9(a) or 2.9(b) below.

"CV23 Unit" means the next generation walk-in vehicle currently under development by the Company.

"DGCL" is defined in Section 2.1.

"Direct Claim" is defined in Section 9.5.

"Dispute Notice" is defined in Section 2.7.

"Dissenting Shares" is defined in Section 2.14(a).

"Effective Time" is defined in Section 2.2.

"Employment Agreements" means the existing employment and severance agreements between the Company and the Company's employees listed on Schedule 5.12.

"Environmental and Safety Requirements" means all applicable federal, state, local, and foreign statutes, regulations, ordinances, and other provisions having the force or effect of law, all judicial and administrative orders and determinations specifically directed at or otherwise enforceable against the Company, all contractual obligations and all common law, in each case concerning public health and safety, worker health and safety, pollution or protection of the environment (including all those relating to the presence, use, production, generation, handling, transport, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control, or cleanup of any hazardous or otherwise regulated materials, substances, or wastes, chemical substances or mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or byproducts, asbestos, polychlorinated biphenyls, noise, odors, or radiation), as enacted or in effect on or prior to the Closing Date.

"Environmental Loss" is defined in Section 9.3(j).

"Equity Equivalents" means, in respect of any Person, (i) any securities, instruments, or rights that are convertible into or exercisable or exchangeable for any Equity Interests of such Person, (ii) any phantom equity, equity appreciation, or similar rights that permit the holder thereof to participate in the residual equity value of, or appreciation in, such Person, (iii) any securities, instruments, or rights that permit the holder thereof, under any circumstances, to vote for the election of members of such Person's board of directors or other governing body, and (iv) any securities, instruments, or rights that are, directly or indirectly, convertible into or exercisable or exchangeable for any of the securities, instruments, or rights described in clauses (i), (ii), or (iii) above.

"Equity Interests" means capital stock (including common stock and preferred stock), limited liability company interests, and any other indicia of equity ownership (including any profits interest).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and any reference to any particular section of ERISA shall be interpreted to include any revision of or successor to that section regardless of how numbered or classified.

"Escrow Agent" means such third Person as the Parties mutually agree to engage as Escrow Agent pursuant to this Agreement.

"Escrow Agreement" means an Escrow Agreement mutually agreeable to the Parties, but substantially in the form attached as Exhibit A.

"Estimated Net Working Capital" means an amount mutually agreed to by the Parties in writing on the Closing Date as a good faith estimate of the Closing Net Working Capital.

"Excess Payment" is defined in Section 2.8(c).

"FAR" means the Federal Acquisition Regulation and any applicable agency supplement thereto.

"Fundamental Representation" means a representation or warranty set forth in Section 5.1(a) or Section 5.3(a).

"GAAP" means United States generally accepted accounting principles.

"Hancock" is defined in the opening paragraph of this Agreement.

"Hazardous Material" means any substance, material, or waste that is regulated by any federal, state, or local government authority or under any Environmental and Safety Requirements because of toxic, flammable, explosive, corrosive, radioactive, or other properties that may be hazardous to human health or the environment, and any other special toxic, or hazardous substances, materials, or wastes of any kind, including without limitation those now or hereafter defined, determined, or identified to be "hazardous substances," "hazardous materials," "toxic substances," or "hazardous wastes."

"Holdings" is defined in the opening paragraph of this Agreement.

"Indebtedness" means (i) any indebtedness for borrowed money or issued in substitution for or exchange of indebtedness for borrowed money (including interest and prepayment penalties or obligations), (ii) any indebtedness evidenced by any note, bond, debenture, or other debt security, (iii) any indebtedness for the deferred purchase price of property or services with respect to which a Person is liable, contingently or otherwise, as obligor or otherwise, (iv) any commitment by which a Person assures a creditor against loss (including contingent reimbursement Liability with respect to letters of credit), (v) any indebtedness guaranteed in any manner by a Person (including guarantees in the form of an agreement to repurchase or reimburse), (vi) any Liabilities under capitalized leases with respect to which a Person is liable, contingently or otherwise, as obligor, guarantor, or otherwise, or with respect to which Liabilities a Person assures a creditor against loss, (vii) any indebtedness secured by a Lien on a Person's assets, (viii) any unsatisfied obligation for "withdrawal liability" to a "multiemployer plan" as such terms are defined under ERISA, (ix) any amounts owed to any Person under any noncompetition or consulting arrangements, and (x) any off-balance sheet financing of any Person, including synthetic leases and project financing.

"Indemnity Escrow" is defined in Section 2.6(d).

"Indemnity Escrow Deposit" means One Million Two Hundred Fifty Thousand Dollars ($1,250,000).

"Insiders" is defined in Section 5.22.

"Intellectual Property Rights" means all (i) domestic and foreign patents, patent applications, patent disclosures, and inventions (whether or not patentable and whether or not reduced to practice) and any reissue, continuation, continuation-in-part, division, revision, extension, or reexamination thereof (and any foreign equivalents thereof); (ii) domestic and foreign trademarks, service marks, industrial designs, trade dress, internet domain names and web sites, logos, topographies, trade names, and corporate names, together with all goodwill associated therewith; (iii) registered and unregistered copyrights, copyrightable works, and mask works; (iv) all registrations, applications, and renewals for any of the foregoing; (v) trade secrets and confidential information (including ideas, formulae, compositions, know-how, manufacturing and production processes and techniques, research and development information, drawings, specifications, designs, plans, proposals, technical data, financial, business and marketing plans, and customer and supplier lists and related information); (vi) computer software (whether in object code or source code), algorithms, and software systems (including data, databases, and related documentation); (vii) other proprietary intellectual property rights; (viii) licenses or other agreements to or from third parties regarding any of the foregoing; and (ix) all copies and tangible embodiments of the foregoing (in whatever form or medium).

"Investment" as applied to any Person means (i) any direct or indirect purchase or other acquisition by such Person of any notes, obligations, instruments, stock, securities, or Equity Interest (including partnership interests and joint venture interests) of any other Person and (ii) any capital contribution by such Person to any other Person.

"Key Employee" is any of Michael A. Kitson, Hugh J. Ogren, John E. Knudtson, John E. Boulton, John M. Marshall, and John A. Forbes.

"Knowledge" of a fact by a Person means that such Person (and, with respect to any Person that is not a natural person, any executive officer of such Person) is either (i) actually aware of the fact, or (ii) should reasonably be aware of the fact upon reasonable inquiry. For purposes of the preceding sentence, executive officers of the Company shall solely consist of the Key Employees.

"Latest Balance Sheet" is defined in Section 5.4.

"Lease" is defined in Section 5.10.

"Leased Real Property" is defined in Section 5.10.

"Letter of Transmittal" means a Letter of Transmittal mutually agreeable to the Parties, but substantially in the form attached as Exhibit D.

"Liability" means any liability, debt, obligation, deficiency, Tax, penalty, fine, claim, cause of action, or other loss, cost, or expense of any kind or nature whatsoever, whether asserted or unasserted, absolute or contingent, known or unknown, accrued or unaccrued, liquidated or unliquidated, and whether due or to become due and regardless of when asserted.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien, or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof), any sale of receivables with recourse against the seller (or any of its Affiliates), any filing or agreement to file a financing statement as debtor under the Uniform Commercial Code or any similar statute (other than to reflect ownership by a third party of property leased under a lease which is not in the nature of a conditional sale or title retention agreement), or any subordination arrangement in favor of another Person. In addition, when "Lien" is used in this Agreement with reference to shares of capital stock or any other Equity Interest, "Lien" shall include any agreement, voting trust, proxy, or other arrangement or restriction of any kind with respect to such stock or Equity Interest.

"Long-Term Debt" means all Indebtedness owed by the UC Parties to Bank of America, N.A. as successor to LaSalle Business Credit, LLC. Long-Term Debt shall not, however, include any reimbursement obligation of a UC Party under, or the amount necessary to cash collateralize, any outstanding letter of credit issued by Bank of America, N.A. or any contingent obligations owed to Bank of America, N.A. pursuant to any such outstanding letter of credit.

"Loss" is defined in Section 9.2.

"Major Customer" is defined in Section 5.23.

"Major Supplier" is defined in Section 5.23.

"Material Adverse Effect" means a material and adverse effect or development upon the business, operations, assets, liabilities, financial condition, value, prospects, operating results, cash flow, or net worth, of the UC Parties taken as a whole on a consolidated basis; provided, however, that none of the following shall be deemed to constitute, and none of the following shall be taken into account in determining whether there has been, a Material Adverse Effect: (i) any adverse change, event, development or effect arising from or relating to (a) general business or economic conditions, as long as those conditions do not disproportionately affect the business of the UC Parties, (b) national or international political or social conditions, including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war or the occurrence of any military or terrorist attack upon the United States, or any of its territories, possessions, or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States, provided that none of such conditions disproportionately affects the business of the UC Parties, (c) changes in GAAP, (d) changes in law, rules, regulations, orders, or other binding directives issued by any governmental entity after the Signing Date, (e) changes resulting from the announcement of the execution of the Agreement or the transactions contemplated by this Agreement or (f) any "act of God," including, but not limited to, weather, natural disasters and earthquakes; or (ii) any adverse change in effect on, or development with respect to, the business of the UC Parties which is cured prior to the Closing Date.

"Material Contract" is any Contract set forth on, or required (pursuant to the terms of Section 5.12) to be set forth on, Schedule 5.12.

"Merger" is defined in paragraph C of the Recitals of this Agreement.

"Merger Certificate" is defined in Section 2.2 below.

"Net Sales" means for any period, the aggregate amount of sales generated by the Utilimaster product and services lines (including for the sale of walk-in cargo vans, truck bodies, parts, delivery, field service projects, and repair projects) in such period after the deduction of returns, allowances, discounts, and similar adjustments made in such period, but without deduction for expenses. Net Sales shall be calculated in accordance with GAAP and consistently applied in accordance with past periods.

"Noncompetition Agreements" means the existing noncompetition agreements between the Company and its employees or former employees listed on Schedule 5.12.

"Notice of Environmental Loss" is defined in Section 9.3(k).

"NWC Release Notice" is defined in Section 2.8(a).

"Old Mortgage" is defined in Schedule 5.10.

"Owned Real Property" is defined in Section 5.10.

"Party" means each of Purchaser, Acquisition Sub, Hancock, Holdings, and the Company.

"Paying Agent" means such third Person as the Parties mutually agree to engage as Paying Agent pursuant to this Agreement.

"Paying Agent Account" is defined in Section 2.6(b).

"Paying Agent Agreement" means a Paying Agent Agreement mutually agreeable to the Parties, but substantially in the form attached as Exhibit B.

"Permitted Liens" means (i) statutory liens for current Taxes or other governmental charges not yet due and payable; (ii) zoning, entitlement, building, and other land use regulations imposed by governmental agencies having jurisdiction over any of the Real Property which are not violated by the current use and operation of such Real Property; (iii) covenants, conditions, restrictions, easements, and other non-monetary matters affecting title to such Real Property which (a) are disclosed on Schedule 5.10 (including on Schedule B to the title policy of the Company with respect to the Real Property attached thereto) or (b) do not materially impair the occupancy or use of the Real Property for the purposes for which it is currently used or proposed to be used in connection with the Company's business; (iv) mechanics', workmen's, repairmen's, warehousemen's, carriers', and other like Liens incurred in the ordinary course of business, but only to the extent the full amount of any such lien has been accrued for by the appropriate UC Party and is reflected in the Closing Net Working Capital; (v) Liens securing the Long-Term Debt and Liens securing any other Indebtedness deducted in the computation of Base Purchase Price.

"Per Share Merger Consideration" is defined on Schedule 2.4.

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, and a governmental entity or any department, agency, or political subdivision thereof.

"Post-Closing Environmental Investigations" is defined in Section 9.3(j).

"Pre-Closing Environmental Condition" means the presence of underground storage tanks or Hazardous Material existing on the Owned Real Property as of the Closing Date.

"Pre-Closing Tax Period" means any Tax period that begins before the Closing Date and ends on or before the Closing Date.

"Pre-Closing Tax Return" means any Tax Return relating to Pre-Closing Taxes.

"Pre-Closing Taxes" shall mean (i) all Taxes attributable to or payable with respect to a Pre-Closing Tax Period and (ii) in the case of any taxable period that includes (but does not end on) the Closing Date, (x) the amount of any income or other Taxes measured on the basis of actual economic activity (such as sales Taxes) that are attributable or payable with respect to such period determined on a closing of the books as of the close of business on the Closing Date, and for such purpose, the taxable period of any partnership or other pass-through entity in which the Company holds a beneficial interest shall be deemed to terminate at such time, and (y) the amount of any other Taxes (if not described in the preceding clause (x), such as ad valorem Taxes) that are attributable or payable with respect to the period determined on a pro rata basis with reference to the number of days in such period prior to and including the Closing Date relative to the number of days remaining in such period after the Closing Date.

"Preferred Stock" means Holdings' Series A Preferred Stock, par value of $0.001 per share, Series B Preferred Stock, par value of $0.001 per share, and Series C Preferred Stock, par value of $0.001 per share.

"Preliminary Annual Earn Out Calculation" is defined in Section 2.10.

"Purchase Price" is defined in Section 2.5.

"Purchaser" is defined in the opening paragraph of this Agreement.

"Purchaser Parties" is defined in Section 9.2.

"Purchaser NWC Deposit" means an amount equal to fifteen percent (15%) of the difference between the Target Net Working Capital and the Estimated Net Working Capital.

"Purchaser's Calculation" is defined in Section 2.7.

"Real Property" is defined in Section 5.10.

"Releasor" is defined in Section 9.6.

"Remedial Action" means all actions required to (i) clean up, remove, treat or in any other way address Hazardous Materials in the soils and groundwater and/or within any buildings or structures; (ii) prevent the release or threat of release and/or minimize the further release or migration of Hazardous Materials so they do not endanger or threaten to endanger public health or welfare or the environment; or (iii) perform pre-remedial studies and investigations and post-remedial monitoring and care.

"Securities Act" means the Securities Act of 1933, as amended, and any reference to any particular section of the Securities Act shall be interpreted to include any revision of or successor to that section regardless of how numbered or classified.

"Seller Parties" means Holdings, the Company, Hancock, and the Shareholder Representative.

"Shareholder" means each of Hancock and each other Person listed as a shareholder of Holdings on Schedule 5.3.

"Shareholder Representative" is defined in Section 10.5.

"Shareholders Agreement" means that certain Stockholders Agreement, dated October 25, 2004 as amended by a First Amendment dated as of November 12, 2009, by and among Holdings, the Company, Hancock, and certain other parties thereto.

"Shares" means all of the issued and outstanding shares of capital stock of Holdings, as set forth on Schedule 5.3.

"Shortfall" is defined in Section 2.8(b).

"Signing Date" is defined in the opening paragraph of this Agreement.

"State Tax Escrow" is defined in Section 2.6(d).

"State Tax Escrow Deposit" means Ninety Thousand Dollars ($90,000).

"State Tax Liability" is defined in Section 8.6(c).

"Subsidiary" means, with respect to any Person, any corporation, limited liability company, partnership, association, or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a limited liability company, partnership, association, or other business entity, a majority of the partnership or other similar Equity Interests thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof. For these purposes, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association, or other business entity if such Person or Persons shall be allocated a majority of limited liability company, partnership, association, or other business

entity gains or losses or shall be or control any managing director or general partner of such limited liability company, partnership, association, or other business entity.

"Surviving Corporation" means Holdings, after the Effective Time and the consummation of the Merger.

"Target Net Working Capital" means Fourteen Million One Hundred Thousand Dollars ($14,100,000).

"Tax" means any federal, state, local, or foreign income, gross receipts, capital gains, franchise, alternative or add-on minimum, estimated, sales, use, goods and services, transfer, premiums, excess and surplus lines, registration, single business, value added, excise, natural resources, severance, stamp, occupation, premium, windfall profit, environmental, customs, duties, real property, personal property, capital stock, social security, unemployment, employment, disability, payroll, license, employee or other withholding, contributions or other tax, of any kind whatsoever, including any interest, penalties, or additions to tax or additional amounts in respect of the foregoing.

"Tax Returns" means returns, declarations, reports, claims for refund, information returns, or other documents (including any related or supporting schedules, statements, or information) filed or required to be filed in connection with the determination, assessment, or collection of Taxes of any Person or the administration of any laws, regulations, or administrative requirements relating to any Taxes.

"Termination Date" is defined in Section 10.1(b).

"Threshold Unit" is defined in Section 2.9(b).

"UC Party" means each of Holdings, the Company, any Subsidiary of Holdings or the Company, and any Subsidiary of any of the foregoing.

"UC Releasee" is defined in Section 9.6.

"Working Capital Escrow" is defined in Section 2.6(d).

ARTICLE 2
MERGER

2.1 **Merger.** On the basis of the representations, warranties, covenants, and agreements set forth in this Agreement, and subject to the satisfaction or waiver of the conditions set forth in Articles 3 and 4 below, at the Effective Time, Acquisition Sub shall be merged with and into Holdings in accordance with the applicable provisions of Delaware General Corporation Law ("DGCL"), and the separate corporate existence of Acquisition Sub shall cease. Holdings shall be the Surviving Corporation of the Merger and shall continue its corporate existence under the laws of the State of Delaware. The name of the Surviving Corporation shall be "Utilimaster Holdings, Inc." The Certificate of Incorporation and the Bylaws of Acquisition Sub as in effect immediately prior to the Effective Time shall be the Certificate of Incorporation and Bylaws of the Surviving Corporation, provided that such Certificate of Incorporation and Bylaws shall be

amended as of the Effective Time to reflect that the name of the Surviving Corporation is "Utilimaster Holdings, Inc." The directors of Acquisition Sub immediately prior to the Effective Time shall be the directors of the Surviving Corporation.

2.2 **Filing of Merger Certificate; Effective Time.** On the Closing Date, Holdings and Acquisition Sub shall duly execute a Certificate of Merger in accordance with the DGCL in the form attached as Exhibit C (the "Merger Certificate") which shall be filed with the Delaware Secretary of State to effect the Merger. The Merger Certificate shall be filed as soon as practicable after completion of all other actions to be taken by the Parties pursuant to this Agreement on the Closing Date. The Merger shall be effective (the "Effective Time") as of the close of business on the later of (i) the Closing Date or such other date mutually agreeable to the Parties (which date shall be specified in the Merger Certificate) or (ii) the date on which the Merger Certificate has been duly filed by the Delaware Secretary of State.

2.3 **Effects of Merger.** The Parties intend for the Merger to have the effects set forth in this Agreement and the DGCL. Without limiting the generality of the foregoing, and subject to the foregoing, at the Effective Time, all of the rights, privileges, immunities, powers, and franchises of each of Holdings and the Acquisition Sub; all property (real, personal, and mixed) of each of Holdings and the Acquisition Sub; all debts due to either Holdings or the Acquisition Sub on any account; and all choses in action and every other interest of or belonging to or due to either Holdings or the Acquisition Sub, will vest in the Surviving Corporation. The title to any real estate or any interest in any such real estate vested, by deed or otherwise, in either Holdings or Acquisition Sub shall not revert or in any way become impaired by reason of the Merger.

2.4 **Treatment of Capital Stock.** Subject to the terms and conditions of this Agreement, at the Effective Time, automatically by virtue of the Merger and without any action on the part of any Party or any other Person:

(a) Each share of capital stock of Acquisition Sub issued and outstanding immediately prior to the Effective Time shall be converted into the right to receive one share of common stock of the Surviving Corporation;

(b) Each Share of Holdings held in treasury of Holdings or owned by any UC Party shall be canceled without any conversion thereof, and no payment or distribution shall be made with respect thereto; and

(c) Each Share of Holdings issued and outstanding immediately prior to the Effective Time (other than (i) Shares canceled in accordance with Section 2.4(b) above and (ii) Dissenting Shares) shall be converted into the right to receive their Per Share Merger Consideration determined in accordance with Schedule 2.4. At the Effective Time, each Share of Holdings shall no longer be outstanding and shall automatically be canceled and retired, and the holders of Shares shall cease to be, and shall have no rights as, shareholders of Holdings (other than to receive the Per Share Merger Consideration as provided in this Agreement and the Paying Agent Agreement in full satisfaction of all rights pertaining to such Shares). As of the Closing Date, there shall be no transfers on the stock transfer books of Holdings or the Surviving Corporation of any Shares and if

certificates are presented to either Holdings or the Surviving Corporation for transfer on or after the Closing Date, they shall be delivered to Purchaser.

2.5 **Purchase Price.** In consideration for the Shares and the other covenants made by the Seller Parties pursuant to this Agreement, Purchaser agrees to pay to the Shareholders the aggregate amount (the "Purchase Price") equal to (i) the Base Purchase Price, plus (ii) the CV23 Payments, if any, in accordance with the terms and conditions of Section 2.9 below, plus (iii) the Annual Earn Out Amounts, if any, in accordance with the terms and conditions of Section 2.10 below, plus (minus) (iv) the amount by which Closing Net Working Capital exceeds (or is less than) Estimated Net Working Capital.

2.6 **Exchange Procedures; Payment of Base Purchase Price.**

(a) To the extent on or before the Closing Date a Shareholder has delivered to Purchaser all stock certificates representing the Shares owned by it as of the Closing Date accompanied by a Letter of Transmittal properly completed and duly executed by such Shareholder, Purchaser shall pay to such Shareholder at the Closing the amount of the Closing Per Share Merger Consideration payable to such Shareholder by wire transfer of immediately available funds.

(b) To the extent any Shareholder has not delivered to Purchaser all stock certificates representing the Shares owned by it as of the Closing accompanied by a Letter of Transmittal properly completed and duly executed by such Shareholder, Purchaser shall at the Closing deliver to the Paying Agent for deposit into the Paying Agent Account under the Paying Agent Agreement (the "Paying Agent Account") the Closing Per Share Merger Consideration payable to such Shareholder. All amounts in the Paying Agent Account from time to time shall be distributed to the Shareholders as provided in this Agreement and the Paying Agent Agreement.

(c) At any time prior to the Closing Date, but not later than five (5) business days after the Closing Date, Holdings shall send to each Shareholder who has not theretofore delivered all certificates representing the Shares owned by it as of the Closing Date accompanied by a Letter of Transmittal properly completed and duly executed by such Shareholder (i) a copy of the Letter of Transmittal, and (ii) instructions as to how to tender their Shares for their Closing Per Share Merger Consideration.

(d) At the Closing, Purchaser shall deliver to the Escrow Agent (i) the Indemnity Escrow Deposit for deposit into the Indemnity Escrow under the Escrow Agreement (the "Indemnity Escrow"); (ii) the Company NWC Deposit and the Purchaser NWC Deposit for deposit into the Working Capital Escrow under the Escrow Agreement (the "Working Capital Escrow"); and (iii) the State Tax Escrow Deposit for deposit into the State Tax Escrow under the Escrow Agreement (the "State Tax Escrow"). All amounts deposited into the Indemnity Escrow, the Working Capital Escrow, and the State Tax Escrow shall be distributed as provided in this Agreement and the Escrow Agreement.

(e) At the Closing, Purchaser shall deliver the Aggregate Bonus Amount to the Company and the Company shall, immediately after the Effective Time, pay bonuses to the Persons and in the amounts set forth on Schedule 2.6(e) and fund the 401(K) match amount set forth on Schedule 2.6(e).

(f) At the Closing, Purchaser shall pay an amount equal to all Indebtedness owed as of the Closing Date by the UC Parties to Bank of America, N.A. as successor to LaSalle Business Credit, LLC.

(g) At the Closing, Purchaser shall pay, in each case up to the amount accrued in the Estimated Net Working Capital, (i) the premium for a tail policy for directors and officers of the UC Parties, and (ii) to Hancock, the accrued management fees owed to it.

2.7 **Closing Net Working Capital Adjustment.** As soon as practicable after the Closing, but in any event within sixty (60) days following the Closing Date, Purchaser shall prepare at its expense, in accordance with GAAP and on a basis consistent with the UC Parties' past practice, a consolidated balance sheet for the UC Parties as of the Closing Date and its determination of the Closing Net Working Capital ("Purchaser's Calculation") and shall deliver in writing such Closing Date balance sheet and Purchaser's Calculation to the Shareholder Representative (the "Adjustment Notice"). The Adjustment Notice shall include all supporting schedules, analyses, working papers, and other reasonably necessary supporting documentation. Purchaser shall give the Shareholder Representative such assistance and access to the financial books and records, employees and advisors of Purchaser and the UC Parties as the Shareholder Representative may reasonably request in its review of the Adjustment Notice. The Shareholder Representative shall have thirty (30) days from receipt of the Adjustment Notice to notify Purchaser if the Shareholder Representative disputes the Purchaser's Calculation (the "Dispute Notice"). If the Shareholder Representative does not send a timely Dispute Notice, the Shareholder Representative will be deemed to have accepted Purchaser's Calculation as the Closing Net Working Capital and the Purchaser's Calculation shall be final and binding on all Parties. If the Shareholder Representative sends a Dispute Notice, the Dispute Notice shall specify the Shareholder Representative's determination of the Closing Net Working Capital, shall specify in reasonable detail the nature of any disagreement with the Purchaser's Calculation, and shall include all supporting schedules, analyses, working papers, and other reasonably necessary supporting documentation. Upon receipt of a timely Dispute Notice, Purchaser and the Shareholder Representative shall in good faith and with reasonable efforts attempt to agree on the Closing Net Working Capital. If Purchaser and the Shareholder Representative cannot agree upon the Closing Net Working Capital within ten (10) days after the Dispute Notice was provided, then Purchaser and the Shareholder Representative shall retain Deloitte & Touche LLP, and if such firm refuses to accept such engagement, then such other independently, nationally recognized accounting firm as chosen by mutual agreement of Purchaser and the Shareholder Representative, to determine the Closing Net Working Capital (either such firm, the "Accounting Firm") who shall be instructed to make such determination within thirty (30) calendar days of its engagement. The Accounting Firm's determination of Closing Net Working Capital shall be final and binding on the Parties. Such determination shall be reflected in a written report, which will be promptly delivered to Purchaser and the Shareholder Representative. The cost of the Accounting Firm shall be borne by the Party (either

Purchaser or the Shareholder Representative) whose determination of the Closing Net Working Capital was furthest from the determination of the Accounting Firm, provided if Purchaser's and the Shareholder Representative's determination of Closing Net Working Capital were each within plus or minus 10% of the Accounting Firm's determination, the cost shall be borne equally by Purchaser and the Shareholder Representative.

2.8 **Disbursement of NWC Escrow Deposit.**

(a) After the Closing Net Working Capital has been finally determined pursuant to Section 2.7, Purchaser and the Shareholder Representative shall provide written instructions (the "NWC Release Notice") to the Escrow Agent for disbursement of the Working Capital Escrow by the Escrow Agent pursuant to the terms of this Agreement and the Escrow Agreement.

(b) If the Closing Net Working Capital exceeds the Estimated Net Working Capital (the amount of such difference, a "Shortfall"), then the NWC Release Notice shall instruct the Escrow Agent to (i) disburse an amount equal to the Company NWC Deposit, plus any interest accrued thereon, to the Paying Agent Account; (ii) disburse (to the extent of any funds remaining in the Working Capital Escrow) an amount equal to the Shortfall, plus any interest accrued thereon, to the Paying Agent Account; and (iii) disburse the balance of the Working Capital Escrow (if any) to Purchaser. If the amount disbursed by Escrow Agent to the Paying Agent Account pursuant to clause (ii) above (excluding any interest) is less than the Shortfall, then Purchaser shall within two (2) business days of the delivery of the NWC Release Notice also deliver to the Paying Agent for deposit into the Paying Agent Account an amount equal to the amount by which the amount disbursed to the Paying Agent Account pursuant to clause (ii) above (excluding any interest) was less than the Shortfall.

(c) If the Estimated Net Working Capital exceeds the Closing Net Working Capital (the amount of such difference, an "Excess Payment"), then the NWC Release Notice shall instruct the Escrow Agent to (i) disburse an amount equal to the Purchaser NWC Deposit, plus any interest accrued thereon, to Purchaser; (ii) disburse (to the extent of any funds remaining in the Working Capital Escrow) an amount equal to the Excess Payment, plus any interest accrued thereon, to Purchaser; and (iii) disburse the balance of the Working Capital Escrow (if any) to the Paying Agent Account. If the amount disbursed by Escrow Agent to Purchaser pursuant to clause (ii) above (excluding any interest) is less than the Excess Payment, then the Shareholder Representative shall within two (2) business days of the delivery of the NWC Release Notice pay to Purchaser an amount equal to the amount by which the amount disbursed to Purchaser pursuant to clause (ii) above (excluding any interest) was less than the Excess Payment.

(d) If the Estimated Net Working Capital is equal to the Closing Net Working Capital, then the NWC Release Notice shall instruct the Escrow Agent to (i) disburse an amount equal to the Purchaser NWC Deposit, plus any interest accrued thereon, to Purchaser, and (ii) disburse an amount equal to the Company NWC Deposit, plus any interest accrued thereon, to the Paying Agent Account.

2.9 **CV23 Payments.** As part of the Purchase Price, Purchaser shall pay the CV23 Payments, if any, that may be payable in accordance with this Section. For purposes of this Section, a CV23 Unit shall be deemed "sold and delivered" if the Company has delivered the CV23 Unit to the buyer of such CV23 Unit and such buyer has (i) paid the Company in full for such CV23 Unit, and (ii) not returned, rejected, or refused acceptance of the CV23 Unit within 35 days of delivery thereof.

(a) If the Company (or any other Person succeeding to the operations of the Company after the Effective Time) has sold and delivered at least one (1) CV23 Unit to a Major Customer, then Purchaser shall deliver to the Paying Agent for deposit into the Paying Agent Account the aggregate amount of One Million Dollars ($1,000,000) no later than forty-five (45) days after such sale; provided, however, that such sale and delivery must take place prior to December 31, 2012.

(b) If the Company (together with any other Persons succeeding to the operations of the Company after the Effective Time) has sold and delivered at least one thousand (1,000) CV23 Units (excluding any sales of CV23 Units to any Person that is an Affiliate of any UC Party) (the "Threshold Unit"), then Purchaser shall deliver to the Paying Agent for deposit into the Paying Agent Account the aggregate amount of One Million Dollars ($1,000,000) no later than forty-five (45) days after the sale of the Threshold Unit; provided, however, that the sale of the Threshold Unit must take place prior to December 31, 2013.

2.10 **Annual Earn Out Amounts.** As part of the Purchase Price, Purchaser shall pay the Annual Earn Out Amounts, if any, that may be payable in accordance with this Section. Each calendar year 2010, 2011, 2012, 2013, and 2014 is referred to as an "Annual Earn Out Period." Within thirty (30) days following the end of each Annual Earn Out Period, Purchaser shall determine the Annual Earn Out Amount, if any, in accordance with GAAP on a basis consistent with UC Parties' past practices for such concluded Annual Earn Out Period based on the books and records of the UC Parties and shall deliver in writing its determination (each, a "Preliminary Annual Earn Out Calculation") to the Shareholder Representative (the "Annual Earn Out Notice"). The Annual Earn Out Notice shall include all supporting schedules, analyses, working papers, and other supporting documentation. Purchaser shall give the Shareholder Representative such assistance and access to the financial books and records, employees and advisors of Purchaser and the UC Parties as the Shareholder Representative may reasonably request in its review of the Annual Earn Out Notice. The Shareholder Representative shall have thirty (30) days from receipt of each Annual Earn Out Notice to notify Purchaser if the Shareholder Representative disputes such Preliminary Annual Earn Out Calculation (the "Annual Earn Out Dispute Notice"). If the Shareholder Representative does not send a timely Annual Earn Out Dispute Notice, the Shareholders will be deemed to have accepted Purchaser's calculation of the Annual Earn Out Amount for such Annual Earn Out Period and the Purchaser's calculation shall be final and binding on all Parties. If the Shareholder Representative sends an Annual Earn Out Dispute Notice, the Annual Earn Out Dispute Notice shall specify the Shareholder Representative's determination of the Annual Earn Out Amount for such Annual Earn Out Period, shall specify in reasonable detail the nature of any disagreement with the Preliminary Annual Earn Out Calculation, and shall include all supporting schedules,

analyses, working papers, and other reasonably necessary supporting documentation. Upon receipt of a timely Annual Earn Out Dispute Notice, Purchaser and the Shareholder Representative shall in good faith and with reasonable efforts attempt to agree on the Annual Earn Out for such Annual Earn Out Period. If Purchaser and the Shareholder Representative cannot agree upon the Annual Earn Out Amount for such Annual Earn Out Period within ten (10) days after the Annual Earn Out Dispute Notice was provided, then Purchaser and the Shareholder Representative shall retain the Accounting Firm to determine the Annual Earn Out Amount for such Annual Earn Out Period and who shall make such determination within thirty (30) days of such engagement. The Accounting Firm's determination of the Annual Earn Out Amount for such Annual Earn Out Period shall be final and binding on the Parties. The determination of the Accounting Firm shall be reflected in a written report, which will be promptly delivered to Purchaser and the Shareholder Representative. The cost of the Accounting Firm shall be borne by the Party (either Purchaser or the Shareholder Representative) whose determination of the Annual Earn Out Amount was furthest from the determination of the Accounting Firm, provided if Purchaser's and the Shareholder Representative's determination of Annual Earnout Amount were each within plus or minus 10% of the Accounting Firm's determination, the cost shall be borne equally by Purchaser and the Shareholder Representative. Once the Annual Earn Out Amount for an Annual Earn Out Period has been finally determined pursuant to this Section, such Annual Earn Out Amount, if any, shall be delivered by Purchaser to the Paying Agent for deposit into the Paying Agent Account within five (5) days after such final determination. Notwithstanding the foregoing or anything in this Agreement to the contrary, the maximum aggregate Annual Earn Out Amounts that Purchaser may be obligated to pay the Shareholders pursuant to this Agreement shall be Five Million Dollars ($5,000,000). Any Annual Earn Out Amount that, but for the application of the preceding sentence, would cause the aggregate amount of Annual Earn Out Amounts payable by Purchaser pursuant to this Agreement to exceed such maximum shall be reduced as necessary so that such maximum is not exceeded. The Shareholder Representative acknowledges and agrees that (i) all information disclosed on the Annual Earn Out Notice or otherwise learned by it in connection with the procedures set forth in this Section is and shall be deemed confidential, non-public information protected by the provisions of Section 10.17 below, and (ii) the sole purpose of the disclosure of any such information pursuant to this Section is in connection with the calculation of the Annual Earn Out Amount, if any, and such information shall not be disclosed to any third person or otherwise used for any purpose, including as a basis for purchasing or selling any securities of Purchaser.

2.11 **Closing.** On the terms and conditions set forth in this Agreement, the closing of the transactions described in this Agreement (the "Closing") shall take place at the offices of Varnum LLP, 333 Bridge St., NW, Suite 1700, Grand Rapids, Michigan 49504, or at such other place as may be mutually agreeable to each of the Parties, as soon as practicable, but in any event within ten (10) business days, after all conditions set forth in Articles 3 and 4 below have been either satisfied or waived, other than conditions with respect to actions the respective Parties will take at the Closing. The date and time of the Closing are referred to in this Agreement as the "Closing Date."

2.12 **Closing Deliveries of Seller Parties**. At the Closing, the Seller Parties shall do, and execute and deliver to Purchaser, all things required to be performed or delivered by them at the Closing under this Agreement, including the following:

(a) Hancock shall deliver all of its stock certificates and a Letter of Transmittal required by Section 2.6 above;

(b) Hancock shall deliver to Purchaser a certificate, in a form acceptable to Purchaser, signed by a duly authorized officer of Hancock, and dated as of the Closing Date, certifying (i) that Hancock has been duly authorized to enter into the transactions contemplated by this Agreement, and (ii) that all representations and warranties made by Hancock in this Agreement are true and correct in all material respects as of the Closing (except for those representations which refer to facts existing at a specific date, which shall be true and correct as of such date), and (iii) that all covenants, obligations, and agreements to have been performed by Hancock prior to Closing have been fully performed in all material respects in accordance with the terms of this Agreement;

(c) Holdings shall deliver to Purchaser a certificate, in a form acceptable to Purchaser, signed by the secretary or another officer of Holdings, and dated as of the Closing Date, certifying (i) that true, correct, and complete copies of Holding's Certificate of Incorporation (certified by the Delaware Secretary of State as of a date within ten (10) days prior to the Closing Date) and Bylaws are attached to such certificate, (ii) that the board of directors and Shareholders of Holdings adopted the resolutions attached to such certificate to authorize the transactions contemplated by this Agreement, (iii) a specimen signature of each officer of Holdings duly authorized to execute this Agreement and any other agreements, instruments, or documents related to this Agreement that are to be executed or delivered by Holdings; and (iv) that all representations and warranties made by Holdings in this Agreement are true and correct in all material respects as of the Closing (except for those representations which refer to facts existing at a specific date, which shall be true and correct as of such date) and that all covenants, obligations, and agreements to have been performed by Holdings prior to Closing have been fully performed in all material respects in accordance with the terms of this Agreement;

(d) The Company shall deliver to Purchaser a certificate, in a form acceptable to Purchaser, signed by the secretary or another officer of the Company, and dated as of the Closing Date, certifying (i) that true, correct, and complete copies of the Company's Certificate of Incorporation (certified by the Delaware Secretary of State as of a date within ten (10) days prior to the Closing Date) and Bylaws, are attached to such certificate, (ii) that the board of directors and shareholder of the Company adopted the resolutions attached to such certificate to authorize the transactions contemplated by this Agreement, (iii) a specimen signature of each officer of the Company duly authorized to execute this Agreement and any other agreements, instruments, or documents related to this Agreement that are to be executed or delivered by the Company, and (iv) that all representations and warranties made by the Company in this Agreement are true and correct in all material respects as of the Closing (except for those representations which refer to facts existing at a specific date, which shall be true and correct as of such date) and that all covenants, obligations, and agreements to have been performed by the Company prior to Closing have been fully performed in all material respects in accordance with the terms of this Agreement;

(e) Holdings shall deliver the Merger Certificate, signed by an authorized officer of Holdings;

(f) Hancock shall deliver the Escrow Agreement and the Paying Agent Agreement, each signed by an authorized officer of Hancock;

(g) each of Holdings and the Company shall deliver resignations, in each case on a form reasonably acceptable to Purchaser, of such of its officers as are identified by Purchaser to the Seller Parties not later than five (5) days prior to the Closing Date; provided, however, that such resignations shall at all times be subject to the terms and conditions of any Employment Agreement in place with such officer, and shall provide the basis for severance payments, if any, to the extent provided in such Employment Agreement;

(h) copies of all third party and governmental consents, approvals, and filings referred to in Section 3.8 below; and

(i) such other instruments, certificates and documents necessary to effect the transactions contemplated by this Agreement as Purchaser may reasonably request.

2.13 **Closing Deliveries of Purchaser.** At the Closing, Purchaser shall do, and execute and deliver to Hancock, all things required to be performed or delivered by it under this Agreement at the Closing, including the following:

(a) Purchaser shall make the payments and deliveries required of it pursuant to Section 2.6;

(b) Purchaser shall cause Acquisition Sub to deliver the Merger Certificate, signed by an authorized officer of Acquisition Sub;

(c) Purchaser shall deliver the Escrow Agreement and the Paying Agent Agreement, each signed by an authorized officer of Purchaser;

(d) Purchaser shall deliver to Hancock a certificate, in a form acceptable to Hancock, signed by the secretary or another officer of Purchaser, and dated as of the Closing Date, certifying (i) that true, correct, and complete copies of Purchaser's Certificate of Incorporation (certified by the Michigan Secretary of State as of a date within ten (10) days prior to the Closing Date) and Bylaws, are attached to such certificate, (ii) that the board of directors and shareholders of Purchaser adopted the resolutions attached to such certificate to authorize the transactions contemplated by this Agreement, (iii) a specimen signature of each officer of Purchaser duly authorized to execute this Agreement and any other agreements, instruments, or documents related to this Agreement that are to be executed or delivered by Purchaser, and (iv) that all representations and warranties made by Purchaser in this Agreement are true and correct in all material respects as of the Closing (except for those representations which refer to facts existing at a specific date, which shall be true and correct as of such date) and that all covenants, obligations, and agreements to have been performed by Purchaser prior to

Closing have been fully performed in all material respects in accordance with the terms of this Agreement; and

(e) such other instruments, certificates and documents necessary to effect the transactions contemplated by this Agreement as the Seller Parties may reasonably request.

2.14 **Dissenting Shares.**

(a) Notwithstanding any provision of this Agreement to the contrary, Shares that are outstanding immediately prior to the Effective Time and which are held by Shareholders who shall not have voted in favor of the Merger or consented thereto in writing or otherwise waived such rights and who shall have demanded properly in writing appraisal for such Shares in accordance with Section 262 of the DGCL (collectively, the "Dissenting Shares") shall not be converted into or represent the right to receive the Per Share Merger Consideration. Holders of Dissenting Shares shall be entitled to receive such consideration as is determined to be due with respect to such Dissenting Shares in accordance with the provisions of Section 262 of the DGCL, except that all Dissenting Shares held by Shareholders who shall have failed to perfect or who effectively shall have withdrawn or lost their rights to appraisal of such Shares under Section 262 of the DGCL shall thereupon be deemed to have been converted into and to have become exchangeable for, as of the Effective Time, the right to receive their Per Share Merger Consideration, without any interest thereon, upon full compliance with Section 2.6 above.

(b) On or before the Signing Date, Hancock shall give its written consent in lieu of a meeting for purposes of approving this Agreement in accordance with the applicable provisions of the DGCL and thereafter, Holdings shall deliver notice of the taking of such action by written consent to any Shareholder who shall not have consented thereto in writing in accordance with Section 228(e) of the DGCL. Such notice to Shareholders shall also comply with Section 262(d) of the DGCL, including, without limitation and to the extent applicable, notice that appraisal rights are available for any or all Shares held by them pursuant to the transactions contemplated by this Agreement. Holdings shall promptly provide Purchaser with copies of any notices sent pursuant to this subsection. Within ten (10) days after the Effective Time, Purchaser shall cause the Surviving Corporation to send a second notice to such Shareholders in accordance with Section 262(d) of the DGCL.

(c) Prior to and after Closing, Holdings shall give the Shareholder Representative (i) prompt written notice of any demands for appraisal received by Holdings, withdrawals of such demands, and any other instruments served pursuant to the DGCL and received by Holdings, and (ii) the opportunity to direct all negotiations and proceedings with respect to demands for appraisal under the DGCL. Holdings shall not, except with the prior written consent of the Shareholder Representative, make any payment with respect to any demands for appraisal or offer to settle or settle any such demands.

ARTICLE 3
CONDITIONS TO OBLIGATIONS OF PURCHASER

Purchaser's obligation to complete the Closing pursuant to this Agreement shall be subject to the fulfillment prior to the Closing of each of the conditions set forth below, except to the extent any such condition is waived by Purchaser. Any such waiver shall be in writing and signed by Purchaser, except that any condition set forth in this Article 3 shall be deemed waived by Purchaser if any Seller Party provides written notice of such unsatisfied condition to Purchaser at the Closing and Purchaser proceeds with and consummates the Closing.

3.1 **Representations and Warranties; Covenants.** Each of the representations and warranties made by Hancock, Holdings, or the Company in this Agreement, including those set forth in Article 5 below, shall be true and correct in all material respects at and as of the Closing (except for those representations which refer to facts existing at a specific date, which shall be true and correct as of such date), and each of Hancock, Holdings, and the Company shall have performed, complied with, or fulfilled in all material respects all of the covenants and agreements required to be performed by it pursuant to this Agreement prior to or at the Closing.

3.2 **Employment Agreements; Continuation of Salary Reductions.** Each of the Employment Agreements shall be in full force and effect as of the Closing, except to the extent, if any, a resignation requested by Purchaser pursuant to Section 2.12(g) results in the termination of such Employment Agreement. The Company and each of the Key Employees (other than John Forbes) shall have entered into an amendment to the Employment Agreement Acknowledgement or Severance Agreement Acknowledgement, as the case may be, between the Company and such Key Employee pursuant to an amendment substantially in the form attached as Exhibit E. Except for modifications effected pursuant to such amendments, the Parties acknowledge and agree that nothing set forth in this Agreement (including anything in this Section 3.2 or in Section 2.12(g) above) is intended to, or shall be interpreted as, modifying any rights or obligations of the respective parties pursuant to any Employment Agreement.

3.3 **Noncompetition Agreements.** Each of the Noncompetition Agreements shall be in full force and effect as of the Closing.

3.4 **Opinion of Legal Counsel.** Purchaser shall have received from Taft Stettinius & Hollister LLP, counsel for the UC Parties, an opinion with respect to the matters set forth on the attached Exhibit F, which opinion shall be addressed to Purchaser, dated as of the Closing Date, and in form and substance satisfactory to Purchaser.

3.5 **Payoff Letters; Discharge of Old Mortgage.** The Seller Parties shall have (i) delivered to Purchaser a payoff letter (in form and substance reasonably satisfactory to Purchaser) from the Bank of America, N.A. with respect to the Long-Term Debt and evidence satisfactory to Purchaser that upon payment of the amount set forth in such payoff letter as of the Closing Date, all Liens on assets of the UC Parties securing the Long-Term Debt will be released, (ii) delivered to Purchaser a payoff letter (in form and substance reasonably satisfactory to Purchaser) from the holder of any Indebtedness (other than the Long-Term Debt, capital lease obligations, and any other Indebtedness included in the calculation of Estimated Net Working

Capital) and evidence satisfactory to Purchaser that upon payment of the amount set forth in such payoff letters as of the Closing Date, all Liens (if any) on assets of the UC Parties securing such Indebtedness will be released, and (iii) caused the Old Mortgage to be discharged and released.

3.6 **No Litigation.** No suit, action, or other proceeding shall be pending or threatened before any court or governmental or regulatory official, body, or authority in which it is sought to restrain or prohibit any of the transactions contemplated by this Agreement or that, if adversely determined to the UC Parties, could reasonably be expected to have a Material Adverse Effect, and no injunction, judgment, order, decree or ruling with respect to any such proceeding shall be in effect.

3.7 **No Material Adverse Effect.** Since the Signing Date, there shall have been no Material Adverse Effect.

3.8 **Consents and Approvals.** The consents and approvals set forth on Schedule 3.8 shall have been obtained on terms reasonably satisfactory to Purchaser.

3.9 **Closing Deliveries**. All Closing deliveries required by Section 2.12 above shall have been delivered.

ARTICLE 4
CONDITIONS TO OBLIGATIONS OF THE SELLER PARTIES

The obligation of the Seller Parties to complete the Closing pursuant this Agreement shall be subject to the fulfillment prior to the Closing of each of the conditions set forth below, except to the extent any such condition is waived by Hancock. Any such waiver shall be in writing and signed by Hancock, except that any condition set forth in this Article 4 shall be deemed waived by each Seller Party if Purchaser provides written notice of such unsatisfied condition to the Seller Parties at the Closing and the Seller Parties proceed with and consummate the Closing.

4.1 **Representations and Warranties; Covenants.** Each of the representations and warranties made by Purchaser in this Agreement, including those set forth in Section 6 below, shall be true and correct in all material respects at and as of the Closing (except for those representations which refer to facts existing at a specific date, which shall be true and correct as of such date), and Purchaser shall have performed, complied with, or fulfilled in all material respects all of the covenants and agreements required to be performed by it pursuant to this Agreement prior to or at the Closing.

4.2 **No Litigation.** No suit, action, or other proceeding shall be pending or threatened before any court or governmental or regulatory official, body, or authority in which it is sought to restrain or prohibit any of the transactions contemplated by this Agreement, and no injunction, judgment, order, decree or ruling with respect to any such proceeding shall be in effect.

4.3 **Closing Deliveries.** All Closing deliveries required by Section 2.13 above shall have been delivered.

4.4 **Letter of Credit**. Purchaser shall have either (a) delivered to GMAC a letter of credit acceptable to GMAC in substitution for the letter of credit issued on behalf of the UC

Parties by Bank of America, N.A., or (b) caused to be delivered to Bank of America, N.A. cash, cash equivalents, or marketable securities or a back-to-back letter of credit, in each case acceptable to Bank of America, N.A. such that it will allow the letter of credit it issued on behalf of the UC Parties to remain in place without the benefit of any Lien on any assets of any UC Party.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF HOLDINGS AND THE COMPANY

Holdings and the Company jointly and severally represent and warrant to Purchaser, as a material inducement for Purchaser to enter into and perform the transactions described in this Agreement, the following as of the Signing Date and as of the Closing Date. These representations and warranties shall survive any investigation by Purchaser and shall survive the Closing to the extent set forth in Section 9.1 below.

5.1 **Authorization; No Conflicts.**

(a) Each UC Party has the right, power, and authority to execute, deliver, and perform this Agreement (to the extent a Party to this Agreement) and each other agreement, certificate, instrument, and document contemplated by this Agreement to be executed or delivered by such UC Party. The execution, delivery, and performance of this Agreement and of each other agreement, certificate, instrument, and document contemplated by this Agreement has been duly authorized and approved by all necessary action on behalf of each UC Party, to the extent a party hereto or thereto. This Agreement and each other agreement, certificate, instrument, and document contemplated by this Agreement to be executed or delivered by a UC Party constitutes a valid and binding obligation of each such UC Party, enforceable in accordance with its terms.

(b) The execution, delivery and performance of this Agreement and each other agreement, certificate, instrument, and document contemplated by this Agreement does not and will not: (i) conflict with or result in a breach of the terms, conditions, or provisions of, (ii) constitute a default under (whether with or without the passage of time, the giving of notice or both), (iii) result in the creation of any Lien upon the Equity Interests or assets of any UC Party, (iv) give any third party the right to modify, terminate, or accelerate any material obligation under, (v) result in a violation of, (A) any UC Party's certificate or articles of incorporation, bylaws, or other charter or organizational documents, (B) to the Knowledge of the Company and except as set forth on Schedule 5.1(b)(v)(B), any law, statute, rule, or regulation to which any UC Party is subject, or (C) to the Knowledge of the Company and except as set forth on Schedule 5.1(b)(v)(C), any Material Contract, instrument, order, judgment, or decree to which any UC Party is subject or by which any of their respective assets are bound.

5.2 **Corporate Status.** Each UC Party is duly organized, validly existing, and in good standing under the laws of the jurisdiction set forth opposite its name on Schedule 5.2; possesses all requisite corporate power and authority necessary to own its properties and to carry on its business as now being conducted; and is duly qualified to do business as a foreign corporation in the jurisdictions set forth opposite its name on Schedule 5.2. Each UC Party is

qualified to do business as a foreign corporation in each jurisdiction in which the failure to be so qualified could reasonably be expected to result in a Material Adverse Effect. To the Knowledge of the Company, complete and accurate copies of the minute books and stock records of each UC Party, including their respective Certificates of Incorporation and Bylaws and all amendments to both, have been delivered to Purchaser. Schedule 5.2 contains a list of all officers and directors of each of Holdings and the Company.

5.3 **Capital Stock; Subsidiaries; Related Matters.**

(a) Schedule 5.3 sets forth (i) a list of all UC Parties, (ii) the Equity Interests that each UC Party is authorized to issue, and (iii) the issued and outstanding Equity Interests of each UC Party, including the record owners of such Equity Interests (without giving effect to the transactions contemplated by Article 2). Except as otherwise set forth on Schedule 5.3, no UC Party has any issued or outstanding Equity Equivalents or is subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire any of its outstanding Equity Interests or to issue or execute any Equity Interests or Equity Equivalents (except for the transactions contemplated by this Agreement). All of the issued and outstanding Equity Interests of each UC Party are validly issued, fully paid, and nonassessable. Except as set forth in the Shareholders Agreement, there are no statutory or contractual preemptive rights or rights of refusal with respect to the issuance of any Equity Interests by any UC Party.

(b) No UC Party has violated any applicable federal or state securities law in connection with the offer, sale, or issuance of any Equity Interests in any respect that could reasonably be expected to result in a Material Adverse Effect. Except for this Agreement, Holdings' organizational documents, and the Shareholders Agreement, there are no agreements between or among any of the Shareholders, on one hand, and any UC Party, on the other hand, with respect to the voting or transfer of any Equity Interests in any UC Party or with respect to any other aspect of the affairs of any UC Party. Except as set forth on Schedule 5.3, none of the UC Parties owns or possesses, directly or indirectly, an Equity Interest or any Equity Equivalent in any Person. Holdings has supplied Purchaser with a true, correct, and complete copy of the Shareholders Agreement, together with all amendments, waivers, or other changes thereto. At the Effective Time, other than the rights of the Shareholders pursuant to the provisions of the DGCL and under this Agreement, no Shareholder shall have any Equity Interest, Equity Equivalent, or any other right, title or interest, in or to any UC Party or any of the assets of any UC Party.

5.4 **Financial Statements.** Attached as Schedule 5.4 are (i) an unaudited balance sheet of the UC Parties on a consolidated basis as of September 27, 2009 (the "Latest Balance Sheet") and the related unaudited statements of income and cash flows for the nine (9) month period then ended, and (ii) the audited balance sheets of the UC Parties on a consolidated basis as of December 31, 2005, 2006, 2007, and 2008, and the related audited statements of income and cash flows for the fiscal years then ended. Each of the foregoing financial statements (including in all cases the related notes, if any) is consistent with the books and records of the UC Parties, which are accurate and complete, have been prepared in accordance with GAAP, consistently applied throughout the periods covered by such financial statements, and accurately and fairly, in

all material respects, present the financial position of the UC Parties on a consolidated basis as of the dates of such balance sheets and the results of the operations and cash flows of the UC Parties on a consolidated basis for the periods ended on such dates except as noted therein (subject in the case of unaudited financial statements, to the absence of notes, other presentation items, and normal year-end adjustments). All financial statements described in this Section 5.4 as audited were audited by McGladrey & Pullen, LLP, certified public accountants, whose reports are included with such financial statements. Included as part of Schedule 5.4 are true, correct, and complete copies of all correspondence sent by all legal counsel for any UC Party to such auditors in response to letters from any UC Party to such counsel requesting that such counsel supply the auditors with certain information regarding pending or threatened litigation, unasserted claims, and other matters relevant to the auditors' audit of such financial statements.

5.5 **Absence of Liabilities.** Except as (i) set forth in the Latest Balance Sheet, (ii) incurred since the date of the Latest Balance Sheet in the ordinary course of business, (iii) executory obligations arising under Contracts entered into in the ordinary course of business, (iv) incurred in connection with the transactions contemplated by this Agreement or (v) set forth on Schedule 5.5, no UC Party has any Indebtedness or any other Liabilities.

5.6 **No Material Adverse Change.** Since the date of the Latest Balance Sheet, (i) there has occurred no fact, event, or circumstance which has had or could reasonably be expected to have a Material Adverse Effect, (ii) the UC Parties have conducted their respective businesses only in the ordinary course of business consistent with past practice, and (iii) Holdings has not made any payments or other distributions to the holders of the Equity Interests of Holdings or to any of their Affiliates or purchased or redeemed any Equity Interests.

5.7 **Accounts Receivable.** Each of the accounts receivable reflected in the Latest Balance Sheet constitutes a valid claim in the full amount of such receivable against the related account debtor (subject to reserves with respect thereto reflected in the Latest Balance Sheet) and arose in the ordinary course of the Company's business. The Company does have any material account receivable from the provision of goods or services to the United States or any department or agency of the United States. The Company maintains reasonable reserves in accordance with GAAP for the uncollectibility of its accounts receivable.

5.8 **Absence of Certain Developments.** Except as set forth on the attached Schedule 5.8, since the date of the Latest Balance Sheet, no UC Party has:

(a) mortgaged or pledged any of its properties or assets or subjected them to any Lien;

(b) sold, leased, licensed, assigned, or transferred (including transfers to Shareholders or any of their respective Affiliates or any Insider) any of its tangible or intangible assets (including Intellectual Property), except for sales of inventory and obsolete equipment in the ordinary course of business to unaffiliated third Persons on an arm's length basis;

(c) canceled any debts or claims owing to or held by it in an aggregate amount in excess of $50,000;

(d) disclosed any confidential information of any third party in breach of any obligation of confidentiality;

(e) acquired any assets of any other Person (other than inventory, materials, or supplies in the ordinary course of business) in an aggregate amount in excess of $50,000;

(f) made or granted or promised any bonus or any wage or salary increase to any employee or group of employees or made or granted any increase in any employee benefit plan or arrangement, or amended or terminated any existing employee benefit plan or arrangement or adopted any new employee benefit plan or arrangement;

(g) made any change in any method of accounting or accounting policies or made any write-down in the value of its inventory;

(h) incurred intercompany charges or conducted its cash management customs and practices other than in the ordinary course of business consistent with past practice (including with respect to maintenance of working capital balances, collection of accounts receivable, and payment of accounts payable);

(i) suffered any extraordinary loss or waived any rights of value in an aggregate amount in excess of $50,000, whether or not in the ordinary course of business or consistent with past practice;

(j) entered into, amended, or terminated any Material Contract or taken any other action or entered into any other transaction other than in the ordinary course of business or entered into any agreement or arrangement prohibiting or restricting it from freely engaging in any business or otherwise restricting the conduct of its business;

(k) entered into any other material transaction, whether or not in the ordinary course of business, or changed any business practice;

(l) made any capital expenditures in excess of One Hundred Thousand Dollars ($100,000) in the aggregate;

(m) made any loans or advances to, or guarantees for the benefit of, any Persons other than intercompany advances between the UC Parties and advances to employees for employment related expenses in the ordinary course;

(n) changed or authorized any change in its certificate or articles of incorporation, bylaws or other charter, governing, or organizational documents;

(o) suffered any damage, destruction, or casualty loss exceeding Fifty Thousand Dollars ($50,000) in the aggregate, not covered by insurance;

(p) acquired any other business or Person (or any significant portion or division of any such business), whether by merger, consolidation, or reorganization or by purchase of its assets or stock or made any Investment in any Person other than a UC Party;

(q) instituted or settled any material claim or lawsuit;

(r) made any payments for political contributions or made any bribes, kickback payments, or other illegal payments;

(s) taken any action outside of the ordinary and usual course of business;

(t) failed to pay all of its material Liabilities as they became due;

(u) lost the services of any employee or to the Knowledge of the Company, sustained a termination of its relationship with any Major Customer, any other customer as a result of a breach by a UC Party of a Contract with such other customer, or with any Major Supplier; or

(v) committed or agreed to any of the foregoing.

5.9 **Personal Property.** Each UC Party has good, valid, and marketable title to all personal property, tangible and intangible, reflected on the Latest Balance Sheet and to all other personal property owned by it, free and clear of all Liens (other than the Permitted Liens). Except as disclosed on Schedule 5.9, all of each UC Party's equipment, furniture, fixtures, and other tangible assets are in reasonable good operating condition and repair (except for normal wear and tear), have been maintained in accordance with normal industry practices, do not require any repairs and are suitable for the purposes for which they are currently used and currently proposed by the UC Parties to be used. Each UC Party owns all assets necessary for the conduct of its business as presently conducted or currently used in the conduct of its business, except for assets leased, licensed, assigned or consigned from third Persons. To the Knowledge of the Company, all inventory of the Company (including raw materials and work in process) is usable in the ordinary course of business and free from defects, and all finished goods are saleable in the ordinary course of business (net of any applicable inventory reserves).

5.10 **Real Property.** The attached Schedule 5.10 sets forth the address of, and a list of all leases, subleases, licenses, or other agreements ("Leases") for the use or occupancy of any real property (collectively, the "Leased Real Property") in which any UC Party has a leasehold, subleasehold, or licensed interest as lessee in any real property or is otherwise party to any Contract involving the lease of real property. The attached Schedule 5.10 also sets forth the address of each parcel of real property in which any UC Party owns or holds, directly or indirectly, any right, title, or interest other than a leasehold, subleasehold, or licensed interest, including, without limitation, any option to acquire any parcel of real property (collectively, the "Owned Real Property" and, together with the Leased Real Property, the "Real Property"). The Company has delivered to Purchaser a true and complete copy of each Lease. With respect to such Lease: (a) to the Company's Knowledge, each Lease is legal, valid, binding, enforceable, and in full force and effect; (b) the consummation of the transactions contemplated by this

Agreement will not result in a termination of or a breach of or default under any Lease; (c) neither the UC Party that is party thereto nor to the Knowledge of the Company, any third party to any Lease, is in breach or default under such Lease, and to the Knowledge of the Company, no event has occurred or circumstance exists which, with the delivery of notice, passage of time, or both, would constitute such a breach or default or permit the termination, modification, or acceleration of rent under such Lease; and (d) the UC Party that is party thereto enjoys peaceful and undisturbed possession of such Leased Real Property. Other than disclosed in Schedule 5.10, each applicable UC Party owns good and marketable title to each parcel of Owned Real Property, free and clear of Liens other than Permitted Liens. Other than as disclosed in Schedule 5.10, no UC Party is party to any Contract with owners or users of real property adjacent to any parcel of Owned Real Property relating to the use, operation or maintenance of such Owned Real Property or the adjacent real property, and no UC Party is party to any site access agreement or other Contract granting any third Person a license or access to any Owned Real Property. There are no pending or, to the Knowledge of the Company, threatened condemnation proceedings relating to any of the Owned Real Property. Attached to Schedule 5.10 are all title insurance policies insuring the Company's interest in each parcel of Real Property. There is no existing, nor to the Knowledge of the Company, pending or proposed (a) public improvement in, about or outside the Real Property which has or may result in the imposition of any assessment, Lien, or charge against any part of the Real Property; or (b) special assessment or similar charge impacting any part of the Real Property. No UC Party has received any notices from any insurer that any parcel of Real Property fails to meet underwriting standards or requires repairs, alterations or other work to be performed.

5.11 **Tax Matters**. Schedule 5.11 contains (i) a list of states, territories, and jurisdictions (whether foreign or domestic) in which any UC Party will file for 2009 or has filed in the past two (2) calendar years any material Tax Return, and (ii) under the heading "Potential States", a list of state income, sales, or use Taxes, and corresponding Tax periods, describing such state income, sales, or use Taxes and corresponding Tax periods for which a UC Party may not have filed a Tax Return properly due, may have filed a Tax Return that has proven to be untrue, incomplete or inaccurate, or may have filed a Tax Return that shows an incorrect amount of Tax due.

Except as set forth on the attached Schedule 5.11, and except in respect of the state Taxes and corresponding Tax periods scheduled under "Potential States":

(a) each UC Party has timely filed or shall timely file all material Tax Returns that are required to be filed on or before the Closing Date, and all such Tax Returns are true, complete, and accurate in all material respects;

(b) all material Taxes due and payable by any UC Party on or before the Closing Date (whether or not shown on any Tax Return) have been paid or shall be paid on or before the Closing Date, each UC Party has adequate reserves for all material Taxes of such UC Party accrued but not yet due, and no material Taxes payable by any UC Party are delinquent;

(c) no deficiency for any amount of Tax in excess of $25,000 has been asserted or assessed in writing by a taxing authority against any UC Party;

(d) there is no action, suit, proceeding, or audit or any written notice of inquiry of any of the foregoing, to the Knowledge of any Seller Party, pending or threatened in writing against any UC Party regarding material Taxes;

(e) no UC Party has consented to extend the time in which any Tax may be assessed or collected by any taxing authority;

(f) no UC Party is or has been a member of an Affiliated Group (other than an Affiliated Group that includes one or more of John Hancock Holding (Delaware) LLC, John Hancock Holding (Delaware) LLC's current or former Subsidiaries, Hancock, Hancock's current or former Subsidiaries, Holdings, or Holdings' current or former Subsidiaries);

(g) no claim has ever been made in writing by a taxing authority in a jurisdiction where a UC Party does not file Tax Returns that such UC Party is or may be subject to Taxes assessed by such jurisdiction;

(h) no UC Party has any Liability for material Taxes of any other Person under Treasury Regulations Section 1.1502-6 (or any similar provision or state, local or foreign Tax law), as a transferee, by Contract, or otherwise, in each case except for any Person that is or was one or more of John Hancock Holding (Delaware) LLC, a current or former Subsidiary of John Hancock Holding (Delaware) LLC, Hancock, a current or former Hancock Subsidiary, Holdings, or a current or former Holdings Subsidiary;

(i) each UC Party has withheld all material Taxes required to have been withheld and has paid to the appropriate governmental authorities all material withholding Taxes required to have been paid in connection with amounts paid or owing to any employee, independent contractor, creditor, seller, shareholder, partner, member, or other owner or any other Person;

(j) no UC Party has made any payments or is or shall become obligated (under any Contract entered into on or before the Closing Date) to make any payments that are nondeductible under Section 280G of the Code (or any corresponding provision of state, local or foreign income Tax law);

(k) no UC Party has made an election under Section 341(f) of the Code;

(l) no UC Party will be required (A) as a result of a change in method of accounting for a taxable period ending on or prior to the Closing Date, (B) as a result of any "closing agreement," as described in Section 7121 of the Code (or any corresponding provision of state, local or foreign income Tax law) entered into on or prior to the Closing Date, (C) as a result of any installment sale or open transaction or disposition made on or prior to the Closing Date, or (D) as a result of any prepaid amount received on or prior to the Closing Date, to include any material item of income in, or exclude any material item of deduction from, taxable income for any taxable period (or portion of a taxable period) beginning after the Closing Date, or to include any material adjustments in taxable income for any such taxable period (or any portion of such taxable period); and

(m) each UC Party has made all required deposits under Section 7519 of the Code.

5.12 **Contracts and Commitments.**

(a) Except for those Contracts set forth on Schedule 5.12, no UC Party is a party to or bound by any:

(i) collective bargaining agreement or other Contract with any labor union or any bonus, commissions, pension, profit sharing, retirement, or any other form of deferred compensation or incentive plan or any stock purchase, stock option, hospitalization insurance, or similar plan or practice, whether formal or informal;

(ii) Contract for the employment of any Person or for the hiring of any Person on a contractor or consulting basis not terminable without penalty, damage, or other payments in excess of $10,000 in the aggregate on 30 days' notice or less;

(iii) any severance agreements or change-of-control agreements;

(iv) Contract relating to Indebtedness or to mortgaging, pledging or otherwise placing a Lien on any of its assets, unless the aggregate payments to be made by the UC Parties under any such Contract will not exceed $25,000;

(v) license or royalty Contract;

(vi) Contract under which it is lessee of, or holds or operates, any personal property owned by any other Person (other than any such Contract that is terminable by the UC Party without penalty, damage, or other adverse consequence on 30 days' notice or less and other than any such Contract that requires aggregate payments by the UC Parties of less than $25,000 per year) or under which it is lessor of or permits any other Person to hold or operate any property, real or personal, owned or controlled by it;

(vii) Contract for the purchase of supplies, products, or other property or for the receipt of services other than in the ordinary course of business, provided that any such Contract involving aggregate payments by the UC Parties in excess of $100,000 in any 12-month period shall be listed on Schedule 5.12 even if such Contract is in the ordinary course of business;

(viii) Contract for the sale of supplies, products, or other property or for the furnishing of services that has not been fully performed as of the Signing Date and will not be fully performed within the one year following the Signing Date;

(ix) Contract relating to ownership of or Investments in any business or enterprise (including Investments in joint ventures and minority equity Investments) other than with or in another UC Party;

(x) Contract which prohibits it, geographically, from freely engaging in business anywhere in the world;

(xi) Contract relating to the distribution, marketing, advertising, or sales of its products or services that is not terminable by it without penalty, damage, or other payments in excess of $10,000 in the aggregate on 30 days' notice or less;

(xii) Contract pursuant to which it subcontracts work to a third Person;

(xiii) power of attorney;

(xiv) software license, maintenance, or related Contract (other than any such Contract that is terminable by the UC Party without penalty, damage, or other payments in excess of $10,000 in the aggregate on 30 days' notice or less);

(xv) Tax indemnity, Tax sharing, Tax allocation, or similar Contract;

(xvi) Contract relating to the acquisition or sale of its or any other Person's business (or any material portion thereof);

(xvii) any other Contract that requires aggregate payments by the UC Parties in excess of $100,000 per year;

(xviii) any Contract between a UC Party, on one hand, and Hancock or, to the Knowledge of the Company, an Affiliate of Hancock, on the other hand;

(xix) any Contract providing for payments to or by any Person based on sales, purchases, or profits, other than direct payments for goods;

(xx) any Contract entered into other than in the ordinary course of business that contains or provides for an express undertaking by any UC Party to indemnify any other Person or to be responsible for consequential damages; or

(xxi) any Contract involving a sharing of profits, losses, costs, or Liabilities by any UC Party with any other Person.

All Material Contracts are in full force and effect and are valid, binding, and enforceable obligations of the UC Party that is a party to such Material Contract and to the Knowledge of the Company, the other Person(s) that are parties thereto, in accordance with their respective terms. To the Knowledge of the Company, each third party to each Material Contract has performed all

material obligations required to be performed by it under the Material Contract and is not in default under or in breach of any such Material Contract. Except as disclosed on Schedule 5.12, to the Knowledge of the Company no event has occurred that, with the passage of time or the giving of notice or both, could reasonably be expected to result in a default, breach, or event of noncompliance by any UC Party or any other Person under any such Material Contract. Except as disclosed on Schedule 5.12, the execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement do not and will not, with or without the giving of notice, the lapse of time, or both, result in the breach of any of the terms and provisions of, or constitute a default under, or conflict with, or cause any acceleration of, any obligation of any UC Party under any Material Contract. No Seller Party has received any written notice (or, to the Knowledge of the Seller Parties, any verbal notice) that any other Person to any Material Contract intends to breach or has breached such Material Contract. The UC Parties have supplied Purchaser with a true, correct, and complete copy of each written Material Contract and an accurate description of each oral Material Contract listed on Schedule 5.12, together with all amendments, waivers, or other changes thereto. Except in the ordinary course of business, no UC Party has made any written or oral proposal, bid, or offer which, if accepted, would result in a Contract required to be disclosed on Schedule 5.12. Except as disclosed on Schedule 5.12, since December 31, 2008, no UC Party has entered into a Contract directly with a governmental entity or any department, agency, or political subdivision thereof.

5.13 **Intellectual Property Rights.** The attached Schedule 5.13 contains a complete and accurate list of all Intellectual Property Rights owned or licensed (as licensee) by any UC Party other than "shrink-wrap" or "click through" licenses. Schedule 5.13 also contains a complete and accurate list of all licenses and other rights granted by any UC Party to any third Person or the United States Government with respect to any Intellectual Property Rights owned by a UC Party, and all other agreements (other than the licenses themselves) which adversely affect any UC Party's ability to use in the ordinary course of its business or disclose to any third Person any Intellectual Property Rights. Except as set forth on Schedule 5.13, each UC Party owns or licenses all material Intellectual Property Rights necessary for the operation of its business as presently conducted. All Intellectual Property Rights owned by a UC Party are owned free and clear of all Liens other than Permitted Liens. The conduct of any UC Party's business does not, and has not infringed, misappropriated, or conflicted with any Intellectual Property Rights of other Persons. To the Knowledge of the Company, the Intellectual Property Rights owned by or licensed to any UC Party have not been infringed, misappropri ated or conflicted by other Persons. No written claims are pending against any UC Party by any person with respect to the use of any Intellectual Property Rights or challenging or questioning the validity or effectiveness of any license or agreement relating to the same.

5.14 **Litigation.** Except as set forth on Schedule 5.14, there are no actions, suits, proceedings, orders, investigations, audits, or claims pending or, to the Knowledge of the Company, threatened against or affecting any UC Party or any of their respective officers, directors, employees, or Affiliates with respect to any UC Party's business, or pending or threatened by any UC Party against any Person, in each case at law or in equity, before or by any governmental department, commission, board, bureau, agency, court, or instrumentality (including any actions, suit, proceedings, orders, investigations, or claims with respect to the transactions contemplated by this Agreement). No UC Party is subject to any arbitration

proceedings under collective bargaining agreements or otherwise or any governmental investigations or inquiries (including inquiries as to the qualification to hold or receive any license or permit). No UC Party is subject to any judgment, order, or decree of any court or other governmental agency that could reasonably be expected to have a Material Adverse Effect, and no officer, director, employee, or Affiliate of any UC Party is subject to any such judgment, order, or decree. Since December 31, 2008, no UC Party has received any opinion or written memorandum from legal counsel to the effect that any UC Party is exposed, from a legal standpoint, to any Liability or disadvantage that could reasonably be expected to result in a Material Adverse Effect. No UC Party has been suspended, proposed for debarment, or debarred from doing business with a governmental entity or any department, agency, or political subdivision thereof, or has been the subject of a finding of nonresponsibility or ineligibility for contracting with a governmental entity or any department, agency, or political subdivision thereof. No governmental entity or any department, agency, or political subdivision thereof has notified any UC Party of an audit deficiency at any time since December 31, 2008.

5.15 **Brokerage.** There are and will be no claims for brokerage commissions, finders' fees, or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or Contract binding upon any UC Party, or any of their respective Affiliates.

5.16 **Consents.** Except as set forth on Schedule 5.16, the execution, delivery, and performance by any Seller Party of this Agreement or by any Seller Party or UC Party of any other agreements contemplated by this Agreement to be executed by them, or the consummation by them of any transactions contemplated by this Agreement or any such other agreement. do not require any permit, consent, approval, or authorization of, or declaration to or filing with, (i) any governmental or regulatory authority or agency or (ii) any other Person, except in the case of this clause (ii) to the extent the failure to obtain such consent, approval or authorization of, or declaration to or filing with such other Person could not reasonably be expected to have a Material Adverse Effect.

5.17 **Insurance.** The attached Schedule 5.17 contains a description (including policy number, term, carrier, amount, named insured(s), general coverage, and premium) of each insurance policy maintained by any UC Party with respect to its assets and business, and each such policy is in full force and effect. True, correct, and complete copies of all such policies and all former insurance policies under which any UC Party has outstanding claims have been delivered to Purchaser. No UC Party is in default with respect to its obligations under any such policy, and no UC Party has received written notice of the cancelation of such policies. All premiums and other amounts due (without regard to any grace period) with respect to all such policies have been paid. No UC Party has received notice from any issuer of any policy issued to it of the issuer's intention to cancel or refusal to renew any such policy. Except as set forth on Schedule 5.17, no UC Party currently maintains, nor have any of them maintained during the five years, any self-insurance other than customary deductibles.

5.18 **Employees.** No UC Party except the Company has or has ever had any employees. The Company has not received any written or oral notice from any management-level employee of the Company that such employee intends to terminate his or her employment with the Company and, to the Knowledge of the Company, no such employee has any plans to

terminate his or her employment with the Company. The Company has complied in all material respects with all applicable laws, rules, and regulations relating to the employment of labor, including any provisions thereof relating to wages, hours, collective bargaining, the payment of social security and similar Taxes, retirement plans, health and welfare plans, equal employment opportunity, employment discrimination, and employment safety. Since December 31, 2008, the Company has not received any notice of any claim that it has not complied with any of the foregoing or that the Company is liable for any arrears, wages, Taxes, penalties, or interest for failure to comply with any of the foregoing. With respect to employees of the Company, none of the following events or circumstances exists or, to the Knowledge of the Company, is threatened or has occurred since December 31, 2008: union organization activity, strike, work stoppage, labor dispute with a union, controversy, claim of illegal or improper conduct or activity, grievance, charge of unfair labor practice, or arbitration proceeding. To the Knowledge of the Company, other than Contracts with a UC Party, no employee of the Company is subject to any non-compete, non-disclosure, confidentiality, employment, consulting, or similar Contract relating to, affecting, or in conflict with the present business activities of the Company. Schedule 5.18 sets forth each employee of the Company, such employee's title, status (e.g., full-time, part-time, active, on leave, etc.), current base salary (or hourly wage), bonus or deferred compensation arrangements, original date of hire, accrued vacation time (or compensation in lieu of vacation), fringe benefits, and service credited for purposes of vesting and/or eligibility under any employee benefit plan or similar arrangement. No UC Party has made, granted, or promised any bonus, any wage or salary increase, or any increase in benefits to any employee or group of employees, other than as set forth on Schedule 5.18 or Schedule 5.19. To the Knowledge of the Company, there is no basis for any claim against any UC Party by any former employee who is also a Shareholder with respect to such Person's employment by such UC Party.

5.19 **ERISA.** Except as set forth on the attached Schedule 5.19:

(a) No UC Party has any obligation to contribute to (or any other Liability, including current or potential withdrawal liability, with respect to) any "multiemployer plan" (as defined in Section 3(37) of ERISA).

(b) No UC Party maintains or has any obligation to contribute to (or any other Liability with respect to) any plan, program, or arrangement, whether or not terminated, which provides medical, health, life insurance, or other welfare-type benefits for current or future retired or terminated employees (except for limited continued medical benefit coverage required to be provided under Section 4980B of the Code or as required under applicable state law).

(c) No UC Party maintains, contributes to, or has any Liability under (or with respect to) any employee plan that is a "defined benefit plan" (as defined in Section 3(35) of ERISA), whether or not terminated.

(d) No UC Party maintains, contributes to, or has any Liability under (or with respect to) any employee plan which is a "defined contribution plan" (as defined in Section 3(34) of ERISA), whether or not terminated.

(e) No UC Party maintains, contributes to, or has any Liability under (or with respect to) any plan, programs, or arrangement providing benefits to current or former employees, including any bonus plan, plan for deferred compensation, severance, employment agreement, employee health, or other welfare benefit plan or arrangement, whether or not terminated and whether or not subject to ERISA.

(f) No employee benefit plan maintained by any UC Party or to which any UC Party has an obligation to contribute, or with respect to which any UC Party has any other Liability, has any material unfunded Liability.

(g) Each employee benefit plan set forth on Schedule 5.19 that is intended to be qualified under Section 401(a) of the Code has received a favorable determination, opinion or advisory letter from the IRS as to the qualification of such plan, and nothing has occurred since the date of such determination, opinion or advisory letter that has adversely affected the qualification of such plan. Each employee benefit plan set forth on Schedule 5.19 and all related trusts, insurance contracts, and funds have been maintained, funded, and administered in material compliance with their respective terms and the terms of any applicable collective bargaining agreements and in material compliance with all applicable laws.

(h) None of the employee benefit plans set forth on Schedule 5.19 obligates any UC Party to pay any separation, severance, termination, or similar benefits as a result of the consummation of the transactions contemplated by this Agreement.

(i) For purposes of this Section 5.19, the term "UC Party" includes all organizations under common control with such UC Party pursuant to Section 414(b) or (c) of the Code.

5.20 **Compliance with Laws.** Except as set forth on Schedule 5.20 or to the extent any failure to comply could not reasonably be expected to have a Material Adverse Effect, each UC Party has complied and is in compliance with all applicable laws, treaties, ordinances, codes, rules, requirements, regulations, FAR, the United States Postal Service Purchasing Manual, orders, and directives of foreign, federal, state, and local governments and all agencies thereof, including (without limitation) all applicable United States trade laws and regulations, the Service Contract Act of 1965, 41 U.S.C. § 351, *et seq.*, and the Buy American Act, 41 U.S.C. § 10a-10d. Except as set forth on Schedule 5.20, no written notice nor, to the Knowledge of the Company, any verbal notice has been received by, and no claims have been filed against, any UC Party alleging a violation of any of the foregoing (i) by any governmental entity or any department, agency, or political subdivision thereof, since November 1, 2003, or (ii) by any other Person since November 1, 2003. Except as set forth on Schedule 5.20, since January 1, 2000, no UC Party has credible evidence of a UC Party's violation of federal or state criminal law involving fraud, conflict of interest, bribery, or gratuity provisions found in Title 18 of the U.S. Code, a violation of the civil False Claims Act (31 U.S.C. §§ 3729-3733) or a significant overpayment (other than overpayments resulting from contract financing payments as defined in FAR 32.001) in connection with the award, performance, or closeout of any Contract with a governmental entity or any department, agency, or political subdivision thereof. Except as set

forth on Schedule 5.20, during the last three years, no UC Party has conducted or initiated any internal investigation and, to the Knowledge of the Company, there has not been and currently is no reason to conduct, initiate, or report any internal investigation, or make a mandatory or voluntary disclosure to a governmental entity or any department, agency, or political subdivision thereof, with respect to any alleged irregularity, misstatement, or omission arising under or relating to any Contract.

5.21 **Environmental and Safety Matters.** Except as disclosed in Schedule 5.21:

(a) Each UC Party has complied in all material respects and is currently in compliance in all material respects with all Environmental and Safety Requirements.

(b) Without limiting the generality of subsection (a) above, each UC Party has obtained and complied in all material respects with, and is currently in material compliance with, all permits, licenses and other authorizations that may be required pursuant to Environmental and Safety Requirements. A list of all currently effective, material permits, licenses and other authorizations issued to a UC Party under any Environmental and Safety Requirements is set forth on the attached Schedule 5.21. Each UC Party has been and is in material compliance with all permits listed on Schedule 5.21.

(c) Within the past six (6) years, no UC Party has received any written notice or report from a regulatory agency or any Person regarding any actual or alleged violation of Environmental and Safety Requirements by a UC Party (each such notice or report being "Notice of Environmental Violation") other than those which have been fully resolved or which could not reasonably be expected to have a Material Adverse Effect. The UC Parties have furnished to Purchaser any and all Notices of Environmental Violation which are in the possession or under the control of any UC Party.

(d) No UC Party has received any written notice or report from a regulatory agency or any Person regarding any Liabilities or potential Liabilities, including any investigatory, remedial or corrective obligations, arising under any applicable Environmental and Safety Requirements (each such notice report being a "Notice of Environmental Liability"). The UC Parties have furnished to Purchaser any and all Notices of Environmental Liability which are in the possession or under the control of any UC Party.

(e) No UC Party nor, to the Company's Knowledge, any of their respective predecessors or Affiliates has treated, stored, disposed of, manufactured, handled, or released any substance (including any hazardous substance), arranged for, permitted the disposal of, or transported any such substance, or owned or operated any property or facility contaminated by any such substance, in a manner that has given or would give rise to Liabilities for response costs, corrective action costs, personal injury, property damage, natural resources damages or attorney fees, or any investigative, corrective or remedial obligations, or any other Liability of any kind pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (CERCLA) or any other Environmental and Safety Requirements.

(f) Neither this Agreement nor the consummation of any transaction contemplated by this Agreement will result in any obligations for site investigation or cleanup or notification to or consent of government agencies or third parties, pursuant to any of the so-called "transaction-triggered" or "responsible property transfer" laws.

(g) No UC Party has assumed or undertaken or otherwise become subject to any Liability, including any obligation for corrective or remedial action, of any other Person relating to Environmental and Safety Requirements.

(h) No UC Party nor any of their respective predecessors or Affiliates has manufactured, designed, marketed, sold, installed or distributed products containing asbestos, and with respect to such entities, no basis in law or fact exists to support an assertion of any claim, action or obligation with respect to the presence of asbestos in or on any product or at or upon any property or facility.

(i) The UC Parties have furnished to Purchaser all environmental audits, reports and other material environmental documents relating to any past or current properties, facilities or operations which are in the possession or under the control of any UC Party, or any of their respective predecessors or Affiliates.

(j) To the Knowledge of the UC Parties, none of the buildings or structures located at or on the Real Property contains asbestos or asbestos-containing materials ("ACMs"). The UC Parties have furnished to Purchaser all studies, surveys, audits or reports relating to presence of asbestos or ACMs on or at the Real Property which are in the possession or under the control of any UC Party, or any of their respective predecessors or Affiliates.

(k) This Section 5.21 contains the sole and exclusive representation and warranty of the Shareholders with respect to environmental, health, or safety matters, including without limitation any arising under any Environmental and Safety Requirements.

5.22 **Affiliated Transactions.** Except as set forth on Schedule 5.22, to the Knowledge of the Company, no officer, director, employee, shareholder (other than Hancock), member, or Affiliate (other than Hancock) of any UC Party or any individual related by blood, marriage, or adoption to any such Person or any entity in which any such Person owns any material beneficial interest (other than the ownership of publicly traded securities representing less than 5% of the outstanding securities in such class of publicly traded securities) (collectively, the "Insiders") (i) is a party to any Contract or transaction with any UC Party, (ii) has any ownership interest in any material property used by any UC Party in the conduct of its business, (iii) is an Affiliate of or otherwise has any material interest in any Material Supplier or Material Customer of any UC Party, (iv) is indebted to any UC Party (other than for advances for salary and expenses in the ordinary course), (vi) is, or is an Affiliate of a Person who is, a competitor of any UC Party, or (v) owns or has otherwise retained any right to use any asset, right, or contractual benefit that is material to the conduct by any UC Party of its business as presently conducted.

5.23 **Customers and Suppliers.** The attached Schedule 5.23 accurately sets forth a list of (i) the Company's customers whose purchases exceed, in the aggregate, sixty-five percent (65%) of the Company's total revenue for the ten (10) month period ended October 31, 2009 (each, a "Major Customer"), showing the dollar volume of sales for each such Major Customer for such period, and (ii) the top ten (10) suppliers of the Company by dollar volume of sales and purchases, respectively, for the twelve (12) month period ended December 31, 2008 or for the ten (10) month period ended October 31, 2009 (each, a "Major Suppliers"). Except as disclosed on Schedule 5.23, no UC Party has received any notice from any Major Supplier or otherwise has Knowledge to the effect that such Major Supplier will stop, materially decrease the rate of, or materially change the terms (whether related to payment, price or otherwise) with respect to, supplying materials, products or services to the Company (whether as a result of the consummation of the transactions contemplated hereby or otherwise). No UC Party has received any notice from any Major Customer or otherwise has Knowledge to the effect that such Major Customer will stop, or materially decrease the rate of, buying products of the Company (whether as a result of the consummation of the transactions contemplated hereby or otherwise).

5.24 **Product Warranties.** With respect to products developed, sold, licensed or delivered by any UC Party and services rendered by any UC Party, no UC Party has given any express guaranty, warranty or other indemnity (including as a result of any statements in any of the product or promotional literature of such UC Party), except as expressly set forth and described on Schedule 5.24. The reserves maintained by the UC Parties for product returns and warranty obligations are reasonably adequate, based on historical Liabilities for such matters, to cover all Liabilities of the UC Parties for the failure of any products and goods developed, sold, licensed, or delivered by any UC Party and the failure of any services rendered by any UC Party to be in conformity with all applicable contractual commitments and all other warranties given or made with respect to such products, goods, and services. There have been no product recalls, withdrawals or seizures with respect to any products developed, sold, licensed or delivered by any UC Party or with respect to any services rendered by any UC Party.

5.25 **Permits and Licenses.** Each UC Party has all necessary permits, licenses, certificates of inspection, registrations, certifications, and other authorizations necessary to conduct its business at the locations and in the manner presently conducted except to the extent the failure to have the same could not reasonably be expected to have a Material Adverse Effect. None of the transactions contemplated by this Agreement shall terminate or violate any such permits, licenses, certificates of inspection, registrations, certifications, or other authorizations. Set forth on Schedule 5.25 is a list of all such permits, licenses, certificates of inspection, registrations, certifications, and authorizations. No UC Party is in violation or has received any written notice alleging any violation by any UC Party of any such permits, license, certificates of inspection, registrations, certifications, or other authorizations.

5.26 **Bank Accounts.** Schedule 5.26 contains a list of all bank accounts and safe deposit boxes of each UC Party and all Persons authorized to sign checks drawn on such accounts and to have access to such safe deposit boxes.

5.27 **Predecessors.** Schedule 5.27 contains a list of all names of legal predecessor companies of each UC Party, including the names of any Person from which any UC Party has acquired substantially all of its material assets. The Company has not at any time been a Subsidiary or division of any Person other than Holdings.

5.28 **Disclosure.** Neither this Agreement; nor any of the agreements contemplated by this Agreement; nor any of the exhibits, schedules or attachments to this Agreement or any agreement contemplated by this Agreement contains any untrue statement of a material fact or omits a material fact necessary to make each statement contained herein or therein in the light of the circumstances in which it was made, not misleading.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF HANCOCK

Hancock represents and warrants to Purchaser, as a material inducement for Purchaser to enter into and perform the transactions described in this Agreement, the following as of the Signing Date and as of the Closing Date. These representations and warranties shall survive any investigation by Purchaser and shall survive the Closing to the extent set forth in Section 9.1 below.

6.1 **Authorization; Title.** Hancock has the right, power, and authority to execute, deliver, and perform this Agreement and each other agreement, certificate, instrument, and document contemplated by this Agreement to be executed or delivered by Hancock. The execution, delivery, and performance of this Agreement and of each other agreement, certificate, instrument, and document contemplated by this Agreement (to the extent Hancock is a party thereto) has been duly authorized and approved by all necessary action on behalf of Hancock. This Agreement and each other agreement, certificate, instrument, and document contemplated by this Agreement to be executed or delivered by Hancock, constitutes a valid and binding obligation of Hancock, enforceable against Hancock in accordance with its terms. Hancock is the sole record and beneficial owner of the Shares set forth opposite its name on Schedule 5.3 free of any Liens other than pursuant to the Shareholders Agreement, Holdings' organizational documents and applicable securities laws.

6.2 **No Conflicts** The execution, delivery, and performance by Hancock of this Agreement and any other agreements, certificates, instruments, and documents contemplated by this Agreement to be executed or delivered by Hancock, and the consummation of all transactions contemplated by this Agreement or any of such other documents do not and will not (i) conflict with or result in a breach of the terms, conditions, or provisions of, (ii) constitute a default under (whether with or without the passage of time, the giving of notice or both), (iii) result in the creation of any Lien upon the Equity Interests or assets of Hancock, (iv) give any third party the right to modify, terminate, or accelerate any obligation under, (v) result in a violation of, or (vi) require any authorization, consent, approval, exemption, or other action by, or notice or declaration to, or filing with, any third Person or court or administrative or governmental body or agency pursuant to, Hancock's certificate or articles of incorporation, bylaws, or other charter or organizational documents, or any law, statute, rule, or regulation to which Hancock is subject, or any Contract, instrument, order, judgment, or decree to which

Hancock is subject, except in each case above, to the extent the same would not adversely affect Hancock's ability to consummate the transactions contemplated by this Agreement or to perform its obligations pursuant to this Agreement and any other agreement, certificate, instrument, and document contemplated by this Agreement to be executed or delivered by Hancock.

6.3 **Corporate Status.** Hancock is duly organized, validly existing, and in good standing under the laws of the jurisdiction of its organization; possesses all requisite power and authority necessary to own its properties and to carry on its business as now being conducted; and is duly qualified to do business as a foreign corporation in which the failure to be so qualified could reasonably be expected to adversely affect the ability of Hancock to consummate the transactions contemplated by this Agreement or to perform its obligations pursuant to this Agreement and each other agreement, certificate, instrument, and document contemplated by this Agreement to be executed or delivered by Hancock.

6.4 **Consents.** No permit, consent, approval, or authorization of, or declaration to or filing with, any governmental authority or any other Person is required in connection with the execution, delivery, and performance by Hancock of this Agreement or any other agreements contemplated by this Agreement to be executed by it, or the consummation by it of any transactions contemplated by this Agreement or any such other agreement.

6.5 **Brokerage.** There are and will be no claims for brokerage commissions, finders' fees, or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or Contract binding upon Hancock or any of its Affiliates.

6.6 **Litigation.** There are no actions, suits, proceedings, orders, investigations, audits, or claims pending or, to the Knowledge of Hancock, threatened against or affecting Hancock or any of its officers, directors, employees, or Affiliates with respect to its business, or, to the Knowledge of Hancock, pending or threatened by Hancock against any other Person, in each case at law or in equity, before or by any governmental department, commission, board, bureau, agency, court, or instrumentality which if adversely determined to Hancock could reasonably be expected to adversely affect the ability of Hancock to consummate the transactions contemplated by this Agreement or to perform its obligations pursuant to this Agreement and each other agreement, certificate, instrument, and document contemplated by this Agreement to be executed or delivered by Hancock.

6.7 **No Controlling Interest in Competitor**. Hancock does not have a Controlling Interest in any Competitor.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Hancock, as a material inducement for Hancock to enter into and perform the transactions described in this Agreement, the following as of the Signing Date and as of the Closing Date. These representations and warranties shall survive any investigation by the Seller Parties and shall survive the Closing.

7.1 **Organization.** Purchaser and Acquisition Sub are each corporations duly organized, validly existing, and in good standing under the laws of the state of their organization and have all requisite corporate power and authority to own their respective properties and assets and to conduct their respective businesses as each is now conducted. Purchaser and Acquisition Sub are each duly qualified to do business, and in good standing in, each jurisdiction in which the character of the properties owned or leased by it or which the conduct of its business requires it to be so qualified, except where the failure to be so qualified could not reasonably be expected to have a material adverse effect on Purchaser and its subsidiaries on a consolidated basis or on their ability to perform their obligations pursuant to this Agreement and each other agreement, certificate, instrument, and document contemplated by this Agreement to be executed or delivered by either of them.

7.2 **Authorization; No Breach.** Purchaser and Acquisition Sub each have the right, power, and authority to execute, deliver, and perform this Agreement and each other agreement, certificate, instrument, and document contemplated by this Agreement to be executed or delivered by either of them. The execution, delivery, and performance of this Agreement and of each other agreement, certificate, instrument, and document contemplated by this Agreement to which Purchaser or Acquisition Sub is a party have been duly authorized and approved by all necessary action on behalf of Purchaser and Acquisition Sub. This Agreement and each other agreement, certificate, instrument, and document contemplated by this Agreement to be executed or delivered by Purchaser or Acquisition Sub constitutes a valid and binding obligation of Purchaser and Acquisition Sub (to the extent a party thereto), enforceable in accordance with its terms. Except for the filing of a Current Report on Form 8-K in connection with the execution and delivery by the Parties of this Agreement and the filing of a second Current Report in connection with the Closing (collectively, the "8-K Filings"), the execution, delivery, and performance by Purchaser and Acquisition Sub of this Agreement and any other agreements contemplated by this Agreement to be executed or delivered by Purchaser or Acquisition Sub, and the consummation of all transactions described in this Agreement or any such other documents, do not and will not (i) conflict with or result in a breach of the terms, conditions or provisions of, (ii) constitute a default under (whether with or without the passage of time, the giving of notice or both), (iii) result in the creation of any Lien upon the Equity Interests or assets of Purchaser, (iv) give any third party the right to modify, terminate or accelerate any obligation under, (v) result in a violation of or (vi) require any authorization, consent, approval, exemption or other action by or notice or declaration to, or filing with, any third Person or court or administrative or governmental body or agency pursuant to, either Purchaser's or Acquisition Sub's certificate or articles of incorporation, bylaws, or other charter or organizational documents, or any law, statute, rule or regulation to which Purchaser or Acquisition Sub is subject, or any Contract, instrument, order, judgment or decree to which Purchaser or Acquisition Sub is subject.

7.3 **Consents.** Except for the 8-K Filings, no permit, consent, approval, or authorization of, or declaration to or filing with, any governmental authority or any other Person is required in connection with the execution, delivery, and performance by Purchaser and Acquisition Sub of this Agreement or any other agreements contemplated by this Agreement to be executed by either of them, or the consummation by either of them of any transactions contemplated by this Agreement or any such other agreement.

7.4 **Brokerage.** There are and will be no claims for brokerage commissions, finders' fees, or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or Contract binding upon Purchaser or any of its Affiliates, other than fees and expenses payable to Donnelly Penman & Partners, which fees and expenses shall be paid by Purchaser.

7.5 **Financing.** Purchaser has and will have as of Closing sufficient funds to deliver the Closing Cash Payment and to otherwise perform its obligations hereunder.

7.6 **Litigation.** There are no actions, suits, proceedings, orders, investigations, audits, or claims pending or, to the Knowledge of Purchaser, threatened against or affecting Purchaser or Acquisition Sub or any of their respective officers, directors, employees, or Affiliates with respect to their respective businesses, or, to the Knowledge of Purchaser, pending or threatened by Purchaser or Acquisition Sub against any other Person, in each case at law or in equity, before or by any governmental department, commission, board, bureau, agency, court, or instrumentality which if adversely determined to Purchaser or Acquisition Sub could reasonably be expected to have a material adverse effect on Purchaser and its subsidiaries on a consolidated basis or which adversely affects the ability of Purchaser or Acquisition Sub to consummate the transactions contemplated by this Agreement or to perform their respective obligations pursuant to this Agreement and of each other agreement, certificate, instrument, and document contemplated by this Agreement to be executed or delivered by Purchaser or Acquisition Sub.

7.7 **Due Diligence Investigation.** Purchaser acknowledges that it has had the opportunity to conduct its due diligence investigation with respect to the transactions contemplated by this Agreement as desired by Purchaser. Purchaser acknowledges that neither Purchaser nor Acquisition Sub has relied upon any representation or warranty by a Seller Party or any of their representatives in connection with consummation of the transactions contemplated hereunder except the warranties and representations set forth in this Agreement and in any certificates or instruments delivered to Purchaser or Acquisition Sub by any one or more Seller Parties pursuant to this Agreement. Nothing set forth in this Section 7.7 shall be deemed to limit or otherwise modify any of the representations, warranties, covenants, or other obligations of any Seller Party set forth in this Agreement or in any certificate or instrument delivered to Purchaser or Acquisition Sub by any one or more Seller Parties pursuant to this Agreement.

ARTICLE 8
COVENANTS

The Parties covenant and agree as follows:

8.1 **Full Disclosure; Inspection.** The Seller Parties shall, upon request, provide Purchaser and its counsel, accountants, and other representatives, with such information as may be reasonably requested by Purchaser in connection with its due diligence investigation of the UC Parties and any other matters related to the transactions contemplated by this Agreement or to verify performance of or compliance with the representations, warranties, covenants, and conditions contained by the Seller Parties in this Agreement. The Seller Parties shall, upon request, make available to Purchaser and its counsel, accountants, and other representatives

(during ordinary business hours and upon reasonable advance notice) all books, records, written Contracts, information, assets, the Real Property, and facilities related to the business of any UC Party and shall afford Purchaser and its counsel, accountants, and other representatives (during ordinary business hours and upon reasonable advance notice) full and complete access and the right to inspect all such books, records, written Contracts, information, assets, the Real Property, and facilities. The Seller Parties shall, upon request, provide Purchaser and its counsel, accountants, and other representatives with supervised access to all employees of the Company. Notwithstanding the foregoing, in no event may Purchaser or any of its counsel, accountants or other representatives contact any customer, vendor, or supplier of a UC Party without the prior approval of the Company. Purchaser and its counsel, accountants, and other representatives will hold any information it receives pursuant to this Section 8.1 as confidential and acknowledges and agrees not to use any such information except in connection with this Agreement, and if this Agreement is terminated for any reason whatsoever, Purchaser and its counsel, accountants, and other representatives will return all such information (and all copies thereof) to the Company.

8.2 **Compliance with Agreement.** The Parties shall act in good faith and use their respective commercially reasonable efforts to ensure that all conditions described in this Agreement are fulfilled and comply with and fulfill all of its obligations and covenants contained in this Agreement. Seller Parties shall reasonably cooperate with Purchaser to prepare and have executed any amendment or other documents necessary to facilitate payment of the Aggregate Bonus Amount in accordance with this Agreement.

8.3 **Approvals and Consents.** Before the Closing, each Party shall (a) use its commercially reasonable efforts to obtain any and all permits, approvals, consents, and other authorizations of all governmental agencies and other Persons, if any, which are required for the consummation by such Party of the transactions contemplated by this Agreement and, with respect to the Seller Parties, for each UC Party to continue the operation of its business following the Closing as it is currently conducted, and (b) make all filings with all governmental agencies and other Persons, if any, that are required for the consummation by such Party of the transactions contemplated by this Agreement.

8.4 **Further Assurances.** Each Party agrees, at any time and from time to time, after the Closing Date, upon the request of any other Party, to do, execute, acknowledge, and deliver, or cause to be done, executed, acknowledged, and delivered all such further acts, deeds, assignments, transfers, conveyances, and assurances as may be reasonably requested by such other Party for the consummation of the transactions described in this Agreement.

8.5 **No Solicitation or Negotiation.** Unless this Agreement is terminated in accordance with its terms, prior to Closing no Seller Party shall, directly or indirectly, solicit, encourage, negotiate, accept, or approve any offers or proposals from, or enter into any Contract with, any Person other than Purchaser involving the merger, consolidation, or sale of any UC Party or concerning the offer, sale, or disposition of any Equity Interests of any UC Party or of any portion of their respective assets, or for any joint venture. Each Seller Party will promptly notify Purchaser in writing of its receipt of any offers or solicitations regarding any proposed transaction described above.

8.6 **Taxes.**

(a) All transfer, documentary, sales, use, stamp, registration and other such Taxes incurred in connection with the consummation of the transactions contemplated by this Agreement shall be borne by Purchaser.

(b) With assistance and cooperation from Purchaser and the UC Parties (including without limitation Purchaser causing (x) a UC Party to make or join in making any Tax election requested by Hancock on a Pre-Closing Tax Return and (y) the UC Parties, at their expense, to timely prepare and supply Hancock with a true, accurate, and complete copy of the applicable pro forma Pre-Closing Tax Return (including any work papers or electronic records related thereto)), Hancock shall prepare or cause to be prepared, and file or cause to be filed, all at its own expense (except as otherwise expressly stated in this paragraph), the Pre-Closing Tax Return of a UC Party if such Tax Return is in respect of an Affiliated Group that includes one or more of Hancock or its present or former Affiliates (other than an Affiliated Group comprised solely of one or more of Holdings and its present or former Subsidiaries), and Purchaser shall reimburse Hancock for the amount of any Tax relating to such Pre-Closing Tax Return to the extent (i) such Tax was included as a liability in the final determination of Closing Net Working Capital pursuant to Section 2.7 or (ii) such Tax is other than a Pre-Closing Tax. Purchaser shall prepare or cause to be prepared, and timely file or cause to be timely filed, all other Tax Returns for each UC Party, including without limitation the state income Tax Returns described in Section 8.6(c). Each Party understands and agrees that all amounts on Schedule 2.6(e) are accrued in full on or prior to the Closing Date, and therefore that all federal and state income Tax deductions for the same are properly allocable in full to Tax periods (or portions thereof) ending on or prior to the Closing Date; accordingly, each Party agrees to prepare and file, and cause its Affiliates to prepare and file, federal and state income Tax Returns prepared by it consistent with this understanding.

(c) As soon as practicable after the Closing, Purchaser shall cause each UC Party to prepare and file any applicable state income, sales, or use Tax Returns (or amendments to previously filed state income, sales, or use Tax Returns) (x) relating to state income, sales, or use Taxes and corresponding Tax periods scheduled in Schedule 5.11 under the heading "Potential States" and (y) determined by Purchaser or its independent accountant (A) to have been required to be filed (or amended) by such UC Party for Pre-Closing Tax Periods or (B) to have the reasonable possibility of resulting in Tax refunds, and Purchaser shall cause each such UC Party to pay any Tax shown thereon as due and payable, together with any interest, penalties, fees, and other charges payable in connection with such Tax; provided, however, that this Section 8.6(c) shall not apply to the Pre-Closing Tax Return of a UC Party if such Tax Return is in respect of or otherwise impacts an Affiliated Group that includes one or more of Hancock or its present or former Affiliates (other than an Affiliated Group comprised solely of one or more of Holdings and its present or former Subsidiaries). The "State Tax Liability" means (i) the aggregate amount paid by the UC Parties to any Tax authority pursuant to this Section 8.6(c), plus (ii) the reasonable costs and expenses incurred by the UC Parties in preparing and filing the Tax Returns and amendments described in this

Section 8.6(c) or otherwise performing its obligations pursuant to this Section 8.6(c), less (iii) any Tax refunds received by the UC Parties from any Tax authority pursuant to filings or amendments made pursuant to this Section 8.6(c). At any time and from time to time after the Effective Time and prior to the date that is two (2) years after the Closing Date, Purchaser or any Purchaser Party may submit a written request to the Escrow Agent for disbursement from the State Tax Escrow pursuant to the Escrow Agreement of an amount equal to all or any portion of the State Tax Liability incurred by any Purchaser Party as of the date of such request, reduced by 36% (intended to constitute the combined federal and state effective tax benefit attributable to the payment of such State Tax Liability or portion thereof); provided that neither Purchaser nor any Purchaser Party shall have any right to submit any request for disbursement to the Escrow Agent pursuant to this Section 8.6(c) until the aggregate State Tax Liability, reduced by 36%, incurred by Purchaser and the UC Parties exceeds the amount for state income, sales, or use Taxes included as a liability in the final determination of Closing Net Working Capital pursuant to Section 2.7. At any time Purchaser or any Purchaser Party submits a request for disbursement to the Escrow Agent pursuant to this Section 8.6(c), Purchaser or such Purchaser Party shall simultaneously provide a copy of such request to the Shareholder Representative, together with documentation showing the computation and proof of payment of the related State Tax Liability. The Shareholder Representative shall have the right to object to such disbursement request in accordance with the terms of the Escrow Agreement.

(d) Purchaser shall not make, nor permit any UC Party to make, any election (including without limitation any election under Section 338 of the Code) or take any other action, nor permit any UC Party to take any action, including the settling of a Tax audit, with regards to Taxes that may impact Hancock's liability for indemnification under Section 9.2 or Hancock's or its Affiliates' liability to any Tax authority, without in each such instance the prior written consent of Hancock. Subject to Section 8.6(c), Purchaser may not amend, nor permit any UC Party to amend, any Tax Return filed by a UC Party without in each such instance the written consent of Hancock. Purchaser shall, or shall cause each relevant UC Party to, make all available Tax elections and timely take any other actions necessary to forego the carryback of Tax attributes of any UC Party from Tax periods ending after the Closing Date to any Pre-Closing Tax Period of an Affiliated Group that includes one or more of Hancock or its present or former Affiliates (other than an Affiliated Group comprised solely of one or more of Holdings and its present or former Subsidiaries), and in any event Hancock and its Affiliates shall not be liable to Purchaser or any UC Party for the utilization of any such carryback.

(e) Upon request from Hancock, Purchaser shall, and shall cause each UC Party to, reasonably cooperate with Hancock to file amended Pre-Closing Tax Returns in respect of one or more of the UC Parties, as specified in each such request. If any Tax refund from an amended Pre-Closing Tax Return was not included as an asset in the final determination of Closing Net Working Capital pursuant to Section 2.7, Purchaser shall remit such amount to the Paying Agent for deposit into the Paying Agent Account within five (5) business days of Purchaser or the applicable UC Party receiving such Tax refund from the applicable taxing authority.

(f) Purchaser shall notify Hancock in writing within five (5) business days after receipt by Purchaser or any UC Party after the Closing of any written notice of examination, audit or proceeding with respect to any Pre-Closing Tax Return in respect of one or more of the UC Parties. At the election of Hancock, and notwithstanding anything to the contrary in Section 9.4, Hancock shall have the right to exercise control over the handling, disposition and/or settlement of any such examination, audit or proceeding.

(g) After the Closing Date, each Party shall provide to each other Party, at such other Party's expense, such information and assistance as is reasonably requested by the other Party for the purpose of completing and filing any Tax Returns, claiming any refunds or credits and responding to, defending against or conducting any action, suit, proceeding, audit, investigation or claim in respect of Taxes.

8.7 **Conduct of Business Pending Closing**. From and after the Signing Date and until the Closing, the Seller Parties agree, except as otherwise required or expressly permitted by this Agreement, to cause each UC Party to do all of the following:

(a) carry on its respective business in substantially the same manner as it has prior to and as of the Signing Date and not introduce any new method of management, operation, or accounting;

(b) maintain its properties and facilities, including those held under leases, in as good working order and condition as at the Signing Date, ordinary wear and tear excepted;

(c) perform all of its material obligations under Contracts relating to or affecting its respective assets, properties, or rights;

(d) keep in full force and effect all insurance policies and coverage in effect as of the Signing Date;

(e) use commercially reasonable efforts to maintain and preserve its business organization intact, retain its present employees, and maintain its relationships with suppliers, customers, and others having business relations with it;

(f) comply with all permits, laws, rules, regulations, consent orders, and all other orders of governmental entities except to the extent any such noncompliance could not reasonably be expected to have a Material Adverse Effect ;

(g) maintain present Indebtedness and lease instruments and not enter into new or amended Indebtedness or lease instruments; and

(h) file, on a timely basis, all reports and forms required by federal and state regulations except to the extent the failure to do so could not reasonably be expected to have a Material Adverse Effect.

8.8 **Prohibited Activities**. From and after the Signing Date and until the Closing, the Seller Parties agree to prevent each UC Party from doing any of the following, in each case without the prior written consent of Purchaser (which shall not be unreasonably withheld or delayed):

(a) make any change in its certificate or articles of incorporation, bylaws, or other charter documents;

(b) issue any Equity Interests, Equity Equivalents, or rights to acquire Equity Interests or Equity Equivalents of any kind;

(c) enter into any Contract or commitment or incur or agree to incur any Liability or make any expenditure, except if it is in the ordinary course of business (consistent with past practice);

(d) other than the payments contemplated by Section 2.6(e) and as required pursuant to the terms of any Material Contract existing as of the Signing Date and listed on Schedule 5.12, increase the compensation payable or to become payable to any officer, director, employee, or agent, or make any bonus or management fee payment to any such Person;

(e) create, assume, or permit to exist any Lien, except for Permitted Liens, upon any assets or properties whether now owned or hereafter acquired;

(f) sell, assign, lease, or otherwise transfer or dispose of any assets, properties, or rights except in the ordinary course of business (consistent with past practice);

(g) negotiate for the acquisition of any business or the start-up of any new business;

(h) merge, consolidate, or combine with or into any other Person;

(i) waive any material rights or claims;

(j) commit a breach of, or amend or terminate (other than in accordance with its terms), any Contract, permit, license, or other right, except for breaches that are not reasonably expected to have a Material Adverse Effect;

(k) enter into any other transaction (i) that is not negotiated at arm's length, (ii) outside the ordinary course of business consistent with past practice, or (iii) prohibited pursuant to this Agreement;

(l) other than the transactions described in this Agreement, negotiate or conclude any Contract or enter into any other transaction with any Seller Party or any Affiliate or Insider of any Seller Party; or

(m) enter into any discussions or Contracts with respect to, or otherwise facilitate or attempt to facilitate, any of the foregoing.

8.9 **Notification of Certain Matters**. Upon obtaining Knowledge thereof, a Seller Party shall give prompt written notice to Purchaser of any material breach, failure to fulfill, or default on the part of such Seller Party of any of the representations and warranties contained in this Agreement or in the due and timely performance and satisfaction of any of the covenants or agreements of such Seller Party contained in this Agreement, such that the conditions to Closing set forth in Section 3.1 could not be satisfied. If upon the receipt of any such notice and the expiration of the applicable cure period set forth in Section 10.1(c) below, Purchaser does not terminate this Agreement pursuant to Section 10.1(c), Purchaser hereby releases and waive any and all actions, claims, suits, damages or rights to indemnification pursuant to Article 9 with respect any Loss arising out of such breach, failure to fulfill, or default.

8.10 **Nonsolicitation; Noncompete.** If the Closing occurs, Hancock agrees not to, for a period of one (1) year after the Closing Date, directly or indirectly, hire or solicit (other than by general solicitation not aimed at the Key Employees of the Company) any Key Employee or otherwise encourage any Key Employee to leave the employ of the Company (or any successor employer who is an Affiliate of Purchaser). If the Closing occurs, Hancock will not permit its Bond and Corporate Finance Group (or any successor to such group), either on behalf of Hancock or an Affiliate of Hancock, to acquire a Controlling Interest in (a) any Competitor, or (b) any other Person identified by Purchaser in writing to Hancock, as long as Hancock does not hold a Controlling Interest in such Person as of the date such notice is received and provided that Purchaser shall only have the right to identify up to three (3) Persons pursuant to this clause (b). The preceding sentence shall not prevent Hancock or an Affiliate of Hancock from acquiring a Controlling Interest in any Person as a result of a bankruptcy or out of bankruptcy court restructuring or similar proceeding.

8.11 **Commercialization of CV23 Units; Conduct of Business Post-Closing.** From and after the Closing through the end of calendar year 2014, Purchaser shall: (i) separately account for Net Sales and shall provide to Hancock within 45 days of each calendar quarter a report reflecting Net Sales during such calendar quarter and a report reflecting the number of CV23 Units, if any, sold during such calendar quarter (provided the provisions of Section 2.9 above, and not the reports delivered pursuant to this Section 8.11, shall be dispositive of the amount of any CV23 Payment); (ii) cause the Company (and no other Subsidiary or Affiliate of Purchaser) to pursue the commercialization of the CV23 Units in a commercially reasonable manner (provided that this Section shall not prevent the Company or any of its Affiliates, after the Closing, from abandoning or altering such plans for commercialization if such decisions are made in good faith and are commercially reasonable under the circumstances), and (iii) not take any action with respect to the operations of the Utilimaster product and services lines that is taken with the purpose and intent of depriving the Shareholders of the CV23 Payments or the Annual Earn Out Amounts. Notwithstanding the foregoing, neither the Company, nor Purchaser, nor any of their respective Affiliates shall be required at any time to maximize the likelihood of any CV23 Payment becoming due to the Shareholders pursuant to this Agreement or otherwise to take into account the interests of the Shareholders in making any decisions with respect to the commercialization or business operations related to the CV23 Units. Neither the Company, nor Purchaser, nor any of their respective Affiliates shall owe any fiduciary duty to any Shareholder

as a result of the contingent nature of the CV23 Payments or otherwise. Hancock acknowledges and agrees that (a) all information disclosed to it pursuant to this Section is and shall be deemed confidential, non-public information protected by the provisions of Section 10.17 below, and (b) the sole purpose of the disclosure of any such information pursuant to this Section is in connection with the calculation of the CV23 Payments, if any, and such information shall not be disclosed to any third Person or otherwise used for any purpose, including as a basis for purchasing or selling any securities of Purchaser.

8.12 **Shareholders Agreement.** Each of the Seller Parties consents to the transactions contemplated by this Agreement and waives any and all options, notices, restrictions, and other provisions, whether under the Shareholders Agreement or otherwise, that might prohibit or limit or otherwise restrict or impair the transactions contemplated by this Agreement, to the extent necessary to give such transfer full legal effect.

8.13 **Hancock Agreements**. The Seller Parties agree that, effective as of the Closing Date, any Contract between any UC Party, on one hand, and Hancock, on the other hand, shall automatically terminate and be of no further force or effect.

8.14 **Employee Releases.** The Company shall use commercially reasonable efforts to obtain from each Person listed on Schedule 2.6(e) (i) an executed release of claims in a form reasonably acceptable to the Company and Purchaser, which shall provide that the release shall only become effective at such time that the Company pays to the Person a cash bonus in the amount set forth opposite such Person's name on Schedule 2.6(e), and (ii) the stock certificates representing all Shares owned by such Person and a duly executed Letter of Transmittal, for delivery to the Purchaser on or prior to the Closing Date pursuant to Section 2.6(a) above.

ARTICLE 9
INDEMNIFICATION

9.1 **Survival.** All representations, warranties, covenants, and agreements made by any Seller Party in this Agreement and in any other certificate or instrument delivered at Closing or otherwise pursuant to this Agreement shall survive the Closing Date.

9.2 **Indemnification by the Shareholder Representative.** Subject at all times to the provisions of Section 9.3 below, the Shareholder Representative shall indemnify Purchaser, Holdings, the Company, and each of their respective officers, directors, employees, agents, representatives, Affiliates, successors, and permitted assigns (collectively, the "Purchaser Parties") and hold each of them harmless from and against any loss, liability, demand, claim, action, cause of action, cost, damage, deficiency, Tax, penalty, fine or expense, whether or not arising out of third party claims (including interest, penalties, reasonable attorneys' fees and expenses in respect of such claims, court costs and all amounts paid in investigation, defense or settlement of any of the foregoing) (collectively, "Losses" and individually, a "Loss") which any such Purchaser Party may suffer, sustain, or become subject to, as a result of or arising out of:

(a) any breach of any representation or warranty made by any Seller Party in this Agreement or in any other certificate or instrument delivered by any Seller Party at Closing or otherwise pursuant to this Agreement; or

(b) any breach of any covenant or obligation to be performed by any Seller Party pursuant to this Agreement prior to the Effective Time; or

(c) any breach of any covenant or obligation to be performed by Hancock (including, without limitation, in its capacity as the Shareholder Representative) pursuant to this Agreement after the Effective Time; or

(d) any action, lawsuit, claim, or other demand brought or made by any Shareholder who has not then delivered to Purchaser a properly completed and duly executed Letter of Transmittal (together with all stock certificates representing the Shares owned by such Shareholder as of the Closing Date or such lost certificate affidavit and related instruments reasonably acceptable to Purchaser), arising as a result of such Shareholder's status as a Shareholder, including (without limitation) any claims related to violations of federal or state securities laws, any claims related to the Merger or other transactions contemplated by this Agreement, the exercise of any dissenters' or appraisal rights as a result of the Merger, any claims related to the relative liquidation preferences of the Shares, and any claims related to the Shareholders Agreement, but excluding any claims and causes of action (i) resulting from any breach of any covenant, representation, or warranty by Purchaser or Acquisition Sub in this Agreement or any other certificate or instrument delivered by Purchaser or Acquisition Sub pursuant to this Agreement; (ii) relating to any acts or omissions by Purchaser or any of its Affiliates (including any UC Party following the Closing), other than acts permitted by this Agreement; or (iii) that would not have been released had such Shareholder properly completed, duly executed, and delivered to Purchaser a Letter of Transmittal (together with all stock certificates representing the Shares owned by such Shareholder as of the Closing Date or such lost certificate affidavit and related instruments reasonably acceptable to Purchaser); or

(e) any of the claims listed under "Claims Brought Against Utilimaster" on Schedule 5.14; or

(f) Remedial Actions required to address Pre-Closing Environmental Conditions.

Notwithstanding anything in this Agreement to the contrary, for purposes of Hancock's indemnification obligations under this Article 9, all of the representations and warranties set forth in this Agreement, or in any other certificate or instrument delivered by any Seller Party at Closing or otherwise pursuant to this Agreement, that are qualified as to "material," "materiality," "material respects," "Material Adverse Effect," or words of similar import or effect shall be deemed to have been made without any such qualification for purposes of determining (i) whether a breach of any such representation or warranty has occurred, and (ii) the amount of Losses resulting from, arising out of, or relating to any such breach of representation or warranty.

9.3 **Limitations on Indemnity.** Notwithstanding anything to the contrary in this Agreement:

(a) The Shareholder Representative shall not be liable to a Purchaser Party for any Loss arising under Section 9.2(a), Section 9.2(b), or Section 9.2(f) above unless and until the aggregate amount of all Losses incurred by all Purchaser Parties with respect to claims for indemnification made under Section 9.2(a), Section 9.2(b), and Section 9.2(f) exceeds Two Hundred Fifty Thousand Dollars ($250,000) in the aggregate, whereupon only aggregate Losses in excess of Two Hundred Fifty Thousand Dollars ($250,000) shall be indemnifiable to the Purchaser Parties; provided that this limitation shall not apply to any Losses resulting from or arising out of fraud on the part of any Seller Party.

(b) The Shareholder Representative's aggregate indemnification liability to all Purchaser Parties for Losses with respect to claims for indemnification under Section 9.2(a), Section 9.2(b), Section 9.2(e), and Section 9.2(f) shall not exceed Five Million Dollars ($5,000,000) in the aggregate; provided this limitation shall not apply to any Losses resulting from or arising out of (i) any breach of any Fundamental Representation or (ii) fraud on the part of any Seller Party.

(c) The Shareholder Representative's aggregate indemnification liability to all Purchaser Parties for Losses with respect to claims for indemnification arising under this Article 9 shall not exceed the Purchase Price.

(d) A Purchaser Party shall not be entitled to seek recovery for any Loss pursuant to Section 9.2(a), Section 9.2(b), Section 9.2(e), or Section 9.2(f) unless such Purchaser Party provides written notice of such claim to the Shareholder Representative prior to the eighteen (18) month anniversary date of the Closing Date in accordance with the provisions of Sections 9.4 and 9.5; provided this limitation shall not apply to any Losses resulting from or arising out of (i) any breach of any Fundamental Representation or (ii) fraud on the part of any Seller Party.

(e) The Purchaser Parties' Losses will be reduced by all insurance or other third party indemnification proceeds actually received by the Purchaser Parties in respect of such Losses. The Purchaser Parties shall use commercially reasonable efforts in the ordinary course of business consistent with past practice to pursue all claims under insurance policies to mitigate the amount and nature of the Losses. Each Purchaser Party shall remit to the Paying Agent for deposit into the Paying Agent Account any such insurance or other third party proceeds which are actually paid to the Purchaser Parties with respect to Losses for which the Purchaser Parties have been previously compensated by the Shareholder Representative pursuant to this Article 9.

(f) The Purchaser Parties' Losses will be reduced by the net Tax benefit actually received by the Purchaser Parties as a result of such Losses (which shall be net of any Taxes payable by any Purchaser Party as a result of any recovery from Hancock, insurance, or other third party proceeds). Purchaser shall remit to Paying Agent for deposit into the Paying Agent Account the amount of any such net Tax benefit which a Purchaser Party receives with respect to Losses for which the Purchaser Parties have been previously compensated by the Shareholder Representative pursuant to this Article 9.

(g) The Shareholder Representative shall not be required to indemnify the Purchaser Parties for Losses to the extent such Losses relate to a claim either that (i) the amount of a line item of current liabilities taken into account in the calculation of Closing Net Working Capital was too low or (ii) the amount of a line item of current assets taken into account in the calculation of Closing Net Working Capital was too high, it being understood that the adjustments to the Purchase Price pursuant to Section 2.8 and Section 8.6(c) are the sole remedies for such Losses. The foregoing shall not limit the Shareholder Representative's obligation to indemnify the Purchaser Parties if the Closing Net Working Capital failed to include a category or line item of current liabilities that should have been included. The limitations set forth in the first sentence of this Section 9.3(g) shall not apply with respect to any Loss incurred pursuant to Section 9.2(e).

(h) The Purchaser Parties shall use commercially reasonable efforts to mitigate any indemnifiable Losses incurred by them.

(i) Any Losses incurred by any Purchaser Party shall be calculated net of any current liability taken into account in the calculation of the Closing Net Working Capital to the extent such current liability represents an accrual in anticipation of such Loss.

(j) The Shareholder Representative shall not be liable to a Purchaser Party for any Loss arising under Section 9.2(a) above that arises from a breach of any representation or warranty contained in Section 5.21 or for any Loss arising under Section 9.2(f) above concerning Pre-Closing Environmental Conditions (each such Loss, an "Environmental Loss") to the extent that such Environmental Loss arises from any soil, groundwater, indoor or outdoor air, mold, or asbestos sampling activity performed by or on behalf of any Purchaser Party after the Closing Date ("Post-Closing Environmental Investigations") unless (1) the Post-Closing Environmental Investigation at issue was either required under applicable Environmental and Safety Requirements or performed in response to a demand of a governmental entity or any department, agency, or political subdivision thereof with jurisdiction over such matters; (2) the Post-Closing Environmental Investigation was conducted in conjunction with or as a result of the demolition of Building #18 or Building #5 on the Owned Real Property; or (3) the Environmental Loss was discovered in conjunction with or as a result of any construction or excavation activities conducted in the ordinary course of business on the Owned Real Property and not done for the purpose of performing a Post-Closing Environmental Investigation.

(k) Promptly upon becoming aware of any matter which may give rise to an Environmental Loss, the Purchaser Party must give written notice of such to the Shareholder Representative (a "Notice of Environmental Loss") which shall be accompanied by copies of any written documentation with respect thereto received by the Purchaser Party. Notwithstanding any other provision in this Agreement, a Purchaser Party will only be entitled to be indemnified for an Environmental Loss and any related Remedial Action if the Remedial Action is required to be performed either: (1) under applicable Environmental and Safety Requirements; or (2) upon the demand of a governmental entity or any department, agency, or political subdivision thereof with

jurisdiction over such matters. In each such case, the Shareholder Representative shall have the option, in its sole discretion, to conduct the required Remedial Action, provided that the Shareholder Representative has provided written notice to the Purchaser Party of its intent to perform the Remedial Action within twenty-one (21) days of its receipt of the Notice of Environmental Loss. In each such case, the Purchaser Party shall grant the Shareholder Representative and its agents and contractors access to the property, subject to reasonable terms and conditions, to perform such work, provided that any Remedial Action or related activities shall not unreasonably interfere with the continued use of the property. In the event the Shareholder Representative elects to perform any Remedial Action, the Remedial Action shall be performed consistent with the standards articulated in Section 9.3(l) below and the Shareholder Representative shall diligently complete any and all activities required to obtain approval or closure from the governmental entity or any department, agency, or political subdivision thereof with jurisdiction over such matters. In the event the Shareholder Representative does not exercise its option to perform any Remedial Action or does not complete a Remedial Action that it has undertaken as provided in this Section, the Purchaser Party may complete any such Remedial Action consistent with the standards articulated in Section 9.3(l) below subject to indemnification pursuant to Section 9.2 above and all limitations in Section 9.3.

(l) In any case in which a Purchaser Party is entitled to indemnification for an Environmental Loss and any related Remedial Action, the Shareholder Representative's indemnification liability hereunder as to any Remedial Action shall not exceed the cost of the least stringent level of Remedial Action necessary to allow for the continued industrial use of the Owned Real Property consistent with its use as of the Closing Date, which may include the use of engineered control barriers and institutional controls when permitted by applicable Environmental and Safety Requirements, provided that such barriers or institutional controls do not unreasonably restrict the use of the property.

(m) Notwithstanding anything to the contrary in this Article 9, Losses for Direct Claims shall not include any special, exemplary, punitive, incidental, or other indirect damages (including for diminution in value) other than consequential damages. If any Direct Claim made by any Purchaser Party pursuant to Section 9.2(a), Section 9.2(b), Section 9.2(d), Section 9.2(e), or Section 9.2(f) includes a claim for consequential damages, the amount of such consequential damages recoverable pursuant to this Article 9 shall be limited to two times the amount of any direct damages arising from the claim giving rise to such Loss. Nothing set forth in this subparagraph shall be deemed to limit the nature or amount of Losses recoverable by a Purchaser Party for a Third Party Claim.

9.4 **Procedure for Third Party Claims.** The Party making a claim under this Section 9.4 is referred to as the "Indemnified Party" and the Party against whom such claim is asserted under this Section 9.4 is referred to as the "Indemnifying Party" If any Indemnified Party receives notice of the assertion or commencement of any claim made or brought by any Person who is not either a Party to this Agreement, an Affiliate of a Party to this Agreement, or an agent or representative of any of the foregoing, against such Indemnified Party with respect to which the Indemnifying Party is obligated to provide indemnification under this Agreement (a "Third Party Claim"), the Indemnified Party shall give prompt written notice to the Indemnifying

Party after receiving written notice of such Third Party Claim. The Notice shall describe the Third Party Claim in reasonable detail, shall include copies of all material written evidence thereof, and shall indicate the estimated amount (if reasonably practicable) of the Third Party Claim. The failure to give prompt notice to the Indemnifying Party shall not relieve the Indemnifying Party of its indemnification obligations hereunder, except to the extent such failure shall have materially harmed the Indemnifying Party or caused the Indemnifying Party to forfeit defenses or rights, by reason of such failure. The Indemnifying Party shall have the right to participate in, or by giving written notice to the Indemnified Party, to assume the defense of the Third Party Claim at the Indemnifying Party's expense and with counsel of its choosing; provided that the Indemnifying Party shall have no right to assume the defense of any Third Party Claim that seeks non-monetary relief or involves criminal or quasi-criminal allegations without, in each case, the prior written consent of the Indemnified Party. If the Indemnifying Party assumes the defense of any Third Party Claim, it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal, or make counterclaims pertaining to any such Third Party Claim in the name and on behalf of the Indemnified Party. The Indemnified Party shall have the right to participate in the defense of any Third Party Claim with counsel selected by it, subject to the Indemnifying Party's right to control the defense thereof. The fees and disbursements of such counsel shall be at the expense of the Indemnified Party, provided, that if in the reasonable opinion of counsel to the Indemnified Party, there exists a conflict of interest between the Indemnifying Party and the Indemnified Party that cannot be waived, the Indemnifying Party shall be liable for the reasonable fees and expenses of counsel to the Indemnified Party. If the Indemnifying Party elects not to compromise or defend such Third Party Claim, fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement, or fails to diligently prosecute the defense of such Third Party Claim, in the reasonable determination of the Indemnified Party, the Indemnified Party may pay, compromise, or defend such Third Party Claim and seek indemnification for any and all Losses based upon, arising from, or relating to such Third Party Claim. The Parties and their respective successors and permitted assigns shall cooperate with each other in all reasonable respects in connection with the defense of any Third Party Claim, including making available records relating to such Third Party Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending Party, management employees of the non-defending Party as may be reasonably necessary for the preparation of the defense of such Third Party Claim.

Notwithstanding any other provisions of this Agreement, the Indemnifying Party shall not enter into a settlement of any Third Party Claim without the prior consent of the Indemnified Party, except as provided in this Section 9.4. If a firm offer is made to settle a Third Party Claim without liability to the Indemnified Party and provides, in customary form, for an unconditional release of the Indemnified Party from all liabilities and obligations relating to the Third Party Claim, and the Indemnifying Party desires to accept and agree to such offer, the Indemnifying Party shall give written notice to that effect to the Indemnified Party. If the Indemnified Party fails to consent to such firm offer within seven days after its receipt of such notice, the Indemnified Party may continue to contest or defend such Third Party Claim and in such event, the maximum liability of the Indemnifying Party as to such Third Party Claim shall not exceed the amount of such settlement offer. If the Indemnified Party fails to timely consent to such firm offer and also fails to assume defense of such Third Party Claim, the Indemnifying Party may settle the Third Party Claim upon the terms set forth in such firm offer to settle such Third Party

Claim. If the Indemnified Party has assumed the defense pursuant to this Section 9.4, it shall not agree to any settlement without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed).

9.5 **Procedure for Other Claims.** Any claim by an Indemnified Party on account of a Loss which does not result from a Third Party Claim (a "Direct Claim") shall be asserted by the Indemnified Party giving the Indemnifying Party reasonably prompt written notice thereof. The failure to give prompt notice to the Indemnifying Party shall not relieve the Indemnifying Party of its indemnification obligations hereunder, except to the extend such failure shall have materially harmed the Indemnifying Party or caused the Indemnifying Party to forfeit defenses or rights, by reason of such failure **.** Such notice by the Indemnified Party shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof, and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have 30 days after its receipt of such notice to respond in writing to such Direct Claim. The Indemnified Party shall allow the Indemnifying Party and its professional advisors to investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim, and the Indemnified Party shall assist the Indemnifying Party's investigation by giving such information and assistance (including access to the Company's premises and personnel and the right to examine and copy any accounts, documents or records) as the Indemnifying Party or any of its professional advisors may reasonably request. If the Indemnifying Party does not so respond within such 30-day period, the Indemnifying Party shall be deemed to have rejected such claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.

9.6 **Certain Waivers.** As of the Effective Time, Hancock irrevocably waives, releases, and discharges each UC Party and their officers, directors, and employees (the "UC Releasees") from any and all Liabilities owed to Hancock, any of its Affiliates, or any of their respective owners, directors, managers, officers, employees, and agents (the "Releasors"), of any kind or nature whatsoever, whether in such Releasor's capacity as a shareholder, officer, director, or Affiliate of any UC Party or any of their respective Affiliates or otherwise (including in respect of any claims under any Contract between a UC Releasee and any Releasor), in each case whether absolute or contingent, liquidated or unliquidated, and whether arising under any agreement or understanding or otherwise at law or in equity to the extent such Liability related exclusively to matters arising prior to the Effective Time; provided, however, Releasors are not releasing any UC Releasee from any Liability (1) arising from their failure to comply with any of their covenants or agreements set forth in this Agreement or any other agreement delivered pursuant hereto to the extent such performance is required after the Effective Time; (2) arising from any failure by Purchaser or Acquisition Sub to comply with any of their respective covenants or agreements made in this Agreement or pursuant to this Agreement or as a result of any breach of any representation or warranty made by them in this Agreement or any certificate or instrument delivered by them at Closing or otherwise pursuant to this Agreement; (3) to pay any management fee accrued prior to the Closing Date and included in the calculation of Closing Net Working Capital; (4) rights to indemnification under any UC Releasee's organizational

documents or other agreement in effect as of the Closing Date; and (5) rights to make claims under any insurance policy maintained for the benefit of such Releasor.

9.7 **Maximum Contribution.** If and to the extent any provision of this Article 9 is unenforceable for any reason, the Shareholder Representative agrees to make the maximum contribution to the payment and satisfaction of any Loss for which indemnification is provided for in the Article 9 that is permissible under applicable legal requirements

9.8 **Sole Remedy of Purchaser Parties.** The right to indemnification under this Article 9, subject to all of the terms, conditions and limitations hereof, shall constitute the sole and exclusive right and remedy available to any Purchaser Party for any Losses based upon or arising out of or otherwise relating to the matters set forth in this Agreement, including any actual or threatened breach of this Agreement, and no Purchaser Party shall initiate or maintain any legal action at law or in equity against any Seller Party for such Losses other than one to enforce the obligations of the Shareholder Representative under Article 9 of this Agreement. The preceding sentence shall not apply to (a) claims arising out of fraud on the part of any Seller Party, (b) claims seeking injunctive relief against any Seller Party, or (c) any claim seeking an equitable remedy (including, without limitation, specific performance of this Agreement) in the event any Seller Party fails to close for any reason other than the failure of a condition set forth in Article 4 above.

9.9
Section 8.6(c) or 8.6(e) shall be treated by the Parties as an adjustment to the Purchase Price.

9.10 **Funding**. Any amount to which any Purchaser Party becomes entitled by reason of the provisions of Sections 9.2 shall be paid first from the Indemnity Escrow on the terms and conditions set forth in the Escrow Agreement so long as such Indemnity Escrow is available for distribution.

ARTICLE 10
MISCELLANEOUS

10.1 **Termination**. This Agreement may be terminated at any time prior to the Closing solely:

(a) by mutual consent of Purchaser and Hancock;

(b) by either Purchaser or Hancock if the Closing has not occurred on or before December 31, 2009 (the "Termination Date"); provided that the right to terminate this Agreement pursuant to this subsection (b) shall not be available to a Party whose material misrepresentation, breach of representation, covenant, or warranty, or failure to fulfill any obligation under this Agreement has been the cause of, or resulted in, the failure of the Closing to occur on or before such Termination Date;

(c) by either Purchaser or Hancock if there is or has been a material breach, failure to fulfill, or default on the part of the other Party (with the Seller Parties deemed to be a single Party for this purpose) of any of the representations and warranties contained in this Agreement or in the due and timely performance and satisfaction of any of the covenants or agreements contained in this Agreement, such that the conditions to Closing set forth in Section 3.1 or 4.1, as applicable, could not be satisfied and the curing of such default shall not have been made or shall not reasonably be expected to occur before the earlier to occur of (i) the Termination Date, or (ii) if a Seller Party has provided written notice of such default to Purchaser pursuant to Section 8.9 above, fifteen (15) days after such written notice was provided, or (iii) fifteen (15) days after the defaulting Party receives written notice of such default from the other Party; or

(d) by either Purchaser or Hancock if there shall be a final non-appealable order of a federal or state court in effect preventing consummation of any transaction set forth in this Agreement, or if there shall be any action taken, or any statute, rule, regulation, or order enacted, promulgated, or issued or deemed applicable to any transaction set forth in this Agreement by any governmental entity or agency thereof that would make consummation of any of the transactions set forth in this Agreement illegal.

10.2 **Effect of Termination**. In the event of the termination of this Agreement pursuant to Section 10.1 above, this Agreement shall become void (except for this Article 10), and there shall be no Liability on the part of any Party (except with respect to Article 10). Notwithstanding the foregoing, if such termination is by a Party pursuant to Section 10.1(c) then the other Party (with the Seller Parties deemed to be a single party for purposes of this Section 10.2), shall be liable to the terminating Party (a) to the extent of the expenses (including attorneys' fees) incurred by such terminating Party in connection with this Agreement and the transactions contemplated by this Agreement and (b) if such termination is based on the willful breach by the other Party of its representations, warranties or covenants or agreements set forth in this Agreement, also for damages in accordance with applicable law.

10.3 **Public Disclosures.** Unless required by law, no press release or other release of information related to this Agreement or any of the transactions contemplated by this Agreement will be issued or released prior to Closing by either Party (with the Seller Parties deemed to be a single party for purposes of this Section 10.3) without the consent of the other Party. If any Party believes any public release of the existence or terms of this Agreement is required by law, such Party agrees to consult with the other Party prior to any such disclosure as to the form and content of such disclosure.

10.4 **Expenses.** Except as otherwise expressly provided in this Agreement, each Party shall pay all of its respective costs and expenses incident to its negotiation, preparation, and performance of this Agreement and all transactions contemplated by this Agreement, including the fees, expenses, and disbursements of its counsel and accountants.

10.5 **Shareholder Representative.**

(a) Hancock agrees to act as, and assume the obligations and responsibilities of, the Shareholder Representative under this Agreement (the "Shareholder

Representative"). Each Shareholder, as a condition of tendering its Shares for the Per Share Merger Consideration shall, pursuant to its Letter of Transmittal, (i) irrevocably appoint the Shareholder Representative as its representative, agent, proxy, and attorney-in-fact for all purposes under this Agreement, including the full power and authority on such Shareholder's behalf: (x) to consummate the transactions contemplated by this Agreement, (y) to negotiate disputes arising under, or relating to, this Agreement and the other agreements, certificates, instruments, and documents contemplated by this Agreement or executed or delivered in connection with this Agreement, and (z) to execute and deliver any amendment or waiver to this Agreement or any of the other agreements, certificates, instruments, and documents contemplated by this Agreement or executed or delivered in connection with this Agreement to be executed by such Shareholder; (ii) consent to Hancock acting as the Shareholder Representative and to Hancock taking all actions required or permitted to be taken by the Shareholder Representative pursuant to this Agreement and the other agreements, certificates, instruments, and documents contemplated by this Agreement or executed or delivered in connection with this Agreement and performing the duties of the Shareholder Representative pursuant to the terms hereof or thereof; and (iii) agree to be bound by the provisions of this Section 10.5.

(b) Notwithstanding the foregoing, the Shareholder Representative shall have no obligation to take any such action and no duties other than actions and duties expressly required under this Agreement to be complied with by the Shareholder Representative.

(c) All decisions and actions by the Shareholder Representative shall be binding upon all of the Shareholders, and no Shareholder shall have the right to object, dissent, protest, or otherwise contest the same. The Shareholder Representative shall have no Liability in respect of any action, claim, or proceeding brought against the Shareholder Representative by any Shareholder if the Shareholder Representative took or omitted taking any action in good faith or took or omitted to take such action at the direction of the Shareholders owning a majority of the outstanding Preferred Stock immediately prior to the Closing.

(d) The designation of the Shareholder Representative as attorney-in-fact for each Shareholder is coupled with an interest and is binding upon such Shareholder notwithstanding the death, incapacity or dissolution of any such Shareholder. If any such event shall occur prior to the completion of the transactions contemplated by this Agreement, the Shareholder Representative is, nevertheless, to the extent that it is legally able to do so, authorized and directed to complete all transactions and act pursuant to this authority as if such event had not occurred.

(e) The Shareholder Representative's acceptance of its duties under this Agreement is subject to the following terms and conditions, which the Parties hereto agree shall govern and control with respect to its rights, duties, liabilities and immunities as the Shareholder Representative (but not in its capacity as a Shareholder):

(i) The Shareholder Representative, in its capacity as Shareholder Representative, makes no representation and has no responsibility as to the validity of this Agreement or of any other instrument referred to herein, or as to the correctness of any statement contained herein, and it shall not be required to inquire as to the performance of any obligation under this Agreement by any Party.

(ii) The Shareholder Representative shall be protected in acting upon written notice, request, waiver, consent, receipt or other paper or document, not only as to its due execution and the validity and effectiveness of its provisions, but also as to the truth of any information therein contained, which it in good faith believes to be genuine and what it purports to be.

(iii) The Shareholder Representative, in its capacity as Shareholder Representative, shall not be liable for any error of judgment, or for any act done or step taken or omitted by it in good faith, or for any mistake of fact or law, or for anything which it may do or refrain from doing in connection therewith, except its own gross negligence or willful misconduct.

(iv) The Shareholder Representative, in its capacity as the Shareholder Representative, may consult with competent and responsible legal counsel selected by it, and it shall not be liable for any action taken or omitted by it in good faith in accordance with the advice of such counsel.

(f) The Shareholders shall bear pro rata (based on the Per Share Merger Consideration owed to each) for all expenses (including reasonable attorneys' fees, transfer Taxes and other governmental charges) incurred by the Shareholder Representative in connection with its duties hereunder and all amounts paid by the Shareholder Representative pursuant to the terms of this Agreement, including without limitation, under Section 2.7, 2.8, 2.9, 2.10, and 8.6 and Article 9, and shall indemnify, defend and hold it harmless against any and all Losses incurred in connection with the performance of this Agreement, except as a result of its own gross negligence or willful misconduct; provided, however, (i) the obligation of any Shareholder other than Hancock shall be non-recourse to such Shareholder and shall be payable solely from the Per Share Merger Consideration and (ii) no Shareholder other than Hancock shall have any obligation to reimburse the Shareholder Representative for any Loss paid by the Shareholder Representative pursuant to Article 9 solely as a result of any breach by Hancock of its covenants or representations. The Shareholders agree that the Shareholder Representative shall have the right from time to time to direct the Paying Agent to pay the Shareholder Representative amounts owed to it pursuant to this Section 10.5(f) from amounts then on deposit in the Paying Agent Account.

(g) Notwithstanding anything in this Agreement to the contrary, to the extent the Shareholder Representative has any Liability to any Purchaser Party pursuant to this Agreement or any other agreement, certificate, or instrument delivered in connection with this Agreement, Hancock shall have personal Liability to such Purchaser Party for such Liability, regardless of the extent to which the Shareholder Representative is entitled or is

able, either as a Shareholder or as the Shareholder Representative, to enforce its rights against any other Shareholder.

10.6 **Amendments.** This Agreement cannot be amended, altered, or modified unless done so in a writing that is signed by a duly authorized representative of the Party against whom such modification is sought to be enforced. No course of dealing between or among Parties shall be deemed effective to modify, amend, or discharge any part of this Agreement or any rights or obligations of any Party under or by reason of this Agreement.

10.7 **Waiver.** Except as otherwise set forth in the opening paragraphs of Articles 3 and 4, no provision of this Agreement shall be deemed waived by any Party, unless such waiver is in a writing, signed by a duly authorized representative of the Party against whom such waiver is sought to be enforced. A waiver by any Party of any breach or failure to comply with any provision of this Agreement by another Party shall not be construed as or constitute a continuing waiver of such provision or a waiver of any other breach of or failure to comply with any other provision of this Agreement.

10.8 **Successors and Assigns.** Except as otherwise expressly provided in this Agreement, this Agreement and all of the covenants and agreements contained in this Agreement and rights, interests, or obligations pursuant to this Agreement, by or on behalf of any of the Parties, shall bind and inure to the benefit of the respective successors and assigns of the Parties whether so expressed or not, except that neither this Agreement nor any of the covenants and agreements set forth in this Agreement or rights, interests, or obligations pursuant to this Agreement may be assigned or delegated by any Seller Party without the prior written consent of the Purchaser, which may be withheld in its sole discretion, and neither this Agreement nor any of the covenants and agreements set forth in this Agreement or rights, interests, or obligations pursuant to this Agreement may be assigned or delegated by Purchaser without the prior written consent of Hancock. In addition, and whether or not any express assignment has been made, the provisions of this Agreement that are for Purchaser's benefit as a purchaser or holder of any Equity Interests in Holdings are also for the benefit of, and enforceable by, any transferee of such Equity Interests after the Closing. Notwithstanding the foregoing, following the Closing, Purchaser and Acquisition Sub may assign their respective rights pursuant to this Agreement, including their respective rights to indemnification, to any lender as collateral security.

10.9 **Severability.** Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement is held, in whole or in part, to be prohibited by or invalid under applicable law, the remainder of such provision and this Agreement shall remain in full force and effect, with the offensive term or condition being stricken to the extent necessary to comply with any conflicting law.

10.10 **Counterparts.** This Agreement may be executed in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same Agreement. This Agreement shall become a binding agreement only when each Party shall have executed one counterpart and delivered it to the other Parties.

10.11 **Interpretation.** All definitions in this Agreement shall apply equally to both the singular and plural forms of the terms defined. Wherever the context may require, any pronoun used in this Agreement shall include the corresponding masculine, feminine and neuter forms. As used in this Agreement, the words "include," "includes," and "including" shall be deemed to be followed by the phrase "but not limited to." As used in this Agreement, the terms "herein," "hereof," and "hereunder" shall refer to this Agreement in its entirety. Any references in this Agreement to "Sections" or "Articles" shall, unless otherwise specified, refer to Sections or Articles, respectively, of this Agreement. The Schedules and Exhibits referred to in this Agreement shall be construed with and as an integral part of this Agreement, to the same extent as if set forth verbatim in this Agreement. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a substantive part of this Agreement. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favorably or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. With respect to any representations and warranties made by any Party in this Agreement, the inclusion in this Agreement of a more specific representation or warranty shall not be deemed in any way to limit the generality of or otherwise restrict any other representation or warranty set forth in this Agreement unless otherwise expressly specified.

10.12 **Entire Agreement.** This Agreement and the agreements and documents referred to in this Agreement contain the entire agreement and understanding and representations and warranties between the Parties with respect to the subject matter of this Agreement and supersede all prior agreements and understandings and representations and warranties, whether written or oral, relating to such subject matter in any way, including the letter of intent between the Parties dated October 1, 2009.

10.13 **Applicable Law.** The terms and conditions of this Agreement shall be governed, construed, interpreted, and enforced in accordance with the domestic laws of the State of Indiana, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Indiana or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Indiana.

10.14 **No Third Party Beneficiaries.** This Agreement is for the sole benefit of the Parties, the Shareholders, and their permitted successors and assigns, and nothing in this Agreement, expressed or implied, shall give or be construed to give any other Person any legal or equitable rights under this Agreement.

10.15 **Schedules.** Disclosure of any fact or item in any Schedule shall not be deemed to constitute an admission that such item or fact is material for the purposes of this Agreement. The fact that any item of information is disclosed in any Schedule shall not be construed to mean that such information is required to be disclosed by this Agreement. Any fact or item which is disclosed on any Schedule in such a way as to make its relevance readily apparent, on the face of such Schedule, to a representation or warranty made elsewhere in this Agreement that itself provides for a Schedule, shall be deemed to be an exception to such representation or warranty.

10.16 **Notices.** All notices, demands, or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (a) upon personal delivery to the recipient, (b) when received by fax, but only if a copy is also delivered to the recipient by reputable overnight courier, with charges prepaid, (c) one business day after being sent to the recipient by reputable overnight courier, with charges prepaid, or (d) four business days after being mailed to the recipient by certified or registered mail, return receipt requested, and postage prepaid. Such notices, demands, and other communications shall be sent to the recipient Party at the address for such Party set forth below (or such other address as may be specified by the relevant Party providing notice to each other Party in accordance with this Section). Proof of sending any notice, demand, or other communication shall be the responsibility of the sender.

If to Purchaser, to:
Spartan Motors, Inc.
1000 Reynolds Road
Charlotte, MI 48813
Attn: Chief Financial Officer
Fax: 517-543-5403

With copy to:
Varnum LLP
P.O. Box 352
Grand Rapids, MI 49501-0352
Attn: Michael G. Wooldridge
Fax: 616-336-7000

If to any Seller Party, to:
John Hancock Financial Services
197 Clarendon Street
Boston, MA 02116
Attn: Bond and Corporate Finance, C-2
Fax: 617-572-6454

With copy to:
John Hancock Financial Services
197 Clarendon Street, C-3-16
Boston, MA 02116
Attn: David Pemstein
Fax: 617-421-4399

10.17 **Confidentiality**. Each Party recognizes and acknowledges that it had in the past, currently has, and in the future may possibly have, access to certain confidential information of one or more of the other Parties that is valuable, special, and unique to such other Party. Each Party agrees not to use any other Party's confidential information except in connection with the consummation of the transactions contemplated by this Agreement and not to disclose confidential information with respect to any other Party to any Person for any purpose or reason whatsoever, except to authorized representatives of such other Party, except as otherwise set forth or required by this Agreement, and except to such Party's legal, financial, and other advisers, unless (a) such information becomes known to the public generally through no fault of the Party that has agreed to maintain the confidentiality of such information, (b) such information becomes known to the disclosing Party through no breach by any other Person of any confidentiality obligation to any other Party, (c) disclosure is required by law or the order of any governmental entity or any other authority, or (d) the disclosing Party reasonably believes that such disclosure is required in connection with the defense of a lawsuit against the disclosing Party. Notwithstanding the foregoing, prior to disclosing any information pursuant to clause (c) or (d) above, the Party seeking to make the disclosure shall give prior written notice thereof to the other Parties and provide such other Parties with the opportunity to contest such disclosure. In the event of a breach or threatened breach by any Party of the provisions of this

Section 10.17, any other Party shall be entitled to seek an injunction restraining such Party (that is breaching or threatening to breach any of the provisions of this Section 10.17) from disclosing, in whole or in part, such confidential information. Nothing in this Section 10.17 shall be construed as prohibiting any Party from pursuing any other available remedy for such breach or threatened breach, including the recovery of damages. Each Party shall inform its Affiliates, directors, officers, employees, agents, other representatives, and any other Person to whom any information protected by this Section 10.17 has been disclosed of the Party's obligations pursuant to this Section 10.17, and such Party shall be responsible for any unauthorized disclosure or use of such information by any such Person.

10.18 **Dispute Resolution and Arbitration.** Except as set forth in Section 10.18(g), any and all claims, controversies, or disputes that may arise between the Parties, or any of them, arising out of or in connection with this Agreement, shall not be pursued in litigation, but instead shall be submitted to confidential, binding arbitration as provided in this Section. All such arbitration shall be conducted in Cuyahoga County, Ohio, under the rules of the American Arbitration Association, subject to the following supplemental provisions:

(a) Preliminary relief may be granted pending the completion of such arbitration as provided above.

(b) The arbitration, all evidence and proceedings in connection therewith, and any decision or award of the arbitrator, shall be maintained in the strictest confidence.

(c) The arbitrator shall award the prevailing party its reasonable attorney fees.

(d) Judgment may be entered in any court of competent jurisdiction on an award resulting from such arbitration.

(e) Discovery shall be permitted to the fullest extent permitted under the rules of Federal Civil Procedure.

(f) In order to recover any consequential damages permitted pursuant to Section 9.2(m) above, a Purchaser Party shall be required to meet the same burden of proof with respect to showing such damages as it would be required to meet if the claim was heard by a court of competent jurisdiction.

(g) Notwithstanding the foregoing, if any Direct Claim includes a Loss for consequential damages in excess of One Million Dollars ($1,000,000), then not later than ninety (90) days after the date the Shareholder Representative receives written notice that such Loss includes consequential damages, the Shareholder Representative may elect to require such Direct Claim be determined by the courts of the State of Indiana and in connection therewith: EACH PARTY HEREBY (I) SUBMITS TO THE EXCLUSIVE JURISDICTION AND VENUE OF NORTHERN DISTRICT COURT OF THE STATE OF INDIANA OR THE CIRCUIT OR SUPERIOR COURT SITTING IN ELKHART COUNTY, STATE OF INDIANA, AND UNCONDITIONALLY AGREES THAT SUCH DIRECT CLAIM MAY BE HEARD AND DETERMINED IN SUCH STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT; AND (II) IRREVOCABLY WAIVES, AND AGREES NOT

TO ASSERT BY WAY OF MOTION, DEFENSE, OR OTHERWISE, IN ANY SUCH ACTION, ANY CLAIM THAT IT IS NOT SUBJECT PERSONALLY TO THE JURISDICTION OF THE INDIANA COURTS, THE ACTION IS BROUGHT IN AN INCONVENIENT FORUM, OR THAT THE VENUE OF THE ACTION IS IMPROPER. IN ANY SUCH ACTION OR PROCEEDING, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HEREBY ABSOLUTELY AND IRREVOCABLY WAIVES TRIAL BY JURY AND PERSONAL IN HAND SERVICE OF ANY SUMMONS, COMPLAINT, DECLARATION OR OTHER PROCESS AND HEREBY ABSOLUTELY AND IRREVOCABLY AGREES THAT THE SERVICE MAY BE MADE BY REGISTERED MAIL RETURN RECEIPT REQUESTED, DIRECTED TO IT AT ITS ADDRESS SET FORTH IN OR FURNISHED PURSUANT TO THE PROVISIONS OF THIS AGREEMENT, OR BY ANY OTHER MANNER PROVIDED BY LAW. EACH PARTY AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED.

Signatures appear on the following page.

IN WITNESS WHEREOF, the parties have entered into this Agreement and Plan of Merger as of the Signing Date.

PURCHASER:
Spartan Motors, Inc.

/s/ John E. Sztykiel
By: John E. Sztykiel
Its: President and CEO

ACQUISITION SUB:
SMI Sub, Inc.

/s/ John E. Sztykiel
By: John E. Sztykiel
Its: President and CEO

HOLDINGS:
Utilimaster Holdings, Inc.

/s/ Michael A. Kitson
By: Michael A. Kitson
Its: President and CEO

COMPANY:
Utilimaster Corporation

/s/ Michael A. Kitson
By: Michael A. Kitson
Its: President and CEO

HANCOCK:
John Hancock Life Insurance Company

/s/ Scott B. Garfield
By: Scott B. Garfield
Its: Managing Director

List of Schedules and Exhibits

Schedule 2.4	Merger Consideration Distribution Schedule
Schedule 2.6(e)	Bonus Payments
Schedule 2.7	Calculation of Closing Net Working Capital
Schedule 3.8	Closing Condition Consents
Schedule 5.1	Authorization; No Conflicts
Schedule 5.2	Corporate Status
Schedule 5.3	Capital Stock; Subsidiaries; Related Matters
Schedule 5.4	Financial Statements
Schedule 5.5	Liabilities
Schedule 5.8	Absence of Certain Developments
Schedule 5.9	Personal Property
Schedule 5.10	Real Property
Schedule 5.11	Tax Matters
Schedule 5.12	Contracts and Commitments
Schedule 5.13	Intellectual Property Rights
Schedule 5.14	Litigation
Schedule 5.16	Consents
Schedule 5.17	Insurance
Schedule 5.18	Employees
Schedule 5.19	ERISA
Schedule 5.20	Compliance with Laws
Schedule 5.21	Environmental and Safety Matters
Schedule 5.22	Affiliated Transactions
Schedule 5.23	Customers and Suppliers
Schedule 5.24	Product Warranties
Schedule 5.25	Permits and Licenses
Schedule 5.26	Bank Accounts
Schedule 5.27	Predecessors
Exhibit A	Form of Escrow Agreement
Exhibit B	Form of Paying Agent Agreement
Exhibit C	Form of Certificate of Merger
Exhibit D	Form of Letter of Transmittal
Exhibit E	Form of Amendment to Certain Employment Agreements
Exhibit F	Opinions to be Given by Counsel to Seller Parties

EXHIBIT A

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this "Agreement") is made and entered into effective on _____, 2009 (the "Effective Date"), by and among Spartan Motors, Inc., a Michigan corporation ("Purchaser"), John Hancock Life Insurance Company, a Massachusetts life insurance company ("Hancock", in its individual capacity, and the "Shareholder Representative" in its capacity as such pursuant to the Merger Agreement), and _____, as escrow agent (the "Escrow Agent").

RECITALS

A. On the date of this Agreement and pursuant to the terms of that certain Agreement and Plan of Merger, dated November __, 2009 (the "Merger Agreement"), by and among Purchaser, SMI Sub, Inc., a Delaware corporation and wholly-owned subsidiary of Purchaser ("Acquisition Sub"), Utilimaster Holdings, Inc., a Delaware corporation ("Holdings"), and Hancock, SMI Sub will merge with and into Holdings (the "Merger").

B. As a result of the Merger, Purchaser will become the owner of all the outstanding shares of capital stock of Holdings, as the surviving corporation in the Merger. Pursuant to the Merger Agreement, Hancock has agreed to act as the Shareholder Representative for the. stockholders of Holdings (together with Hancock, the "Shareholders") to which the consideration payable by Purchaser in connection with the Merger is payable under the Merger Agreement.

C. The Merger Agreement requires Purchaser to deposit with the Escrow Agent, to hold in escrow pursuant to this Agreement, (i) the sum of One Million Two Hundred Fifty Thousand Dollars ($1,250,000) (the "Indemnity Escrow Deposit"), (ii) the sum of _____ ($_____) (the "Company NWC Escrow Deposit"), (iii) the sum of _____ ($_____) (the "Purchaser NWC Escrow Deposit" and, collectively with the Company NWC Escrow Deposit, the "Working Capital Escrow Deposit"), and (iv) the sum of Ninety Thousand Dollars ($90,000) (the "State Tax Escrow Deposit" and, collectively with the Indemnity Escrow Deposit and the Working Capital Escrow Deposit, the "Escrow Deposit"), in each case in accordance with the terms and conditions of the Merger Agreement.

D. The Escrow Deposit, including all interest and other earnings thereon, held by the Escrow Agent from time to time pursuant to this Agreement is referred to as the "Escrow Amount."

E. On the date of this Agreement, Purchaser, Hancock and the Escrow Agent, as paying agent (the "Paying Agent"), will enter into that certain Paying Agent Agreement (the "Paying Agent Agreement"), pursuant to which certain of the consideration payable by Purchaser in connection with the Merger will be held in and distributed from a separate account established by the Paying Agent (the "Paying Agent Account") in accordance with the terms and conditions of the Paying Agent Agreement.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, including the mutual covenants and agreements contained in this Agreement and the execution and performance of the Merger Agreement, the parties agree as follows:

1. Defined Terms. Each capitalized term which is used but not otherwise defined herein has the meaning ascribed to such term in the Merger Agreement.

2. Appointment of the Escrow Agent. Purchaser and the Shareholder Representative designate and appoint the Escrow Agent to serve as the escrow agent in connection with the collection, retention and disbursement of the Escrow Amount pursuant to this Agreement. The Escrow Agent accepts such designation and appointment and agrees to act in accordance with, and fulfill its obligations under, this Agreement.

3. Deposit; Establishment of Escrow; Interest. On the Closing Date, Purchaser shall deliver the Escrow Deposit to the Escrow Agent, to be held in separate escrow accounts established by the Escrow Agent in accordance with the terms of this Agreement (each, an "Escrow Account"). The Escrow Agent shall hold, invest and disburse the Escrow Amount in accordance with the terms of this Agreement. The Escrow Amount is not intended to be subject to any lien, attachment, trustee process or any other judicial process of any creditor of any party hereto (except, however, as it applies to the Escrow Agent in accordance with Sections 8(a) and 9 of this Agreement). Any interest or other earnings on, or in respect of, the Escrow Amount shall become part of the Escrow Amount and shall be held in the Escrow Account, pursuant to the terms of this Agreement.

4. Investment of the Escrow Amount. The Escrow Agent will invest the Escrow Amount in a _____ money market deposit account ("MMDA") or a successor or similar investment offered by the Escrow Agent, unless otherwise instructed in writing by Purchaser and the Shareholder Representative and as shall be acceptable to the Escrow Agent. The rate of return on an MMDA varies from time to time based upon market conditions. Written investment instructions, if any, signed by both Purchaser and the Shareholder Representative may specify the type and identity of the investments to be purchased and/or sold. The Escrow Agent is authorized to execute purchases and sales of investments through the facilities of its own trading or capital markets operations or those of any affiliated entity. The Escrow Agent or any of its affiliates may receive compensation with respect to any investment directed hereunder including without limitation charging an agency fee in connection with each transaction. The parties recognize and agree that the Escrow Agent will not provide supervision, recommendations or advice relating to either the investment of funds held in the Escrow Account or the purchase, sale, retention or other disposition of any investment described herein. The Escrow Agent may liquidate any such investment in order to comply with disbursement requirements of this Agreement. Any loss incurred from an investment will be borne by the Escrow Amount.

5. Taxes.

(a) The Escrow Agent is authorized and directed to treat, and Purchaser and the Shareholder Representative hereby agree to treat, all dividends, interest, proceeds of sale and other income earned (collectively, " Earnings") on the Escrow Amount as being earned by Purchaser for all applicable income tax purposes.

(b) The Escrow Agent shall be responsible for reporting the Earnings on the Escrow Amount to the Internal Revenue Service and any other applicable governmental entity in accordance herewith and for filing all information or other similar returns reflecting Earnings on or disbursements from the Escrow Amount required to be filed by it by the Internal Revenue Code (the "Code") and applicable Treasury regulations.

(c) Any payments of principal or income from the Escrow Amount shall be subject to any applicable withholding laws or regulations then in force with respect to the withholding of taxes, and the Escrow Agent shall withhold and remit to the applicable governmental entity all amounts required to be withheld under such laws or regulations. Each of Purchaser and the Shareholders will provide the Escrow Agent with a properly completed and duly executed Form W-9. The parties acknowledge that if Purchaser or a Shareholder fails to provide a Form W-9 or applicable Form W-8, the Code may require withholding of a portion of the Escrow Amount or the Earnings otherwise payable to such Person. Escrow Agent acknowledges that any Form W-9 or Form W-8 received by it in its capacity as the Paying Agent will be deemed received by Escrow Agent for the purposes of this Agreement.

6. Disbursement of the Escrow Amount. The Escrow Agent shall hold the Escrow Amount in escrow and shall not disburse all or any portion of such Escrow Amount except in accordance with the following:

(a) Disbursement upon Joint Written Instructions. The Escrow Agent shall disburse all or any portion of the Escrow Amount in accordance with (and within three (3) business days of receipt of) the joint written instructions of Purchaser and the Shareholder Representative. Any such joint written instructions shall set forth (i) detailed payment instructions for each amount to be distributed from the Escrow Amount, and (ii) whether the amount to be disbursed is to be disbursed from the Indemnity Escrow Deposit, the Working Capital Escrow Deposit, or the State Tax Escrow Deposit. Any such amount to be distributed to the Shareholders shall be transferred into the Paying Agent Account to be held and distributed in accordance with the terms and conditions of the Paying Agent Agreement.

(b) Disbursement for Claims. If Purchaser believes it or any Purchaser Party is entitled to be indemnified by the Shareholder Representative for a Loss pursuant to the Merger Agreement, Purchaser may give written notice to the Escrow Agent and to the Shareholder Representative (a "Loss Notice"), which Loss Notice shall set forth (i) the amount claimed by Purchaser or such Purchaser Party as a Loss, (ii) the basis for such claim (in accordance with Article 9 of the Merger Agreement), (iii) detailed payment instructions for the amount to be distributed from the Escrow Amount, and (iv) whether such claim is being made against the Indemnity Escrow Deposit or the State Tax Escrow Deposit. If the Shareholder Representative provides written notice (a "Dispute Notice") to Purchaser and the Escrow Agent within thirty

(30) days after the Loss Notice is deemed given pursuant to this Agreement that the Shareholder Representative disputes any matter set forth in such Loss Notice or fails to give a Dispute Notice prior to the expiration of such 30-day period, then the Escrow Agent shall not disburse any portion of the Escrow Amount in response to such Loss Notice. If the Shareholder Representative provides written notice that it accepts the Loss Notice (an "Acceptance Notice"), to Purchaser and the Escrow Agent within such 30-day period, then the Escrow Agent shall (within three (3) business days following receipt of such Acceptance Notice) distribute an amount of the Escrow Amount in accordance with the instructions set forth in Purchaser's Loss Notice. If the Shareholder Representative delivers a timely Dispute Notice or fails to deliver a timely Dispute Notice and does not deliver an Acceptance Notice, then all claims set forth in the related Loss Notice shall be settled by binding arbitration in accordance with Section 10.18 of the Merger Agreement (unless the parties resolve their dispute and submit joint written instructions to the Escrow Agent in accordance with Section 6(a) above). The final decision of the arbitrator shall be furnished to the Shareholder Representative, Purchaser, and the Escrow Agent in writing and shall constitute a conclusive determination of all such claims in question, binding upon the Shareholder Representative, Purchaser, the Escrow Agent, and all other third persons (including the other Shareholders), and shall not be contested by any of them. Within three (3) business days of the receipt of any such notice from the arbitrator, the Escrow Agent shall distribute from the Indemnity Escrow Deposit or the State Tax Escrow Deposit, based on which Deposit the claim under the Loss Notice was made, the amount required in accordance with the instructions set forth in the arbitrator's notice. Notwithstanding the foregoing or anything to the contrary in this Agreement, the aggregate amount of the Escrow Amount distributed by the Escrow Agent pursuant to this Section 6(b) from the Indemnity Escrow Deposit or the State Tax Escrow Deposit shall not exceed the sum of (x) such Deposit, plus (y) the amount of any income or interest earned on such Deposit less (z) the aggregate amount of previously distributed by the Escrow Agent specified to be disbursed from such Deposit.

(c) Limited Disbursements Pursuant to Termination.

(i) On the eighteen (18) month anniversary of the Closing Date or, if later, thirty (30) days after receipt of the last Loss Notice specifying a claim against the Indemnity Escrow Deposit, the Escrow Agent shall transfer to the Paying Agent Account (to be held and distributed in accordance with the terms and conditions of the Paying Agent Agreement) an amount of the Escrow Amount in accordance with (and within three (3) business days of receipt of) the joint written instructions of Purchaser and the Shareholder Representative, which amount shall be equal to (A) the balance of the Indemnity Escrow Deposit, if any, then held in an Escrow Account, plus (B) the amount of any income or interest earned on such Indemnity Escrow Deposit and not previously distributed, less (C) the sum of any amounts that are the subject of one or more pending Loss Notices delivered to the Escrow Agent pursuant to Section 6(b) making a claim against the Indemnity Escrow Deposit.

(ii) On the twenty-four (24) month anniversary of the Closing Date or, if later, thirty (30) days after receipt of the last Loss Notice specifying a claim against the State Tax Escrow Deposit,, the Escrow Agent shall transfer to the Paying Agent Account (to be held and distributed in accordance with the terms and conditions of the Paying Agent Agreement) an amount of the Escrow Amount in accordance with (and within three (3) business days of receipt of) the joint written instructions of Purchaser and the Shareholder Representative, which amount

shall be equal to (A) the balance of the State Tax Escrow Deposit, if any, then held in an Escrow Account, plus (B) the amount of any income or interest earned on such State Tax Escrow Deposit and not previously distributed, less (C) the sum of any amounts that are the subject of one or more pending Loss Notices delivered to the Escrow Agent pursuant to Section 6(b) making a claim against the State Tax Escrow Deposit.

7. Termination. This Agreement shall terminate when the entire amount of the Escrow Amount is distributed pursuant to the terms hereof. Upon termination of this Agreement for any reason, the duties of the Escrow Agent shall terminate .

8. Liability and Duties of the Escrow Agent. The Escrow Agent's duties and obligations under this Agreement shall be determined solely by the express provisions of this Agreement. The Escrow Agent shall be under no obligation to refer to any documents other than this Agreement and the instructions and requests delivered to the Escrow Agent hereunder. The Escrow Agent shall not be obligated to recognize, and shall not have any liability or responsibility arising under, any agreement to which the Escrow Agent is not a party, even though reference thereto may be made herein. In the event of any conflict between the terms and provisions of this Agreement, those of the Merger Agreement, any schedule or exhibit attached to this Agreement, or any other agreement among the parties, the terms and conditions of this Agreement shall control. With respect to the Escrow Agent's responsibility, Purchaser and the Shareholder Representative further agree that:

(a) The Escrow Agent, including its officers, directors, employees and agents (the "indemnitees"), shall not be liable to anyone whomsoever by reason of any error of judgment or for any act done or step taken or omitted by the Escrow Agent, or for any mistake of fact or law or anything which the Escrow Agent may do or refrain from doing in connection herewith, except to the extent that a final adjudication of a court of competent jurisdiction determines that the Escrow Agent's gross negligence or willful misconduct was the primary cause of such error of judgment, act done, step taken or omitted. The Escrow Agent may consult with counsel, accountants or other skilled persons of its own choice and shall not be liable for any action taken, suffered or omitted to be taken by the Escrow Agent in accordance with, or in reliance upon, the advice or opinion of any such counsel, accountants or other skilled persons. Purchaser and the Shareholder Representative shall, severally and jointly, indemnify and hold the Escrow Agent harmless from and against any and all liability and expense which may arise out of its acceptance of the Escrow Amount or any action taken or omitted by the Escrow Agent in accordance with this Agreement, except to the extent that a final adjudication of a court of competent jurisdiction determines that the Escrow Agent's gross negligence or willful misconduct was the primary cause of any loss to either party. As between Purchaser and Shareholder Representative, each shall be responsible for one half or 50% of any amount owed to the Escrow Agent or any indemnitee under this Section 8 and shall reimburse the other on demand for any payment made to the Escrow Agent or any Indemnitee in excess of its 50% share. Purchaser and the Shareholder Representative hereby grant the Escrow Agent a lien on, right of set-off against and security interest in, any Escrow Amount to be distributed to Purchaser, in the case of amounts owed from Purchaser, and to the Shareholders in the case of amounts owed from the Shareholder Representative, for the payment of any claim for indemnification, fees, expenses and amounts due hereunder. Such indemnification shall survive the Escrow Agent's resignation or removal, or the termination of this Agreement until extinguished by any applicable statute of limitations.

(b) Each of Purchaser and the Shareholder Representative may examine the Escrow Account and the funds and records pertaining thereto at any time during normal business hours at the Escrow Agent's office upon twenty-four (24) hours prior notice and pursuant to the reasonable security regulations of the Escrow Agent. The Escrow Agent shall provide the Shareholder Representative and Purchaser with monthly statements (and, promptly upon request, current information via fax, e-mail or other method of delivery) showing income and disbursements, if any, of the Escrow Amount.

(c) This Agreement is a personal one, the Escrow Agent's duties hereunder being only to Purchaser and the Shareholder Representative, their successors, permitted assigns and legal representatives and to no other person whomsoever.

(d) No succession to, or assignment of, the interest of Purchaser or the Shareholder Representative shall be binding upon the Escrow Agent unless and until joint written notice of such succession or assignment has been filed with and acknowledged by the Escrow Agent.

(e) The Escrow Agent may rely, without any independent investigation or act upon joint written instructions bearing a signature or signatures properly believed by the Escrow Agent to be genuine of Purchaser and the Shareholder Representative. The Escrow Agent shall have no duty to solicit any payment which may be due to it or the Escrow Amount, nor shall the Escrow Agent have any duty or obligation to confirm or verify the accuracy or correctness of any amounts deposited with it hereunder.

(f) In case any of the Escrow Amount held by the Escrow Agent shall be attached, garnished or levied upon under a court order, or the delivery thereof shall be stayed or enjoined by a court order, or any writ, order, judgment or decree shall be made or entered by any court, or any order, judgment or decree shall be made or entered by any court affecting the Escrow Amount or any part thereof, the Escrow Agent is hereby expressly authorized, in its sole discretion, to obey and comply with all writs, orders, judgments or decrees so entered or issued, whether with or without jurisdiction, and in case the Escrow Agent obeys or complies with any such writ, order, judgment or decree, the Escrow Agent shall not be liable to Purchaser or the Shareholder Representative or to any other person by reason of such compliance in connection with such litigation, and shall be entitled to reimburse itself therefore out of the Escrow Amount, and if the Escrow Agent shall be unable to reimburse itself from the Escrow Amount, because there are then insufficient assets remaining in the Escrow Amount, Purchaser and the Shareholder Representative, severally and not jointly, agree to pay to the Escrow Agent on demand its reasonable costs, attorneys' fees, charges, disbursements and expenses in connection with such litigation.

(g) The Escrow Agent reserves the right to resign at any time by giving thirty (30) days' prior written notice of resignation to Purchaser and the Shareholder Representative specifying the effective date thereof. Within thirty (30) days after receiving such notice, Purchaser and the Shareholder Representative jointly shall appoint a successor escrow agent to which the Escrow Agent shall distribute the Escrow Amount then held under this Agreement, less accrued and unpaid fees, costs and expenses of the Escrow Agent, whereupon the Escrow Agent shall be discharged of and from any and all further obligations arising in connection with this Agreement. If a successor escrow agent has not been appointed or has not accepted such

appointment by the end of such thirty (30)-day period, the Escrow Agent may apply to a court of competent jurisdiction for the appointment of a successor escrow agent, and Purchaser and the Shareholder Representative shall each pay one half of the costs, expenses and reasonable attorneys' fees which are incurred in connection with such proceeding. Until a successor escrow agent has accepted such appointment and the Escrow Agent has transferred the Escrow Amount to such successor escrow agent, the Escrow Agent shall continue to retain and safeguard the Escrow Amount until receipt of (A) a joint written instruction by the Shareholder Representative and Purchaser or (B) an order of a court of competent jurisdiction.

(h) In the event of any disagreement between the Shareholder Representative and Purchaser resulting in adverse claims or demands being made in connection with the Escrow Amount or in the event that the Escrow Agent is in doubt as to what action it should take hereunder, the Escrow Agent shall be permitted to interplead the Escrow Amount held hereunder into a court of competent jurisdiction, and thereafter be fully relieved from any and all liability or obligation with respect to the Escrow Amount until the Escrow Agent shall have received (A) an order of a court of competent jurisdiction directing delivery of the Escrow Amount, which shall be accompanied by an opinion of counsel stating such order is final and nonappealable, or (B) a joint written instruction executed by the Shareholder Representative and Purchaser directing delivery of the Escrow Amount, at which time the Escrow Agent shall disburse the Escrow Amount in accordance with such court order or joint written instruction. The parties hereto other than the Escrow Agent further agree to pursue any redress or recourse in connection with such a dispute, without making the Escrow Agent a party to same.

(i) The Escrow Agent does not have any interest in the Escrow Amount (except as provided in Sections 8(a) and 9 of this Agreement), but is serving as escrow holder only and has only possession thereof.

(j) In the event that the Escrow Agent shall be uncertain or believe there is some ambiguity as to its duties or rights hereunder or shall receive instructions, claims or demands from any party hereto which, in its opinion, conflict with any of the provisions of this Escrow Agreement, it shall be entitled to refrain from taking any action and its sole obligation shall be to keep safely all property held in escrow until it shall be given a direction in writing by the parties which eliminates such ambiguity or uncertainty to the satisfaction of Escrow Agent or by a final and nonappealable order or judgment of a court of competent jurisdiction, which shall be accompanied by an opinion of counsel stating such order or judgment is final and nonappealable. The parties agree to pursue any redress or recourse in connection with any dispute without making the Escrow Agent a party to the same.

9. Compensation of Escrow Agent. The Escrow Agent shall be entitled to fees and reimbursement for expenses, including, but not by way of limitation, the reasonable fees and costs of attorneys or agents which it may find necessary to engage in its performance of its duties hereunder, excluding such fees incurred in connection with the negotiation, execution and delivery of this Agreement (which fees are included in the "New Account Acceptance Fee"), in accordance with the fee schedule attached hereto as Exhibit A. Purchaser shall pay such fees and expenses; provided, however, that Purchaser and Shareholder Representative shall each pay one half of the Escrow Agent's fees and costs, including, but not by way of limitation, the reasonable fees and costs of attorneys or agents which it may find necessary to engage in its performance of

its duties hereunder, other than the "New Account Acceptance Fee" and the "Annual Administrative Fee." The Escrow Agent shall have, and is hereby granted, a prior lien upon any property, cash, or assets of the Escrow Account, with respect to its unpaid fees and non-reimbursed expenses, superior to the interests of any other persons or entities and shall be entitled and is hereby granted the right to setoff and deduct any unpaid fees and/or non-reimbursed expenses, that have not been paid within sixty (60) days from the date of the invoice in question, from amounts on deposit in the Escrow Account.

10. Funds Transfer Agreement. In the event funds transfer instructions are given (other than in writing at the time of the execution of this Agreement), whether in writing, by telecopier or otherwise, the Escrow Agent is authorized to seek confirmation of such instructions by telephone call-back to the person or persons designated on Exhibit B hereto, and the Escrow Agent may rely upon the confirmations of anyone purporting to be the person or persons so designated. Each funds transfer instruction shall be executed by an authorized signatory and a list of such authorized signatories is set forth on Exhibit B. The undersigned is authorized to certify that the signatories on Exhibit B are authorized signatories. The persons and telephone numbers for call-backs may be changed only in writing actually received and acknowledged by the Escrow Agent. If the Escrow Agent is unable to contact any of the authorized signatories identified in Exhibit B, it is understood and agreed by the parties, the sole responsibility of the Escrow Agent shall be to hold such fund in the Escrow Account until a telephone call-back has been confirmed. The parties to this Agreement acknowledge that such security procedure is commercially reasonable. It is understood that the Escrow Agent and the beneficiary's bank in any funds transfer may rely solely upon any account numbers or similar identifying number provided by any party hereto to identify (i) the beneficiary, (ii) the beneficiary's bank or (iii) an intermediary bank. The Escrow Agent may apply funds for any payment order it executes using any such identifying number, even where its use may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank, or an intermediary bank, designated.

11. Notices. All notices, demands, or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (a) upon personal delivery to the recipient, if during business hours on a business day (and otherwise, on the next succeeding business day), (b) when received by fax, if during business hours on a business day (and otherwise, on the next succeeding business day), but only if a copy is also delivered to the recipient by reputable overnight courier, with charges prepaid, (c) one business day after being sent to the recipient by reputable overnight courier, with charges prepaid, or (d) four business days after being mailed to the recipient by certified or registered mail, return receipt requested, and postage prepaid. Such notices, demands, and other communications shall be sent to the recipient party at the address for such party set forth below (or such other address as may be specified by the relevant party providing notice to each other party in accordance with this Section). Proof of sending any notice, demand, or other communication shall be the responsibility of the sender.

If to Purchaser, to:
Spartan Motors, Inc.
1000 Reynolds Road
Charlotte, MI 48813
Attn: Chief Financial Officer
Fax: _____

With copy to:
Varnum LLP
P.O. Box 352
Grand Rapids, MI 49501-0352
Attn: Michael G. Wooldridge
Fax: 616-336-7000

If to Shareholder Representative, to:
John Hancock Financial Services
197 Clarendon Street
Boston, MA 02116
Attn: Bond and Corporate Finance, C-2
Fax: 617-572-6454

With copy to:
John Hancock Financial Services
197 Clarendon Street
Boston, MA 02116
Attn: David Pemstein
Fax: 617-421-4399

If to the Escrow Agent, to:

Attn:
Fax:

12. Binding Effect; Assignment. This Agreement and all of the provisions hereof will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

13. Severability. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement.

14. No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against any person.

15. Headings. The headings used in this Agreement are for convenience of reference only and do not constitute a part of this Agreement and will not be deemed to limit, characterize or in any way affect any provision of this Agreement, and all provisions of this Agreement will be enforced and construed as if no heading had been used in this Agreement.

16. Counterparts. This Agreement may be executed and delivered (including by facsimile transmission) in one or more counterparts, any one of which need not contain the signatures of more than one person, but all such counterparts taken together will constitute one and the same instrument.

17. Governing Law. All issues and questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by, and construed in accordance with, the laws of the State of Indiana without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Indiana or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Indiana.

18. Amendment. This Agreement may not be amended or modified, except by a written instrument executed by the Shareholder Representative, Purchaser, and the Escrow Agent.

19. Merger or Consolidation. Any banking association or corporation into which the Escrow Agent (or substantially all of its corporate trust business) may be merged, converted or with which the Escrow Agent may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust or escrow business of the Escrow Agent shall be sold or otherwise transferred, shall succeed to all the Escrow Agent's rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

20. Entire Agreement. This Agreement and the agreements and documents referred to herein contain the entire agreement and understanding among all of the parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings, whether written or oral, relating to such subject matter in any way, provided that the Merger Agreement is not superseded, merged, integrated, amended or otherwise modified hereby and remains in full force and effect.

21. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein expressed or implied shall give or be construed to give any person, other than the parties hereto, the other Shareholders and their respective successors and permitted assigns, any legal or equitable rights hereunder.

22. Waiver of Jury Trial. Each of the parties hereto waives any right it may have to trial by jury in respect of any litigation based on, arising out of, under or in connection with this Agreement or any course of conduct, course of dealing, verbal or written statement or action of any party hereto.

23. Jurisdiction. Each of the parties hereto irrevocably submits to the non-exclusive jurisdiction of a state or federal court situated in Cuyahoga County, Ohio, consents to personal jurisdiction of such courts, and agrees not to assert any argument for change of venue or *forum non conveniens*.

24. Limited Liability. IN NO EVENT SHALL THE ESCROW AGENT BE LIABLE, DIRECTLY OR INDIRECTLY, FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL LOSSES OR DAMAGES OF ANY KIND WHATSOEVER (INCLUDING BUT NOT LIMITED TO LOST PROFITS), EVEN IF THE ESCROW AGENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES AND REGARDLESS OF THE FORM OF ACTION.

25. Force Majeure. Notwithstanding any other provision of this Agreement, the Escrow Agent shall not be obligated to perform any obligation hereunder and shall not incur any liability for the nonperformance or breach of any obligation hereunder to the extent that the Escrow Agent is delayed in performing, unable to perform or breaches such obligation because of acts of God, war, terrorism, fire, floods, strikes, equipment or transmission failures reasonably beyond its control, or other causes reasonably beyond its control.

26. Identification. Purchaser and the Shareholder Representative acknowledge that the Escrow Agent, pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56) (the "Patriot Act"), is required to obtain, verify and record information that identifies each person who opens an account and, upon request, Purchaser and the Shareholder Representative, and any of their successors or assigns, agree to provide the Escrow Agent with information sufficient to establish their identity in accordance with the Patriot Act.

27. Time of the Essence. The parties agree that time is of the essence under this Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have entered into this Escrow Agreement as of the Effective Date.

PURCHASER:
Spartan Motors, Inc.

_____

By:
Its:

SHAREHOLDER REPRESENTATIVE:
John Hancock Life Insurance Company

_____

By:
Its:

ESCROW AGENT:

_____

By:
Its:

Exhibit A
Escrow Agent's Compensation:

EXHIBIT B

Telephone Number(s) for Call-backs and
Person(s) Designated to Instruct & Confirm Funds Transfer Instructions

If to Purchaser: Spartan Motors, Inc.
TIN#: 38-2078923

Address: **See Section 11 above**

Wire Instructions:

TBD

Name	Telephone Number	Signature Specimen
1. Joseph M. Nowicki	517-997-3844	_____
2. Paula M. Droste	517-543-6400 x3458	_____

EXHIBIT B

Telephone Number(s) for Call-backs and
Person(s) Designated to Instruct & Confirm Funds Transfer Instructions

If to the Shareholder Representative: John Hancock Life Insurance Company
TIN#: 04-1414660

Address: **See Section 11 above**

Wire Instructions:

N/A. Funds payable to the Shareholders will be deposited into the Paying Agent Account by Escrow Agent.

Name	Telephone Number	Signature Specimen
1. Stephen J. Blewitt	617-572-9624	_____
2. Scott B. Garfield	617-572-9611	_____

EXHIBIT B

PAYING AGENT AGREEMENT

THIS PAYING AGENT AGREEMENT (this "Agreement") is made and entered into effective on _____, 2009 (the "Effective Date"), by and among Spartan Motors, Inc., a Michigan corporation ("Purchaser"), John Hancock Life Insurance Company, a Massachusetts life insurance company ("Hancock," in its individual capacity and the "Shareholder Representative" in its capacity as such pursuant to the Merger Agreement), and _____, as paying agent (the "Paying Agent"). Each capitalized term which is used but not otherwise defined herein has the meaning ascribed to such term in the Merger Agreement (as defined below).

RECITALS

A. On the date of this Agreement and pursuant to the terms of that certain Agreement and Plan of Merger, dated November __, 2009 (the "Merger Agreement"), by and among Purchaser, SMI Sub, Inc., a Delaware corporation and wholly-owned subsidiary of Purchaser ("Acquisition Sub"), Utilimaster Holdings, Inc., a Delaware corporation ("Holdings"), and Hancock, Acquisition Sub will merge with and into Holdings (the "Merger").

B. As a result of the Merger, Purchaser will become the owner of all the outstanding shares of capital stock of Holdings, as the surviving corporation in the Merger. Pursuant to the Merger Agreement, Hancock has agreed to act as the Shareholder Representative for the. stockholders of Holdings (together with Hancock, the “Shareholders”) to which the consideration payable by Purchaser in connection with the Merger is payable under the Merger Agreement.

C. The Merger Agreement provides that each share of Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Common Stock (collectively, the "Shares") issued and outstanding immediately prior to the Effective Time (except as otherwise provided in the Merger Agreement) shall be canceled and converted automatically into the right to receive the Per Share Per Share Merger Consideration.

D. Purchaser and Shareholder Representative desire to appoint a paying agent in connection with the disbursement of the Per Share Merger Consideration, and Paying Agent has agreed to such an appointment pursuant to the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, including the mutual covenants and agreements contained in this Agreement and the execution and performance of the Merger Agreement, the parties agree as follows:

1. **Appointment**. Purchaser and Shareholder Representative hereby appoint the Paying Agent to serve as paying agent in connection with the disbursement of the Per Share Merger Consideration. The Paying Agent hereby accepts such appointment pursuant to the terms and conditions set forth in this Agreement.

2. **Effective Time**. The Purchaser will notify the Paying Agent of the actual Effective Time on the date thereof.

3. **Deposits Into Paying Agent Account**. On the Closing Date, the Purchaser shall deposit with the Paying Agent, for the benefit of the Shareholders, an amount sufficient to pay the aggregate Closing Per Share Merger Consideration required to be paid pursuant to the Merger Agreement, less the Closing Per Share Merger Consideration payable to any Shareholder who, on or before the Closing Date, has delivered to Purchaser all stock certificates (the "Certificates") representing the Shares owned by it as of the Closing Date, or an affidavit of loss, accompanied by a letter of transmittal in the form attached as Exhibit B (the "Letter of Transmittal"), duly executed by such Shareholder, and shall deliver to the Paying Agent copies of all Letters of Transmittal previously received. Pursuant to the terms of the Merger Agreement and that certain Escrow Agreement of even date herewith by and among Purchaser, Hancock and _____, as Escrow Agent, additional amounts may from time to time be deposited with the Paying Agent, for the benefit of the Shareholders. The Paying Agent will hold all such amounts in a segregated account (the "Paying Agent Account") and disburse such funds in accordance with Section 6 hereof. Funds on deposit in the Paying Agent Account shall be held in a non-interest bearing, federally insured deposit account.

4. **Shareholders List**. The Shareholder Representative will furnish to the Paying Agent and to Purchaser an electronic list as of the Effective Time of the Shareholders in a form reasonably acceptable to Paying Agent (the "Shareholders List"). The Shareholders List will include the name and addresses of each of the Shareholders, their certificate number(s) for Shares owned, the Closing Per Share Merger Consideration due to each Shareholder, whether such amount has previously been paid, and such additional information as the Paying Agent may reasonably request in connection with its duties hereunder. At any time the Paying Agent receives additional funds, the Paying Agent shall promptly notify the Shareholder Representative of such amount and shall request from the Shareholder Representative an updated Shareholders List (the “Updated Shareholders List”) reflecting the allocation of the additional amount among the Shareholders in accordance with the terms of the Merger Agreement, up to the aggregate Per Share Merger Consideration.

5. **Letter of Transmittal**. Within five (5) business days after the Effective Time, the Shareholder Representative will cause to be mailed to each Shareholder a Letter of Transmittal instructing such Shareholder of the procedure for returning the Letter of Transmittal and the Certificates of such Shareholder.

6. **Disbursements from Paying Agent Account**.

(a) Upon (i) receipt by the Paying Agent of the Letter of Transmittal, duly executed and completed by any Shareholder, (ii) receipt by the Paying Agent of the Certificates held by such Shareholder as reflected on the Shareholders List or an affidavit of loss, and (iii) acceptance of such documents by the Paying Agent in accordance with Section 7 hereof, the Paying Agent shall take the following actions (in the order as shown):

(A) physically cancel each Certificate in respect of which the disbursement pursuant to clause (B) below will be made and return each canceled Certificate to the Purchaser upon termination of this Agreement; and

(B) within five (5) business days, disburse from the Paying Agent Account to the account of such Shareholder an amount equal to the amount to be paid to such person pursuant to the Shareholders List. The Paying Agent shall disburse such amount by check or authorized wire transfer.

(b) From time to time after the Closing Date and promptly following any subsequent deposit pursuant to the Escrow Agreement or by the Purchaser with the Paying Agent, on behalf of the Shareholders, in accordance with the terms of the Merger Agreement, and receipt of the Updated Shareholders List, the Paying Agent shall, upon receipt of the Updated Shareholders List, disburse from the Paying Agent Account to the account of each Shareholder who has theretofore furnished to the Paying Agent the Letter of Transmittal, duly executed and completed by any Shareholder and all Certificates held by such Shareholder as reflected on the Shareholders List (or an affidavit of loss), an amount equal to the amount to be paid to such person pursuant to the Updated Shareholders List, as updated pursuant to Section 4. The Paying Agent shall disburse such amount by check or authorized wire transfer.

(c) The Paying Agent will provide the Purchaser and the Shareholder Representative with an account statement, and any discrepancies in any such account statement shall be noted by the Purchaser or the Shareholder Representative to Paying Agent within thirty (30) days after receipt thereof. Failure to inform Paying Agent in writing of any discrepancies in any such account statement within said 30-day period shall conclusively be deemed confirmation of such account statement in its entirety.

(d) Shareholder Representative may, from time to time, direct the Paying Agent to pay the Shareholder Representative from the Paying Agent Account amounts owed to the Shareholder Representative in connection with all expenses (including reasonable attorneys' fees, transfer taxes and other governmental charges) incurred by and all other amounts paid by the Shareholder Representative pursuant to the terms of the Merger Agreement, the Escrow Agreement and this Agreement.

(e) Promptly following the date that is ninety (90) days after the Purchaser and Shareholder Representative provide written notice to the Paying Agent that the final deposit in respect of the Per Share Merger Consideration, including all amounts disbursed under the Escrow Agreement, amounts for CV23 Payments or Annual Earn Out Amounts, has been deposited with the Paying Agent, on behalf of the Shareholders, the Purchaser shall be entitled to require the Paying Agent to deliver to the Purchaser any funds in the Paying Agent Account that remain undistributed to the Shareholders, unless required otherwise by applicable law. Any Shareholder who has not theretofore complied with the provisions of Sections 6, 7, 8 and 9 hereof shall thereafter look only to the Purchaser for payment of such Shareholder's Per Share Merger Consideration, but shall have no greater rights against the Purchaser than may be accorded to general creditors of the Purchaser under applicable law. The Paying Agent shall not be liable to the Purchaser or any such Shareholder for any cash from the Paying Agent Account

delivered in respect of any such Shareholder's Shares, to a public official pursuant to any applicable abandoned property, escheat or similar law.

7. **Examination of Documents Received**. The Paying Agent will examine each Letter of Transmittal, Certificate and other supporting documents received by it, other than from the Purchaser, to ascertain whether they appear to have been completed and executed in accordance with the instructions set forth in the Letter of Transmittal and other applicable requirements. In the event that the Paying Agent determines that any such Letter of Transmittal does not appear to have been properly completed or executed, or that a Certificate does not appear to be in proper form for surrender, or any other irregularity in connection with the surrender appears to exist, the Paying Agent shall consult with the Purchaser for instructions and shall not waive any irregularity in connection with the surrender without prior written approval from the Purchaser. All Letters of Transmittal, Certificates and affidavits of loss received by the Paying Agent from Purchaser shall be deemed in proper form. In particular, but without limitation, if there are any discrepancies between the certificate number(s) for Shares that any Letter of Transmittal or other supporting document may indicate are owned by a Shareholder and the certificate number(s) for Shares that the Shareholders List indicates such Shareholder owned of record, the Paying Agent shall consult with the Purchaser for instructions as to the certificate number(s) of Shares, if any, it is authorized to accept for payment and, in the absence of such instructions, the Paying Agent is not authorized to make payment and shall, except as thereafter directed in writing by the Purchaser or as required pursuant to Section 6(c) hereof, continue to hold any Certificates surrendered in connection therewith, the related Letter of Transmittal and any other supporting documents received with such Certificates.

8. **Payment to Other than Registered Shareholders**. If payment is to be made by the Paying Agent to a person other than the registered holder of a surrendered Certificate, the Paying Agent will make no payment until the Certificate so surrendered has been endorsed properly, or is otherwise in proper form for or any portion thereof to a person other than the registered holder of the Certificate surrendered.

9. **Lost, Stolen or Destroyed Certificates**. With respect to any Shareholder who reports that the failure to surrender a Certificate is due to the theft, loss or destruction thereof, upon receipt of an affidavit of such theft, loss or destruction in form reasonably acceptable to the Paying Agent, the Paying Agent may effect payment to such Shareholder as though the Certificate had been surrendered. The Paying Agent shall be held harmless and indemnified by the Company from any and all liability with respect to any payment made to any Shareholder on the basis of any such affidavit without presentation of a Certificate.

10. **Recordkeeping**.

(a) As of the Effective Time and until the disbursement of the remaining funds in the Paying Agent Account to the Purchaser pursuant to Section 6(c) hereof, the Paying Agent will serve as the sole paying agent for the Shares.

(b) The Paying Agent shall furnish until otherwise notified, reports to the Purchaser and Shareholder Representative showing the certificate number for Certificates surrendered and payments made in respect thereto on a monthly basis or as otherwise agreed to by the Purchaser and Paying Agent.

(c) Promptly following the date on which this Agreement terminates, the Paying Agent shall furnish to the Purchaser and Shareholder Representative a list of the Shareholders who shall have provided the Paying Agent with the documentation required by this Agreement.

11. **Termination of Agreement**. This Agreement may terminate by the written agreement of Purchaser and Shareholder Representative and shall terminate automatically at such time as all the funds in the Paying Agent Account have been disbursed in accordance with Section 6(c) hereof. Upon the termination of this Agreement, the duties of the Paying Agent under this Agreement shall terminate; provided, however, that all provisions concerning the indemnification of the Paying Agent shall survive any termination of this Agreement.

12. **Paying Agent**.

(a) The Paying Agent shall have only those duties as are specifically and expressly provided herein, which shall be deemed purely ministerial in nature, and no other duties shall be implied. The Paying Agent shall neither be responsible for, nor chargeable with, knowledge of, nor have any requirements to comply with, the terms and conditions of any other agreement, instrument or document between the Purchaser and other parties, in connection herewith, if any, including without limitation the Merger Agreement, nor shall the Paying Agent be required to determine if any person or entity has complied with any such agreements, nor shall any additional obligations of the Paying Agent be inferred from the terms of such agreements, even though reference thereto may be made in this Agreement. In the event of any conflict between the terms and provisions of this Agreement, those of the Merger Agreement, and schedule or exhibit attached to this Agreement, or any other agreement among the Purchaser, Shareholder Representative and other parties, the terms and conditions of this Agreement shall control. The Paying Agent may rely upon and shall not be liable for acting or refraining from acting upon any written notice, document, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties without inquiry and without requiring substantiating evidence of any kind. The Paying Agent shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document, notice, instruction or request. The Paying Agent shall have no duty to solicit any payments which may be due it or the Paying Agent Account, including, without limitation, the deposit referenced in Section 3 of this Agreement nor shall the Paying Agent have any duty or obligation to confirm or verify the accuracy or correctness of any amounts deposited with it hereunder.

(b) The Paying Agent shall not be liable for any action taken, suffered or omitted to be taken by it except to the extent that a final adjudication of a court of competent jurisdiction determines that the Paying Agent's gross negligence or willful misconduct was the primary cause of any loss to any person. The Paying Agent may execute any of its powers and perform any of its duties hereunder directly or through attorneys and shall be liable only for its

gross negligence or willful misconduct (as finally adjudicated in a court of competent jurisdiction) in the selection of any such attorney. The Paying Agent may consult with counsel, accountants and other skilled persons to be selected and retained by it . The Paying Agent shall not be liable for any action taken, suffered or omitted to be taken by it in accordance with, or in reliance upon, the advice or opinion of any such counsel, accountants or other skilled persons. In the event that the Paying Agent shall be uncertain or believe there is some ambiguity as to its duties or rights hereunder or shall receive instructions, claims or demands from any person hereto which, in its opinion, conflict with any of the provisions of this Agreement, it shall be entitled to refrain from taking any action and its sole obligation shall be to keep safely all property held on deposit until it shall be given a direction in writing by the Purchaser which eliminates such ambiguity or uncertainty to the satisfaction of Paying Agent or by a final and non-appealable order or judgment of a court of competent jurisdiction. The Purchaser agrees to pursue any redress or recourse in connection with any dispute without making the Paying Agent a party to the same. Anything in this Agreement to the contrary notwithstanding, in no event shall the Paying Agent be liable for special, incidental, punitive, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Paying Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

13. **Resignation and Removal of Paying Agent** . The Paying Agent may resign from the performance of its duties hereunder at any time by giving thirty (30) days' prior written notice to the Purchaser and Shareholder Representative or may be removed, with or without cause, by the Purchaser and Shareholder Representative at any time by giving thirty (30) days' prior written notice to the Paying Agent. Such resignation or removal shall take effect upon the appointment of a successor Paying Agent by the Purchaser and Shareholder Representative. Upon the acceptance in writing of any appointment as Paying Agent hereunder by a successor Paying Agent, such successor Paying Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Paying Agent, and the retiring Paying Agent shall be discharged from its duties and obligations under this Agreement, but shall not be discharged from any liability for actions taken as Paying Agent under this Agreement prior to such succession. After any retiring Paying Agent's resignation or removal, the provisions of this Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Paying Agent under this Agreement.

14. **Compensation and Reimbursement** . Shareholder Representative shall (a) pay the fees of the Paying Agent for the services to be rendered hereunder, which unless otherwise agreed in writing shall be as described in Exhibit A attached hereto, and (b) pay or reimburse the Paying Agent upon request for all expenses, disbursements and advances, including , without limitation reasonable attorney's fees and expenses, incurred or made by it in connection with the performance of this Agreement.

15. **Indemnity** . Shareholder Representative agrees to indemnify, defend and save harmless the Paying Agent and its affiliates and their respective successors, assigns, directors, officers, managers, attorneys, accountants, experts, agents and employees (the "indemnitees") from and against any and all losses, damages, claims, liabilities, penalties, judgments, settlements, litigation, investigations, costs or expenses (including, without limitation, the reasonable fees and expenses of counsel) (collectively "Losses") arising out of or in connection

with (a) the Paying Agent's performance of this Agreement, tax reporting or withholding, the enforcement of any rights or remedies under or in connection with this Agreement, or as may arise by reason of any act, omission or error of the indemnitee, except in the case of any indemnitee to the extent that such Losses are finally adjudicated by a court of competent jurisdiction to have been primarily caused by the gross negligence or willful misconduct of such indemnitee, or (b) its following any instructions or other directions from the Shareholder Representative, except to the extent that its following any such instruction or direction is expressly forbidden by the terms hereof. The Purchaser agrees to indemnify, defend and save harmless the Paying Agent and the indemnitees from and against any and all Losses arising out of or in connection with the Paying Agent's following any instructions or other directions from the Purchaser, except to the extent that its following any such instruction or direction is expressly forbidden by the terms hereof. The Purchaser and Shareholder Representative acknowledge that their respective indemnities herein shall survive the resignation, replacement or removal of the Paying Agent or the termination of this Agreement. The obligations contained in this Section 15 shall survive the termination of this Agreement and the resignation, replacement or removal of the Paying Agent.

16. **Patriot Act Disclosure; Tax Reporting.**

(a) Patriot Act Disclosure. Section 326 of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended ("USA PATRIOT Act") requires the Paying Agent to implement reasonable procedures to verify the identity of any person that opens a new account with it. Accordingly, Purchaser and Shareholder Representative acknowledge that Section 326 of the USA PATRIOT Act and the Paying Agent's identity verification procedures require the Paying Agent to obtain information which may be used to confirm the identity of Purchaser and Shareholder Representative, including without limitation name, address and organizational documents ("identifying information"). Purchaser and Shareholder Representative agree to provide the Paying Agent with and consents to the Paying Agent obtaining from third parties any such identifying information required as a condition of opening an account with or using any service provided by the Paying Agent.

(b) Tax Reporting.

(i) On or before the date required by applicable law, the Paying Agent will prepare and mail to each Shareholder an IRS Form 1099-B or other applicable form reporting the aggregate amount received by such Shareholder in accordance with applicable tax law. The Paying Agent will also prepare and file copies of such IRS Forms 1099-B or such other applicable form with the Internal Revenue Service or other applicable taxing authority on or before the date required, in accordance with applicable tax law.

(ii) Any payments made to any Shareholder hereunder shall be subject to any applicable withholding laws or regulations then in force with respect to the withholding of taxes, and the Paying Agent shall withhold and remit to the applicable governmental entity all amounts required to be withheld under such laws or regulations. If the Paying Agent has not received from any Shareholder (A) a duly completed and executed IRS Form W-9 (or its successor form) in the case that such Shareholder is not a Foreign Person or (B) an applicable

IRS Form W-8 (or its successor form), duly completed and executed, in the case that such Shareholder is a foreign corporation, foreign partnership, foreign trust or nonresident alien (a "Foreign Person"), then the Paying Agent shall deduct and withhold the applicable backup withholding tax from any payment made to such Shareholder and shall timely and duly pay such withheld taxes to the proper taxing authority in accordance with applicable U.S. tax law. In the event that the backup withholding taxes are withheld from a payment made to a Shareholder pursuant to this Section 16, the Paying Agent shall deliver to such Shareholder the appropriate form or documentation reporting such withholding and the amount so withheld in accordance with applicable U.S. tax law.

17. **Conflicts and Unresolved Disputes**. If, at any time, there shall exist any dispute with respect to the holding or disposition of any of the funds in the Paying Agent Account or any other obligations of the Paying Agent under this Agreement, or if at any time the Paying Agent is unable to determine, to the Paying Agent's sole satisfaction, the proper disposition of any funds in the Paying Agent Account, or if the Purchaser and Shareholder Representative have not, within thirty (30) days of the furnishing by the Paying Agent of a notice of resignation pursuant to Section 13 hereof, appointed a successor Paying Agent to act under this Agreement, then the Paying Agent may, in its sole discretion, suspend the performance of any of its obligations under this Agreement until such dispute or uncertainty shall be resolved to the sole satisfaction of the Paying Agent or until a successor Paying Agent shall have been appointed, as the case may be. The Paying Agent shall have no liability to the Purchaser, any of their affiliates or shareholders or any other person with respect to any such suspension of performance or disbursement into court, specifically including any liability or claimed liability that may arise, or be alleged to have arisen, out of or as a result of any delay in the disbursement of funds held in the Paying Agent Account or any delay in or with respect to any other action required or requested of the Paying Agent.

18. **Representation and Warranties**. Purchaser and Shareholder Representative each represents and warrants that (a) in the case of Purchaser, it is duly formed, validly existing and in good standing under the laws of Michigan and, in the case of Shareholder Representative, it is duly formed, validly existing and in good standing under the Commonwealth of Massachusetts, and (b) it has all requisite corporate power and authority to execute and deliver this Agreement and perform its obligations hereunder.

19. **Notices**. All notices, demands, or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (a) upon personal delivery to the recipient, if during business hours on a business day (and otherwise, on the next succeeding business day), (b) when received by fax, if during business hours on a business day (and otherwise, on the next succeeding business day), but only if a copy is also delivered to the recipient by reputable overnight courier, with charges prepaid, (c) one business day after being sent to the recipient by reputable overnight courier, with charges prepaid, or (d) four business days after being mailed to the recipient by certified or registered mail, return receipt requested, and postage prepaid. Such notices, demands, and other communications shall be sent to the recipient party at the address for such party set forth below (or such other address as may be specified by the relevant party providing notice to each other party in accordance with this Section). Proof of sending any notice, demand, or other communication shall be the responsibility of the sender.

If to Purchaser, to:
Spartan Motors, Inc.
1000 Reynolds Road
Charlotte, MI 48813
Attn: Chief Financial Officer
Fax: _____

With copy to:
Varnum LLP
P.O. Box 352
Grand Rapids, MI 49501-0352
Attn: Michael G. Wooldridge
Fax: 616-336-7000

If to Shareholder Representative, to:
John Hancock Financial Services
197 Clarendon Street
Boston, MA 02116
Attn: Bond and Corporate Finance, C-2
Fax: 617-572-6454

With copy to:
John Hancock Financial Services
197 Clarendon Street, C-3-16
Boston, Massachusetts 02116
Attn: David Pemstein
Fax: 617-421-4399

If to the Paying Agent, to:

Attn:
Fax:

20. **Compliance with Court Orders**. In the event that any escrow property shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the property deposited under this Agreement, the Paying Agent is hereby expressly authorized, in its sole discretion, to obey and comply with all writs, orders or decrees so entered or issued, which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction, and in the event that the Paying Agent obeys or complies with any such writ, order or decree it shall not be liable to any of the parties hereto or to any other person, entity, firm or corporation, by reason of such compliance notwithstanding such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

21. **Miscellaneous**. The provisions of this Agreement may be waived, altered, amended or supplemented, in whole or in part, only by a writing signed by all the parties. Neither this Agreement nor any right or interest hereunder may be assigned in whole or in part by any party hereto without the prior consent of the other parties. This Agreement shall be governed by and construed under the laws of the State of Indiana. The parties further hereby waive any right to a trial by jury with respect to any lawsuit or judicial proceeding arising or relating to this Agreement. No party to this Agreement is liable to any other party for losses due to, or if it is unable to perform its obligations under the terms of this Agreement because of, acts of God, fire, war, terrorism, floods, strikes, electrical outages, equipment or transmission failure, or other causes reasonably beyond its control. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. All signatures of the parties to this Agreement may be transmitted

by facsimile, and such facsimile will, for all purposes, be deemed to be the original signature of such party whose signature it reproduces, and will be binding upon such party. If any provision of this Agreement is determined to be prohibited or unenforceable by reason of any applicable law of a jurisdiction, then such provision shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions thereof, and any such prohibition or unenforceability in such jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction. A person who is not a party to this Agreement shall have no right to enforce any term of this Agreement. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby irrevocably waived by the parties hereto to the fullest extent permitted by law, to the end that this Agreement shall be enforced as written. Except as expressly provided in Section 8 above, nothing in this Agreement, whether express or implied, shall be construed to give to any person or entity other than the Paying Agent and Purchaser and Shareholder Representative any legal or equitable right, remedy, interest or claim under or in respect of this Agreement or any funds escrowed hereunder.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have entered into this Paying Agent Agreement as of the Effective Date.

PURCHASER:
Spartan Motors, Inc.

_____
By:
Its:

SHAREHOLDER REPRESENTATIVE:
John Hancock Life Insurance Company

_____
By:
Its:

PAYING AGENT:
_____

_____
By:
Its:

Exhibit A

Schedule of Fees

Exhibit B

Letter of Transmittal

EXHIBIT C

Form of Certificate of Merger

STATE OF DELAWARE
CERTIFICATE OF MERGER OF
DOMESTIC CORPORATIONS

Pursuant to Title 8, Section 251(c) of the Delaware General Corporation Law, the undersigned corporation executed the following Certificate of Merger:

FIRST: The name of the surviving corporation is Utilimaster Holdings, Inc., and the name of the corporation being merged into this surviving corporation is SMI Sub, Inc., each of which is a Delaware corporation.

SECOND: The Agreement and Plan of Merger has been approved, adopted, certified, executed and acknowledged by each of the constituent corporations in accordance with Title 8, Section 251.

THIRD: The name of the surviving corporation is Utilimaster Holdings, Inc., a Delaware corporation.

FOURTH: The Certificate of Incorporation of the surviving corporation shall be the Certificate of Incorporation of Utilimaster Holdings, Inc.

FIFTH: The merger is to become effective upon the filing of this Certificate of Merger with the Secretary of State of the State of Delaware.

SIXTH: The Agreement and Plan of Merger is on file at 1000 Reynolds Road, Charlotte, Michigan 48813.

SEVENTH: A copy of the Agreement and Plan of Merger will be furnished by the surviving corporation on request, without cost, to any stockholder of the constituent corporations.

IN WITNESS WHEREOF, said surviving corporation has caused this Certificate of Merger to be signed by an authorized officer, the ____ day of _____, A.D., 2009.

UTILIMASTER HOLDINGS, INC.

_____

By:
Name:
Title:

EXHIBIT D

Letter of Transmittal

By Mail: *By Overnight Courier:*

[Insert] *[Insert]*

Telephone Assistance:
[Insert]

Please read this Letter of Transmittal carefully. This Letter of Transmittal should be completed and signed in the space provided in Box D on page 4 and hand-delivered or sent by overnight courier or registered mail, return receipt requested and insured, with the completed and signed enclosed Internal Revenue Service ("IRS") Form W-9 (or the appropriate IRS Form W-8 if you are a non-U.S. stockholder) and the certificates for Common Stock, Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock of Utilimaster Holdings, Inc., to be surrendered in connection with the transactions contemplated by the Merger Agreement (as defined below).

THE INSTRUCTIONS TO THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY

Ladies and Gentlemen:

The undersigned surrenders herewith the below-described certificate(s) representing shares of Common Stock, Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock (hereinafter the "Shares"), of Utilimaster Holdings, Inc., a Delaware corporation (the "Company"), to _____, a _____ (the "Paying Agent"), in accordance with the terms of the merger of SMI Sub, Inc., a Delaware corporation (the "Acquisition Sub") with and into the Company pursuant to that certain Agreement and Plan of Merger, dated as of November 18, 2009 (the "Merger Agreement"), by and among the Company, Utilimaster Corporation, the Acquisition Sub, Spartan Motors, Inc. ("Buyer"), and John Hancock Life Insurance Company ("Hancock"). Capitalized terms used but not defined herein shall have the respective meanings as set forth in the Merger Agreement.

Such surrender is being made in exchange for payment, by check or wire transfer, in an aggregate amount equal to the Closing Per Share Merger Consideration, if any, payable to the undersigned in respect of such Shares, and all such other amounts, if any, otherwise payable in respect of such Shares pursuant to the terms and conditions of the Merger Agreement, the Escrow Agreement dated November __, 2009 (the "Escrow Agreement") and the Paying Agent Agreement, dated as of November __, 2009 (the "Paying Agent Agreement"). The Closing Per Share Merger Consideration and the calculation of the Closing Per Share Merger Consideration, is set forth on Schedule 1 to this Agreement. The undersigned accepts the calculation of the Closing Per Share Merger Consideration as accurate and correct.

Surrender of the Shares and the enclosed certificate(s) and/or execution of an affidavit(s) of lost stock certificate and the execution and delivery of this Letter of Transmittal are subject to the terms, conditions and limitations set forth in the Merger Agreement, the Escrow Agreement, the Paying Agent Agreement and this Letter of Transmittal (including its instructions), and, if such surrender is prior to the date (the "Closing Date") of the transactions contemplated by the Merger Agreement (the "Closing"), conditioned upon the consummation of the transactions contemplated by the Merger Agreement at the Closing. Copies of the Merger Agreement, Escrow Agreement and Paying Agent Agreement are available upon request of the Company.

The undersigned hereby represents and warrants that he or she has full power and authority to tender, sell, assign and transfer the Shares transferred hereby and that, when and to the extent the same are accepted for payment by the Paying Agent, Buyer will acquire for cancellation good, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges, encumbrances, conditional sales agreements or other obligations relating to the sale or transfer thereof, and the same will not be subject to any adverse claims. The undersigned further represents and warrants that the undersigned has read and understands the instructions accompanying this Letter of Transmittal.

The undersigned hereby releases the Company and its officers, directors, employees, affiliates and successors (the "Releasees") from all claims, demands, and causes of action of any nature whatsoever that the undersigned has or may have against any Releasee arising from the undersigned's standing as a former purchaser and holder of securities of the Company, including any claims related to violations of federal or state securities laws, any claims related to the Merger (as defined in the Merger Agreement) or other transactions contemplated by the Merger Agreement, the exercise of any dissenters' or appraisal rights as a result of the Merger, any claims related to the relative liquidation preferences of the shares of capital stock of the Company and any claims related to the Shareholders Agreement (as defined in the Merger Agreement); *provided, however*, that the undersigned does not hereby release any of the Releasees with respect to (i) any claims for indemnification under the Company's corporate charter, by-laws or any ongoing contractual agreements if the undersigned is an indemnitee thereunder in his capacity as a director, officer or employee of the Company, (ii) claims relating to ongoing contractual commitments of any Releasee to the undersigned that are outstanding immediately following the Effective Time of the Merger (but excluding contractual commitments, other than any arising under the Merger Agreement, relating to the undersigned's status as a shareholder of the Company or the undersigned's purchase of securities of the Company), or (iii) arising from any failure of Buyer or any of its affiliates (including the Company following the Effective Time) to comply with any of their covenants or agreements set forth in the Merger Agreement, the Paying Agent Agreement or the Escrow Agreement or arising as a result of any breach of any representation or warranty made by any of them in the Merger Agreement, the Escrow Agreement or the Paying Agent Agreement or on any certificate or instrument delivered by them at the Closing of the Merger or otherwise pursuant to the Merger Agreement.

The undersigned understands that the Paying Agent will make payments due in respect of the Shares as promptly as practicable following the date such amounts are required to be paid pursuant to the terms of the Merger Agreement and the Paying Agent Agreement, provided no such payment will be made until surrender to the Paying Agent in this Letter of Transmittal and, as applicable, the certificate(s) or affidavit(s) of lost stock certificate and the other documents referenced herein, in each case, properly completed and executed.

By virtue of this Letter of Transmittal, the undersigned hereby appoints John Hancock Life Insurance Company as the Shareholder Representative under the Merger Agreement, the Escrow Agreement and the Paying Agent Agreement and (i) irrevocably appoints the Shareholder Representative as its representative, agent, proxy, and attorney-in-fact for all purposes under this Agreement, including the full power and authority on such Shareholder's behalf: (x) to consummate the transactions contemplated by the Merger Agreement, (y) to negotiate, settle, compromise and make payments in respect of disputes arising under, or relating to, the Merger Agreement, the Escrow Agreement and the Paying Agent Agreement and the other agreements, certificates, instruments, and documents contemplated by the Merger Agreement or executed or delivered in connection therewith, and (z) to execute and deliver any amendment or waiver to the Merger Agreement or any of the other agreements, certificates, instruments, and documents contemplated by the Merger Agreement to be executed by the undersigned Shareholder; (ii) consents to John Hancock Life Insurance Company acting as the Shareholder Representative and taking all actions required or permitted to be taken by the Shareholder Representative pursuant to the Merger Agreement, the Escrow Agreement, the Paying Agent Agreement and the other agreements, certificates, instruments, and documents contemplated by the Merger Agreement or executed or delivered in connection with therewith and performing the duties of the Shareholder Representative pursuant to the terms thereof; and (iii) agrees to be bound by the provisions of this Section 10.5 of the Merger Agreement.

The Shareholders shall bear pro rata (based on the aggregate consideration owed to each) all expenses (including reasonable attorneys' fees, transfer taxes and other governmental charges) incurred by and all other amounts paid by, the Shareholder Representative in connection with its duties or rights as all amounts paid by the Shareholder Representative pursuant to the terms of the Merger Agreement, the Escrow Agreement and the Paying Agent Agreement, including without limitation, under Section 2.7, 2.8, 2.9, 2.10, and 8.6 and Article 9 of the Merger Agreement, and shall indemnify, defend and hold it harmless against any and all Losses incurred in connection with the performance of its duties in connection therewith; provided, however, (i) the obligation of the undersigned pursuant to this paragraph shall be non-recourse to the undersigned and shall be payable solely from the Per Share Merger Consideration owed to the undersigned.

The undersigned agrees that the Shareholder Representative shall have the right from time to time to direct the Paying Agent to pay the Shareholder Representative amounts owed to it pursuant to the foregoing paragraph from amounts then on deposit in the Paying Agent Account and such deduction shall reduce the actual cash payments, if any, that would otherwise be owed to the undersigned pursuant to the Merger Agreement.

The undersigned further acknowledges that the assertions embodied in the representations and warranties contained in the Merger Agreement are qualified by information contained in confidential disclosure schedules provided to Buyer in connection with the signing of the Merger Agreement. These disclosure schedules contain information that modifies, qualifies and creates exceptions to the representations and warranties set forth in the Merger Agreement. Accordingly, the undersigned understands that the representations and warranties in the Merger Agreement received by the undersigned may not constitute the actual state of facts about the Company.

Please deliver the Closing Per Share Merger Consideration, if any, and any amounts to which the undersigned is entitled in the name appearing above, subject to the following instructions:

☐ **Please check this box if you have lost your certificate(s). If you have lost your certificate(s), you may be required to provide additional documentation such as an affidavit, indemnification and/or indemnity bond.**

LETTER OF TRANSMITTAL

Name(s) and Address of Registered Holder(s) *If there is any error in the name or address shown below, please make the necessary corrections.* [**TO BE COMPLETED FOR EACH LETTER OF TRANSMITTAL**]	**Certificate(s) Enclosed**: *(Please fill in. Attach separate schedule if needed)* Certificate Numbers

Fill in **ONLY** if the check or wire transfer (if applicable) for cash to be received by the undersigned is to be issued in a name **OTHER** than the name appearing in Box A above. *(Unless otherwise indicated in Box C, such check (if applicable) will be mailed to the address indicated below.) (See Instruction below.)* ***(Signature Guarantee Required)*** Name: _____ Address: _____ _____ Tax Identification/Social Security Number	Fill in **ONLY** if the check or wire transfer (if applicable) for cash to be received by the undersigned is to be sent to an address **OTHER** than to the address appearing in Box A or B. Name: _____ Address : _____ _____ _____

Must be signed by registered holder(s), exactly as name appears on stock certificate(s), or by person(s) authorized to become registered holder(s) by certificates and documents transmitted herewith. If signature is by an agent, attorney, administrator, executor, guardian, trustee or others acting in a fiduciary or representative capacity, or by an officer of a corporation on behalf of the corporation, please set forth full title and furnish appropriate supporting evidence. *(See Instructions below.)* _____ Signature of Registered Holder(s) _____ Printed Name of Registered Holder(s) _____ Title, if any Date: _____ Phone No:_____ Email Address (optional): _____	Fill in **ONLY** if you desire funds to be delivered to you by wire transfer (Minimum wire transfer $100,000.*)* Bank Name: _____ Bank Telephone Number: _____ Account Name: _____ Account Number: _____ Routing Number: _____

[redacted]

Name of Institution Address (including Zip Code)

_____

_____

Authorized Signature Printed Name Date

Delivery of the enclosed stock certificate(s) will be effected and risk of loss shall pass only upon receipt by the Paying Agent at the address below. Delivery of a check or wire transfer (if applicable) for cash payment to which you are entitled under the Merger Agreement (as defined on page 1) shall be made within approximately five business days after the proper delivery, and receipt by the Paying Agent, of this Letter of Transmittal and the appropriate stock certificates.

INSTRUCTIONS

A former stockholder of Utilimaster Holdings, Inc. will not receive the merger consideration in exchange for such stockholders' certificate(s) formerly representing Shares until the certificate(s) owned by such stockholder are received by the Paying Agent at the address set forth above, together with such documents as the Paying Agent may require, and until the same are processed for payment by the Paying Agent. No interest will accrue on any amounts due.

1. GUARANTEE OF SIGNATURES. NO SIGNATURE GUARANTEE ON THIS LETTER OF TRANSMITTAL IS REQUIRED (I) IF THIS LETTER OF TRANSMITTAL IS SIGNED BY THE REGISTERED HOLDER OF THE CERTIFICATE(S) SURRENDERED HEREWITH, UNLESS SUCH HOLDER HAS COMPLETED EITHER THE BOX ENTITLED "SPECIAL DELIVERY INSTRUCTIONS" OR THE BOX ENTITLED "SPECIAL ISSUANCE INSTRUCTIONS" ON THE LETTER OF TRANSMITTAL, OR (II) IF THE CERTIFICATE(S) IS TO BE SURRENDERED FOR THE ACCOUNT OF AN ELIGIBLE GUARANTOR INSTITUTION SUCH AS A COMMERCIAL BANK, TRUST COMPANY, SECURITIES BROKER/DEALER, CREDIT UNION OR A SAVINGS ASSOCIATION PARTICIPATING IN A MEDALLION PROGRAM APPROVED BY THE SECURITIES TRANSFER ASSOCIATION, INC. (EACH OF THE FOREGOING BEING AN "ELIGIBLE INSTITUTION"). IN ALL OTHER CASES, ALL SIGNATURES ON THE LETTER OF TRANSMITTAL MUST BE GUARANTEED BY AN ELIGIBLE INSTITUTION. SEE INSTRUCTION 4.

2. DELIVERY OF LETTER OF TRANSMITTAL AND CERTIFICATES. THIS LETTER OF TRANSMITTAL, PROPERLY COMPLETED AND DULY EXECUTED, TOGETHER WITH THE CERTIFICATE(S), SHOULD BE DELIVERED TO THE PAYING AGENT AT THE ADDRESS SET FORTH IN THIS LETTER OF TRANSMITTAL.

The method of delivery of certificate(s) and any other required documents is at the election and risk of the owner. However, if certificate(s) are sent by mail, it is recommended that they be sent by certified mail, properly insured, with return receipt requested. Risk of loss and title of the certificate(s) shall pass only upon delivery of the certificate(s) to the Paying Agent.

All questions as to validity, form and eligibility of any surrender of any Certificate hereunder will be determined by the Company, as the surviving corporation (which may delegate power in whole or in part to the Paying Agent) and such determination shall be final and binding. The Company, as the surviving corporation, reserves the right to waive any irregularities or defects in the surrender of any certificate(s). A surrender will not be deemed to have been made until all irregularities have been cured or waived.

3. INADEQUATE SPACE. IF THE SPACE PROVIDED HEREIN IS INADEQUATE, THE CERTIFICATE NUMBERS FORMERLY REPRESENTED THEREBY SHOULD BE LISTED ON A SEPARATE SCHEDULE ATTACHED HERETO.

4. SIGNATURE ON LETTER OF TRANSMITTAL, STOCK POWERS AND ENDORSEMENTS. IF THIS LETTER OF TRANSMITTAL IS SIGNED BY THE REGISTERED HOLDER OF THE CERTIFICATE(S) SURRENDERED HEREBY, THE SIGNATURE MUST CORRESPOND EXACTLY WITH THE NAME WRITTEN ON THE FACE OF THE CERTIFICATE(S) WITHOUT ALTERATION, ENLARGEMENT OR ANY CHANGE WHATSOEVER.

If the certificate(s) surrendered hereby is owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.

If any surrendered Certificates are registered in different names on several Certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of Certificates.

When this Letter of Transmittal is signed by the registered owner(s) of the certificate(s) listed and surrendered hereby, no endorsements of the certificate(s) or separate stock powers are required.

If this Letter of Transmittal is signed by a person other than the registered owner of the certificate(s) listed, such certificate(s) must be endorsed or accompanied by appropriate stock power(s), in either case signed by the registered owner or owners or a person with full authority to sign on behalf of the registered owner. Signatures on such certificate(s) or stock power(s) must be guaranteed by an Eligible Institution. See Instruction 1.

If this Letter of Transmittal or any certificate(s) or stock power(s) is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and evidence satisfactory to the Paying Agent of his or her authority to so act must be submitted. The Paying Agent will not exchange any certificate(s) until all instructions herein are complied with.

5. STOCK TRANSFER TAXES. THE REGISTERED HOLDER SHALL TIMELY PAY ALL TRANSFER, DOCUMENTARY, SALES, USE STAMP, REGISTRATION AND OTHER TAXES ARISING FROM OR RELATING TO THE TRANSACTIONS CONTEMPLATED BY THE MERGER AGREEMENT, TO THE EXTENT THEY RELATE SPECIFICALLY TO THE PAYMENT OF CASH TO THE UNDERSIGNED, AND THE UNDERSIGNED SHALL, AT HIS OR HER OWN EXPENSE, FILE ALL NECESSARY TAX RETURNS AND OTHER DOCUMENTATION WITH RESPECT TO ALL SUCH TRANSFER, DOCUMENTARY, SALES, USE, STAMP, REGISTRATION AND OTHER TAXES. IN THE EVENT THAT ANY TRANSFER, DOCUMENTARY, SALES, USE, STAMP, REGISTRATION OR OTHER TAXES BECOMES PAYABLE BY REASON O THE PAYMENT OF THE MERGER CONSIDERATION IN ANY NAME OTHER THAN THAT OF THE REGISTERED HOLDER, SUCH TRANSFEREE OR ASSIGNEE MUST PAY SUCH TAX OR MUST ESTABLISH THAT SUCH TAX HAS BEEN PAID OR IS NOT APPLICABLE. THE PAYING AGENT WILL HAVE NO RESPONSIBILITY WITH RESPECT TO TRANSFER, DOCUMENTARY, SALES, USE, STAMP REGISTRATION OR OTHER TAXES.

6. SPECIAL DELIVERY INSTRUCTIONS. INDICATE THE NAME AND ADDRESS OF THE PERSON(S) TO WHOM THE CHECK COMPRISING THE MERGER CONSIDERATION ARE TO BE SENT IF DIFFERENT FROM THE NAME AND ADDRESS OF THE PERSON(S) SIGNING THIS LETTER OF TRANSMITTAL.

7. SUBSTITUTE FORM W-9. EACH SURRENDERING STOCKHOLDER IS REQUIRED TO PROVIDE THE PAYING AGENT WITH SUCH HOLDER'S CORRECT TAXPAYER IDENTIFICATION NUMBER ("TIN") ON **TWO (2)** ORIGINALS OF THE SUBSTITUTE FORM W-9, IN THE FORMS OF SCHEDULES 2(A) AND 2(B), AND TO CERTIFY WHETHER THE STOCKHOLDER IS SUBJECT TO BACKUP WITHHOLDING. FAILURE TO PROVIDE SUCH INFORMATION OR AN ADEQUATE BASIS FOR EXEMPTION ON THE FORM MAY SUBJECT THE SURRENDERING STOCKHOLDER TO UNITED STATES FEDERAL INCOME TAX WITHHOLDING ON CASH PAYMENTS MADE TO SUCH SURRENDERING STOCKHOLDER WITH RESPECT TO THE CERTIFICATE(S). IF SUCH HOLDER IS AN INDIVIDUAL, THE TIN IS HIS OR HER SOCIAL SECURITY NUMBER. A HOLDER MUST CROSS OUT ITEM (2) IN PART 2 OF SUBSTITUTE FORM W-9 IF SUCH HOLDER IS SUBJECT TO BACKUP WITHHOLDING. THE BOX IN PART 3 OF THE FORM SHOULD BE CHECKED IF THE SURRENDERING HOLDER HAS NOT BEEN ISSUED A TIN AND HAS APPLIED FOR A TIN OR INTENDS TO APPLY FOR A TIN IN THE NEAR FUTURE. IF THE BOX IN PART 3 IS CHECKED, THE SURRENDERING HOLDER MUST ALSO COMPLETE THE CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER BELOW IN ORDER TO AVOID BACKUP WITHHOLDING. NOTWITHSTANDING THAT THE BOX IN PART 3 IS CHECKED AND THE CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER IS COMPLETED, THE PAYING AGENT WILL WITHHOLD AT A RATE NOT TO EXCEED 28% ON ALL PAYMENTS MADE PRIOR TO THE TIME A PROPERLY CERTIFIED TIN IS PROVIDED TO THE PAYING AGENT. HOWEVER, SUCH AMOUNTS WILL BE REFUNDED TO SUCH SURRENDERING HOLDER IF A TIN IS PROVIDED TO THE PAYING AGENT WITHIN 60 DAYS.

8. LOST, STOLEN OR DESTROYED CERTIFICATE(S). IF YOUR CERTIFICATE(S) HAS BEEN LOST, STOLEN OR DESTROYED, AN AFFIDAVIT OF LOSS IN THE FORM OF SCHEDULE 3 MUST BE PROPERLY COMPLETED AND RETURNED TO THE PAYING AGENT.

9. INFORMATION AND ADDITIONAL COPIES. INFORMATION AND ADDITIONAL COPIES OF THIS LETTER OF TRANSMITTAL MAY BE OBTAINED FROM THE PAYING AGENT BY WRITING TO THE ADDRESS ABOVE OR CALLING THE PAYING AGENT A _____.

IMPORTANT TAX INFORMATION

Under United States federal income tax laws, a holder who receives cash payments pursuant to the Merger is required to provide the Paying Agent (as payer) with such holder's correct TIN on the Substitute Form W-9 below (or otherwise establish a basis for exemption from backup withholding) and certify under penalty of perjury that such TIN is correct and that such holder is not subject to backup withholding. If such holder is an individual, the TIN is his or her social security number. If the Paying Agent is not provided with the correct TIN, a $50 penalty may be imposed by the Internal Revenue Service, and the payment of any cash pursuant to the Merger may be subject to backup withholding.

Certain holders (including, among others, all corporations and foreign individuals and entities) are not subject to these backup withholding and reporting requirements. Exempt holders should indicate their exempt status on Substitute Form W-9. In order for a foreign individual to qualify as an exempt recipient, such individual must submit a Form W-8 BEN, signed under penalties of perjury, attesting to such individual's exempt status. A Form W-8 BEN can be obtained from the Paying Agent. See the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for additional instructions.

If backup withholding applies, the Paying Agent is required to withhold at a rate not to exceed 28% of any payments made to the holder or other payee. Backup withholding is not an additional tax. Rather, the Federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld provided that the required information is given to the IRS. If withholding results in an overpayment of taxes, a refund may be obtained from the Internal Revenue Service.

Purpose of Substitute Form W-9

To prevent backup withholding on payments made with respect to certificate(s), the holder is required to notify the Paying Agent of such holder's correct TIN by completing the form below, certifying that (1) the TIN provided on the Substitute Form W-9 is correct (or that such holder is awaiting a TIN), (2) such holder is not subject to backup withholding because (a) such holder is exempt from backup withholding, (b) such holder has not been notified by the Internal Revenue Service that he is subject to backup withholding as a result of a failure to report all interest or dividends or (c) the Internal Revenue Service has notified such holder that such holder is no longer subject to backup withholding and (3) such holder is a U.S. person (including a U.S. resident alien).

What Number to Give the Paying Agent

The holder is required to give the Paying Agent the TIN (i.e., social security number or employer identification number) of the holder of the certificate(s) tendered hereby. If the certificate(s) are held in more than one name or are not held in the name of the actual owner, consult the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W -9" for additional guidance on which number to report.

All inquiries regarding this form should be made directly to:

_____

Phone: _____

All inquiries regarding the Merger should be made directly to:

Company Name:
Attention:
Address:
Phone:
Fax:

Tax Certification: Taxpayer Identification Number (TIN): Social Security Number **Date**: _____

or

Employee Identification Number

Name & Address: _____

_____

_____

Customer is a (check one):

Corporation____ Partnership____ Individual/sole proprietor _____ Trust_____
Limited liability company____ Enter the tax classification (D=disregarded entity, C=Corporation, P=Partnership _____
Other _____

Taxpayer is (check if applicable):

___ Exempt from backup withholding

Under the penalties of perjury, the undersigned certifies that:

(1) the number shown above is its correct Taxpayer Identification Number (or it is waiting for a number to be issued to it);

(2) it is not subject to backup withholding because: (a) it is exempt from backup withholding or (b) it has not been notified by the Internal Revenue Service (IRS) that it is subject to backup withholding as a result of failure to report all interest or dividends, or (c) the IRS has notified it that it is no longer subject to backup withholding; and

(3) It is a U.S. citizen or other U.S. person (defined in the Form W-9 instructions).

(If the entity is subject to backup withholding, cross out the words after the (2) above.)

Investors who do not supply a tax identification number will be subject to backup withholding in accordance with IRS regulations.

Note: The IRS does not require your consent to any provision of this document other than the certifications required to avoid backup withholding .

Signature: _____

Printed Name: _____

Obtaining a Number

If you don't have a taxpayer identification number or you don't know your number, obtain Form SS-5, Application for a Social Security Number Card, Form W-7, Application for IRS Individual Taxpayer Identification Number, or Form SS-4, Application for Employer Identification Number, at the local office of the Social Security Administration or the Internal Revenue Service and apply for a number.

Payees Exempt from Backup Withholding

The following is a list of payees exempt from backup withholding and for which no information reporting is required. For interest and dividends, all listed payees are exempt except item (9). For broker transactions, payees listed in items (1) through (13) and a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker are exempt. Payments subject to reporting under sections 6041 and 6041A are generally exempt from backup withholding only if made to payees described in items (1) through (7), except a corporation that provides medical and health care services or bills and collects payments for such services is not exempt from backup withholding or information reporting. Only payees described in items (2) through (6) are exempt from backup withholding for barter exchange transactions, patronage dividends, and payments by certain fishing boat operators.

(1) A corporation.
(2) An organization exempt from tax under section 501(a), or an IRA, or a custodial account under section 403(b)(7).
(3) The United States or any of its agencies or instrumentalities.
(4) A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities.
(5) A foreign government or any of its political subdivisions, agencies, or instrumentalities.
(6) An international organization or any of its agencies or instrumentalities.
(7) A foreign central bank of issue.
(8) A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States.
(9) A futures commission merchant registered with the Commodity Futures Trading Commission.
(10) A real estate investment trust.
(11) An entity registered at all times during the tax year under the Investment Company Act of 1940.
(12) A common trust fund operated by a bank under section 584(a).
(13) A financial institution.
(14) A middleman known in the investment community as a nominee or listed in the most recent publication of the American Society of Corporate Secretaries, Inc., Nominee List
(15) A trust exempt from tax under section 664 or described in section 4947.

Payments Exempt from Backup Withholding

Payments of dividends and patronage dividends not generally subject to backup withholding include the following:

- Payments to nonresident aliens subject to withholding under section 1441.
- Payments to partnerships not engaged in a trade or business in the U.S. and which have at least one nonresident alien partner.
- Payments of patronage dividends where the amount received is not paid in money.
- Payments made by certain foreign organizations.
- Section 404(k) distributions made by an ESOP.

Payments of interest not generally subject to backup withholding include the following:

- Payments of interest on obligations issued by individuals.

Note: The payee may be subject to backup withholding if this interest is $600 or more and is paid in the course of the payer's trade or business and the payee has not provided his or her correct TIN to the payer.

- Payments of tax-exempt interest (including exempt-interest dividends under Section 852).

● Payments described in Section 6049(b)(5) to nonresident aliens.

● Payments on tax-free covenant bonds under section 1451.

● Payments made by certain foreign organizations.

● Mortgage interest paid to you.

Exempt payees described above should file Form W-9 to avoid possible erroneous backup withholding. FILE THIS FORM WITH THE PAYER, FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER, WRITE "EXEMPT" IN PART II, AND RETURN IT TO THE PAYER. IF THE PAYMENTS AR INTEREST, DIVIDENDS, OR PATRONAGE DIVIDENDS, ALSO SIGN AND DATE THE FORM.

Certain payments that are not subject to information reporting are also not subject to backup withholding. For details, see sections 6041, 6041A(a), 6042, 6044, 6045, 6049, 6050(N) and 6050A and the regulations thereunder.

Privacy Act Notice - Section 6109 requires you to give your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

Penalties

(1) Penalty for Failure to Furnish Taxpayer Identification Number. - If you fail to furnish your taxpayer identification number to a payer, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

(2) Civil Penalty for False Information with Respect to Withholding. - If you make a false statement with no reasonable basis which results in no imposition of backup withholding, you are subject to a penalty of $500.

(3) Criminal Penalty for Falsifying Information. - Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

(4) Misuse of TINS. - If the requester discloses or uses TINS in violation of Federal law, the requester may be subject to civil and criminal penalties.

FOR ADDITIONAL INFORMATION CONTACT YOUR TAX CONSULTANT OR THE INTERNAL REVENUE SERVICE.

SCHEDULE 1

Closing Per Share Merger Consideration

SCHEDULE 2(a)

SUBSTITUTE FORM W-9

<table>
<tr><td colspan="3">PAYER'S NAME: _____</td></tr>
<tr><td>substitute
Form W-9</td><td>PART I— PLEASE PROVIDE YOUR TIN IN THE BOX AT RIGHT AND CERTIFY BY SIGNING AND DATING BELOW</td><td>_____
Social Security Number

OR

_____
Employer Identification Number</td></tr>
<tr><td>Department
of
the Treasury
Internal
Revenue
Service</td><td colspan="2">PART II— Certification--Under penalties of perjury, I certify that:
(1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me),
(2) I am not subject to backup withholding because (i) I am exempt from backup withholding, (ii) I have not been notified by the Internal Revenue Service ("IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (iii) the IRS has notified me that I am no longer subject to backup withholding, and
(3) I am a U.S. person (including a U.S. resident alien).</td></tr>
<tr><td>Payer's
Request
for Taxpayer
Identification
Number
(TIN)</td><td>Certification Instructions--You must cross out item (2) in Part II above if you have been notified by the IRS that you are subject to backup withholding because of underreporting interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS that you are no longer subject to backup withholding, do not cross out item (2).
Signature:_____
Date:_____
Name (Please Print):_____</td><td>PART III

Awaiting TIN □</td></tr>
</table>

NOTE: FAILURE TO COMPLETE AND RETURN THE SUBSTITUTE FORM W-9 MAY RESULT IN BACKUP WITHHOLDING OF 28% OF ANY PAYMENTS MADE TO YOU.
(See Instruction 7)

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE
IF YOU CHECKED THE BOX IN PART III OF SUBSTITUTE FORM W-9.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a Taxpayer Identification Number has not been issued to me, and either (i) I have mailed or delivered an application to receive a Taxpayer Identification Number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (ii) I intend to mail or deliver an application in the near future. I understand that if I do not provide a Taxpayer Identification Number within 60 days, 28 % of all reportable payments made to me thereafter will be withheld until I provide a number.

_____ _____

_____ _____

Signature Date

_____

Name (Please Print)

SCHEDULE 2(b)

SUBSTITUTE FORM W-9

<table>
<tr><td colspan="3">PAYER'S NAME: _____</td></tr>
<tr><td>substitute
Form W-9</td><td>PART I— PLEASE PROVIDE YOUR TIN IN THE BOX AT RIGHT AND CERTIFY BY SIGNING AND DATING BELOW</td><td>_____
Social Security Number

OR

_____
Employer Identification Number</td></tr>
<tr><td>Department
of
the Treasury
Internal
Revenue
Service</td><td colspan="2">PART II— Certification--Under penalties of perjury, I certify that:
(1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me),
(2) I am not subject to backup withholding because (i) I am exempt from backup withholding, (ii) I have not been notified by the Internal Revenue Service ("IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (iii) the IRS has notified me that I am no longer subject to backup withholding, and
(3) I am a U.S. person (including a U.S. resident alien).</td></tr>
<tr><td>Payer's
Request
for Taxpayer
Identification
Number
(TIN)</td><td>Certification Instructions--You must cross out item (2) in Part II above if you have been notified by the IRS that you are subject to backup withholding because of underreporting interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS that you are no longer subject to backup withholding, do not cross out item (2).
Signature:_____
Date:_____
Name (Please Print):_____</td><td>PART III

Awaiting TIN □</td></tr>
</table>

NOTE: FAILURE TO COMPLETE AND RETURN THE SUBSTITUTE FORM W-9 MAY RESULT IN BACKUP WITHHOLDING OF 28% OF ANY PAYMENTS MADE TO YOU.
(See Instruction 7)

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE
IF YOU CHECKED THE BOX IN PART III OF SUBSTITUTE FORM W-9.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a Taxpayer Identification Number has not been issued to me, and either (i) I have mailed or delivered an application to receive a Taxpayer Identification Number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (ii) I intend to mail or deliver an application in the near future. I understand that if I do not provide a Taxpayer Identification Number within 60 days, 28% of all reportable payments made to me thereafter will be withheld until I provide a number.

_____ _____

_____ _____

Signature Date

_____

Name (Please Print)

SCHEDULE 3

Affidavit of Lost Stock Certificate

(see attached)

AFFIDAVIT OF LOST STOCK CERTIFICATE

STATE OF _____)
) SS
COUNTY OF _____)

_____ (the "Affiant"), being duly sworn, deposes and says under oath and in due form of law as follows:

1. The Affiant is the owner and entitled to possession of Certificate No. _____, evidencing ownership of _____ (____) shares of Common Stock of Utilimaster Holdings, Inc., a Delaware corporation (the " ***Company***"), and/or Certificate No. _____, evidencing ownership of _____ (____) shares of Series A Preferred Stock of the Company, and/or Certificate No. _____, evidencing ownership of _____ (____) shares of Series B Preferred Stock of the Company, and/or Certificate No. _____, evidencing ownership of _____ (____) shares of Series C Preferred Stock of the Company (as applicable, the " ***Lost Certificate***").

2. The Lost Certificate has been mutilated, lost, stolen or destroyed, and the Affiant is unable to locate it.

3. The Affiant has not disposed of any of the shares of stock represented by the Lost Certificate, whether by sale, transfer, gift, or otherwise, nor has the Affiant given any person a power of attorney or other authority of any kind to dispose of or otherwise transfer any of those shares of stock.

4. The Affiant makes these statements under oath in order to induce the Company to accept this Affidavit of Lost Certificate.

5. In consideration of the issuance to the Affiant of a duplicate stock certificate, the Affiant agrees that if the Lost Certificate is ever found or located, the Affiant will promptly deliver it to the Company for cancellation.

6. In consideration of the Company directing payment to Affiant for the securities evidenced by the Lost Certificate (the " ***Securities***"), Affiant and Affiant's legal representatives, successors and assigns, hereby agree to indemnify and save harmless the Company, _____ (as escrow/paying agent), their successors and assigns (the " ***Indemnitees***"), and each of them, from and against any and all claims, actions and suits, whether groundless or otherwise, and from and against any and all liabilities, losses, damages, costs, charges, counsel fees and other expenses, of every nature and character, which the Indemnitees, or any of them, at any time, shall or may sustain or incur by reason of any claim or demand which may be made as a result of the issuance of a new certificate in place of the Securities or by reason of any payment, transfer, exchange or other act which the Indemnitees, or any of them, may do or cause to be done with respect to the Securities represented to have been lost, stolen or destroyed, whether or not such liabilities, losses, costs, damages, counsel fees and other expenses arise or occur through accident, oversight, inadvertence or neglect on the part of the Indemnitees, or any of them, or their respective officers, agents, clerks or employees.

[Notarized signature appears on the following page.]

_____

Name:

_____

Name:

STATE OF _____)
) SS
COUNTY OF _____)

Subscribed and sworn to before me, the undersigned, a Notary Public of the State of _____, in and for the County of _____, this _____ day of _____, 20___, by _____, known to me (or satisfactorily proven) to be the person named in the foregoing Affidavit, who made oath that the matters and facts stated therein are true and correct to the best of his or her knowledge, information, and belief.

_____
Notary Public

My Commission expires _____.

EXHIBIT E

Form of Employee Acknowledgment

AMENDMENT TO [SEVERANCE/EMPLOYMENT] AGREEMENT ACKNOWLEDGEMENT

This Amendment to [Severance/Employment] Agreement Acknowledgement ("Amendment") is entered into by and between Utilimaster Corporation ("Utilimaster") and **[_____]** ("Employee").

Utilimaster and Employee entered into a[n] [Severance/Employment] Agreement dated and effective **[_____]** ("Agreement"). Due to economic conditions, Utilimaster previously implemented a ten percent reduction in base salary for its similarly situated management employees, including Employee (the "Reduction"). Pursuant to that certain [Severance/Employment Agreement] Acknowledgement executed by the parties on [_____] (the "Wage Reduction Acknowledgement"), the Reduction was to cease upon a "Change In Control" (as defined therein). As a result of the proposed merger of Utilimaster Holdings, Inc. with a subsidiary of Spartan Motors, Inc., pursuant to an agreement and plan of merger dated as of November 16, 2009 (the "Merger Agreement"), there will be a Change in Control. The parties desire to continue the Reduction for up to an additional 120 days following the Closing of the merger, as that term is used in the Merger Agreement, without triggering the rights of the management employees, including Employee, to terminate their employment for "Good Reason" as that term is defined in the Agreement. Accordingly, the parties agree as follows:

1. **Reduction**. Utilimaster shall continue the Reduction from and after the Closing, as that term is used in the Merger Agreement, for a period not to exceed 120 days (the "Continued Reduction").

2. **Acknowledgement**. Employee acknowledges and agrees that the Continued Reduction will not be grounds for Employee to terminate [his or her] employment for "Good Reason" as that term is defined in the Agreement.

3. **Severance**. In the event Employee's employment is terminated during the time the Continued Reduction is in place and such termination entitles Employee to severance in accordance with the terms of the Agreement, Employee's severance shall be calculated by using Employee's base salary prior to the Reduction or the Continued Reduction.

4. **Governing Terms**. All terms and conditions of the Agreement and the Wage Reduction Agreement shall continue to control except as modified by this Amendment.

Utilimaster Corporation	[Employee's Name]
_____	_____
Signature	Signature
_____	_____
Printed Name and Title	Printed Name
Dated: _____	Dated: _____

EXHIBIT F

Opinions to be Given by Counsel to Seller Parties

1. Each of Holdings and the Company is a duly organized and validly existing Delaware corporation, in good standing under the laws of the State of Delaware. UTM Acquisition Company, LLC is a duly organized and validly existing limited liability company under the laws of the State of Indiana. Each U.S. UC Party has the corporate or limited liability company power and authority, as the case may be, to own its property and assets and to transact the business in which it is engaged and presently proposes to engage in.

2. Each U.S. UC Party has the corporate or limited liability company power and authority, as the case may be, to execute, deliver and perform the terms and provisions of the Agreement and the other [Transaction Documents] to which it is a party, and has taken all necessary corporate or limited liability company action, as the case may be, to authorize the execution, delivery and performance of the Agreement and the other [Transaction Documents] to which it is a party. Each U.S. UC Party has duly executed and delivered the Agreement and the other [Transaction Documents] to which it is a party. The Agreement and each of the other [Transaction Documents] is a valid and binding obligation of each U.S. UC Party a party thereto, and is enforceable against such persons in accordance with its terms.

3. The execution and delivery by each U.S. UC Party of the Agreement and any other [Transaction Document] to be executed or delivered by such U.S. UC Party, and the performance of its obligations under the Agreement or any of such other [Transaction Documents], do not and will not (a) conflict with or result in a breach of the terms, conditions, or provisions of, its certificate of incorporation, by-laws, articles of organization or written operating agreement, as applicable, or the Shareholders Agreement, (b) require of it any authorization, consent, approval, exemption, or other action by, or notice or declaration to, or filing with, any court or administrative or governmental body or agency, or (c) violate any law, statute, or regulation to which it is subject, including, without limitation, the Delaware General Corporation Law.

4. As of the Closing Date, (a) Holdings had outstanding 5,721,876 shares of common stock, par value of $0.001 per share (the record owners of which are set forth on Schedule 5.3 to the Agreement), 31,662 shares of Series A Preferred Stock, par value of $.001 per share (the sole record owner of which is Hancock), 4,000 shares of Series B Preferred Stock, par value of $0.001 per share (the sole record owner of which is Hancock), and 2,155 shares of Series C Preferred Stock, par value of $0.001 per share (the record owners of which are set forth on Schedule 5.3 to the Agreement); (b) the Company had outstanding 900 shares of common stock, par value of $.01 per share (the sole record owner of which is Holdings). The issuance of all those outstanding shares was duly authorized and all of the outstanding shares have been validly issued and are, to the best of our knowledge, fully paid and nonassessable.

5. As of the Closing Date, the Company is the sole record owner of all outstanding Equity Interests in UTM Acquisition Company, LLC. The issuance by UTM Acquisition Company, LLC of such Equity Interests to the Company was duly authorized and all of such Equity Interests have been validly issued and are, to the best of our knowledge, fully paid and nonassessable.

6. Except as set forth in paragraphs 4 and 5 above, none of the U.S. UC Parties has any Equity Interests, whether vested or unvested, issued or outstanding as of the Closing Date. Except as otherwise set forth on Schedule 5.3 to the Agreement, no U.S. UC Party is subject to any obligation (contingent or otherwise) to issue any Equity Interests or Equity Equivalents (except for or in connection with the transactions contemplated by the Agreement).

The foregoing opinions will be subject to appropriate and customary assumptions, exceptions, limitations and qualifications, including an assumption that Indiana law governs all agreements (except where the Delaware General Corporation Law expressly governs).

FIRST AMENDMENT TO
AGREEMENT AND PLAN OF MERGER

This FIRST AMENDMENT TO AGREEMENT AND PLAN OF MERGER (the "Amendment"), dated as of November 30, 2009, is entered into by and among Spartan Motors, Inc., a Michigan corporation ("Purchaser"), John Hancock Life Insurance Company, a Massachusetts life insurance company ("Hancock", in its individual capacity, and the "Shareholder Representative" in its capacity as such pursuant to the Merger Agreement, as defined below), SMI Sub, Inc., a Delaware corporation and wholly-owned subsidiary of Purchaser ("Acquisition Sub"), Utilimaster Holdings, Inc., a Delaware corporation ("Holdings"), and Utilimaster Corporation, a Delaware corporation (the "Company").

RECITALS

A. Purchaser, Hancock, the Shareholder Representative, Acquisition Sub, Holdings, and the Company are parties to an Agreement and Plan of Merger, dated November 18, 2009 (the "Merger Agreement"). Capitalized terms used in this Amendment without definition are used with the meanings given in the Merger Agreement.

B. The Parties are entering into this Amendment in order to modify and correct certain provisions of the Merger Agreement, as set forth below.

ACKNOWLEDGMENT

NOW, THEREFORE, the Parties agree as follows:

1. **Replacement of Schedule 2.6(e).** The Parties agree that the Schedule 2.6(e) attached to this Amendment shall be and is substituted for all purposes under the Merger Agreement for the Schedule 2.6(e) originally attached to the Merger Agreement.

2. **Replacement of Schedule 2.7.** The Parties agree that the Schedule 2.7 attached to this Amendment shall be and is substituted for all purposes under the Merger Agreement for the Schedule 2.7 originally attached to the Merger Agreement.

3. **Funding of 401(k) Contribution.** The Parties agree that Section 2.6(e) of the Merger Agreement shall be and is replaced in its entirety with the following:

> (e) At the Closing, Purchaser shall deliver the Aggregate Bonus Amount to the Company and the Company shall (i) immediately after the Effective Time, pay bonuses to the Persons and in the amounts set forth on Schedule 2.6(e), and (ii) fund the 401(k) match amount set forth on Schedule 2.6(e) (or such other amount as is calculated in accordance with the plan documents, including the "last day" rule) shortly after the end of calendar year 2009 consistent with the Company's plan documents, including the application of the "last day" rule and any exceptions to such rule, and applicable law.

4. **Certain Tax Matters.** The Parties agree that (i) the last sentence of Section 8.6(b) of the Merger Agreement shall be and is amended to insert the phrase "(other than the amount shown for the 401(k) match)" immediately after the reference to Schedule 2.6(e) in that sentence, and (ii) the following is added as new Section 8.6(h):

(h) The Parties agree the Tax benefit to Purchaser, if any, of the Company's contribution of the 401(k) match pursuant to Section 2.6(e) above shall be distributed for the benefit of the Shareholders in accordance with this paragraph. No later than March 31, 2010, Purchaser shall (i) deliver to the Shareholder Representative Purchaser's calculation of the Tax benefit it expects to receive as a result of such 401(k) contribution, together with supporting documentation reasonably necessary to support such calculation, and (ii) remit the amount of such expected Tax benefit to the Paying Agent for deposit into the Paying Agent Account. The Shareholder Representative shall have the right to dispute Purchaser's calculation by providing written notice of such dispute to Purchaser within thirty (30) days after receipt of Purchaser's calculation pursuant to this paragraph. During such 30-day period, Purchaser shall reasonably cooperate with the Shareholder Representative in its review of Purchaser's determination of the expected net Tax benefit, including providing the Shareholder Representative and/or its representatives access to Purchaser's tax advisors and copies of Purchaser's tax returns, provided that the Shareholder Representative shall reimburse Purchaser for all out-of-pocket expenses incurred by Purchaser in providing such cooperation. If the Shareholder Representative sends timely notice that it disputes Purchaser's determination of the expected Tax benefit, and Purchaser and the Shareholder Representative have not resolved such dispute in writing within 15 days of the Shareholder Representative sending its dispute notice, the Shareholder Representative may elect to submit such dispute to the Accounting Firm for resolution. The Accounting Firm's determination of the expected Tax benefit described in this paragraph shall be final and binding on the Parties. The cost of the Accounting Firm shall be borne by the Shareholder Representative. Purchaser shall also reasonably cooperate with the Accounting Firm in its determination of the Tax benefit to Purchaser, including providing the Accounting Firm access to its tax advisors and copies of Purchaser's Tax returns, provided that the Shareholder Representative shall reimburse Purchaser for all out-of-pocket expenses incurred by Purchaser in providing such cooperation.

5. **Supplement to Schedule 2.4**. The Parties agree that the Schedule 2.4 - Supplement attached to this Amendment shall be and is added as a supplement to the Schedule 2.4 originally attached to the Merger Agreement. For all purposes under the Merger Agreement, "Schedule 2.4" shall refer to the Schedule 2.4 originally attached to the Merger Agreement as supplemented by the Schedule 2.4 – Supplement attached to this Amendment.

6. **Definition of "Agreement"**. From and after the date of this Amendment, the term "Agreement" as used in the Merger Agreement shall mean the Merger Agreement as amended by this Amendment and all references to the Merger Agreement in any agreement, instrument, certificate or other document executed in connection with or pursuant to the Merger Agreement, including without limitation, the Escrow Agreement, the Paying Agent Agreement and any letter of transmittal shall also mean the Merger Agreement as amended by this Amendment.

7. **Replacement of Schedule 5.3.** The Parties agree that the Schedule 5.3 attached to this Amendment shall be and is substituted for all purposes under the Merger Agreement for the Schedule 5.3 originally attached to the Merger Agreement.

8. **Ratification**. Except as expressly modified by this Amendment, the terms and conditions of the Merger Agreement remain in full force and effect as originally written.

[Signatures follow on next page]

IN WITNESS WHEREOF, the Parties have executed this Acknowledgment as of the date first written above.

PURCHASER:
Spartan Motors, Inc.

/s/ Joseph M. Nowicki
By: Joseph M. Nowicki
Its: CFO

ACQUISITION SUB:
SMI Sub, Inc.

/s/ Joseph M. Nowicki
By: Joseph M. Nowicki
Its: Treasurer

HOLDINGS:
Utilimaster Holdings, Inc.

/s/ Michael A. Kitson
By: Michael A. Kitson
Its: President & CEO

COMPANY:
Utilimaster Corporation

/s/ Michael A. Kitson
By: Michael A. Kitson
Its: President & CEO

HANCOCK (in its capacity as a Shareholder and as the Shareholder Representative):
John Hancock Life Insurance Company

/s/ Stephen J. Blewitt
By: Stephen J. Blewitt
Its:

Exhibit 10.17

Execution Copy

CREDIT AGREEMENT

dated as of

November 30, 2009

among

SPARTAN MOTORS, INC.
ROAD RESCUE, INC.
SPARTAN MOTORS CHASSIS, INC.
CRIMSON FIRE, INC.
CRIMSON FIRE AERIALS, INC.
UTILIMASTER CORPORATION

as the Borrowers

The Lenders Party Hereto

and

JPMORGAN CHASE BANK,
NATIONAL ASSOCIATION
as Administrative Agent

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Exhibit A -- Form of Assignment and Assumption

CREDIT AGREEMENT dated as of November 30, 2009, among SPARTAN MOTORS, INC., ROAD RESCUE, INC., SPARTAN MOTORS CHASSIS, INC., CRIMSON FIRE, INC., CRIMSON FIRE AERIALS, INC., and UTILIMASTER CORPORATION, the LENDERS party hereto, and JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as Administrative Agent.

The parties hereto agree as follows:

ARTICLE I.
DEFINITIONS

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"ABR", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

"Acquisition" means any transaction, or any series of related transactions, consummated on or after the date of this Agreement, by which the Company or any of its Subsidiaries (i) acquires any going business or all or substantially all of the assets of any firm, corporation or limited liability company, or division thereof, whether through purchase of assets, merger or otherwise or (ii) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes) of the Equity Interests of a Person.

"Adjusted LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

"Administrative Agent" means JPMorgan Chase Bank, N.A., in its capacity as administrative agent for the Lenders hereunder.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Alternate Base Rate" means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus ½ of 1% and (c) the Adjusted LIBO Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%, provided that, for the avoidance of doubt, the Adjusted LIBO Rate for any day shall be based on the rate appearing on the Reuters Screen LIBOR01 Page (or on any successor or substitute page) at approximately 11:00 a.m. London time on such day (without any rounding). Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate, respectively.

"Applicable Percentage" means, with respect to any Lender, the percentage of the total Commitments represented by such Lender's Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments.

"Applicable Rate" means, for any day, with respect to any Eurodollar Loan or with respect to the commitment fees payable hereunder, as the case may be, the applicable rate per annum set forth below under the caption "Eurodollar Spread" or "Commitment Fee Rate", as the case may be, based upon the Leverage Ratio as of the most recent determination date:

Level	Leverage Ratio	Eurodollar Spread	Commitment Fee Rate
I	≥ 2.0:1.0	250.0 bps	40.0 bps
II	< 2.0:1.0 but ≥ 1.5:1.0	225.0 bps	35.0 bps
III	< 1.5:1.0	200.0 bps	25.0 bps

The Applicable Rate shall be determined in accordance with the foregoing table based on the Leverage Ratio as of the end of each Fiscal Quarter, as calculated for the four most recently ended consecutive Fiscal Quarters of the Company. Adjustments, if any, to the Applicable Rate shall be effective on the date which is five (5) Business Days after the Administrative Agent's receipt of the applicable financials under Section 5.01(a) or (b) and certificate under Section 5.01(d). During all times any Event of Default exists, in addition to any increase in rates under Section 2.13(c), the Applicable Rate shall be automatically set at Level I. Notwithstanding anything herein to the contrary, the Applicable Rate shall be set at Level II as of the Effective Date and shall be adjusted for the first time based on the financials for the Fiscal Quarter ending December 31, 2009.

"Approved Fund" has the meaning assigned to such term in Section 9.04.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

"Available Revolving Commitment" means, at any time, the Commitment then in effect minus the Revolving Credit Exposure of all Lenders at such time; it being understood and agreed that any Lender's Swingline Exposure shall not be deemed to be a component of the Revolving Credit Exposure for purposes of calculating the commitment fee under Section 2.12(a).

"Availability Period" means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Borrower" means each of the Company, Spartan Motors Chassis, Inc., a Michigan corporation, Crimson Fire, Inc., a South Dakota corporation, Crimson Fire Aerials, Inc., a Pennsylvania

corporation, Road Rescue, Inc., a South Carolina corporation and Utilimaster Corporation, a Delaware corporation, and “Borrowers” shall refer to each of the entities collectively.

"Borrowing" means (a) Revolving Loans of the same Type, made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect, or (b) a Swingline Loan.

"Borrowing Request" means a request by a Borrower for a Revolving Borrowing in accordance with Section 2.03.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in Detroit, Chicago or New York City are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Loan, the term " Business Day" shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"Change in Control" means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the date hereof), of Equity Interests representing more than 49% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Company; (b) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Company by Persons who were neither (i) nominated by the board of directors of the Company nor (ii) appointed by directors so nominated; or (c) the acquisition of direct or indirect Control of the Company by any Person or group.

"Change in Law" means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender or the Issuing Bank (or, for purposes of Section 2.15(b), by any lending office of such Lender or by such Lender's or the Issuing Bank's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.

"Class", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans or Swingline Loans.

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

"Commitment" means, with respect to each Lender, the commitment of such Lender to make Revolving Loans and to acquire participations in Letters of Credit and Swingline Loans hereunder, expressed as an amount representing the maximum aggregate amount of such Lender's Revolving Credit Exposure hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.09 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender's Commitment is set forth on Schedule 2.01, or in the

Assignment and Assumption pursuant to which such Lender shall have assumed its Commitment, as applicable. The initial aggregate amount of the Lenders' Commitments is $70,000,000.

"Company" means Spartan Motors, Inc., a Michigan corporation.

"Consolidated EBIT" means Consolidated Net Income (excluding foreign currency gains or losses and non-cash income or charges) plus, to the extent deducted from revenues in determining Consolidated Net Income, (a) Consolidated Interest Expense, (b) expense for income taxes paid or accrued, (c) extraordinary charges (as determined in accordance with GAAP), (d) unusual or non-recurring charges in an aggregate amount not to exceed $2,000,000 (or such greater amount as may be approved in writing by the Required Lenders, which approval shall not be unreasonably withheld) for any consecutive four Fiscal Quarter period, and (e) amounts related to impairment of any intangible assets, minus, to the extent included in Consolidated Net Income, (i) extraordinary gains (as determined in accordance with GAAP) realized other than in the ordinary course of business, (ii) the income (or deficit) of any Person (other than a Subsidiary) in which the Company or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by the Company or such Subsidiary in the form of dividends or similar distributions and (iii) the undistributed earnings of any Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any contractual obligation (other than under any Loan Document) or Requirement of Law applicable to such Subsidiary, all calculated for the Company and its Subsidiaries on a consolidated basis.

"Consolidated EBITDA" means Consolidated EBIT, *plus*, to the extent deducted from revenues in determining Consolidated EBIT, (a) depreciation expense, and (b) amortization expense.

"Consolidated Indebtedness" means at any time the Indebtedness of the Company and its Subsidiaries calculated on a consolidated basis.

"Consolidated Interest Expense" means, with reference to any period, the cash Interest Expense of the Company and its Subsidiaries calculated on a consolidated basis for such period.

"Consolidated Net Income" means, with reference to any period, the net income (or loss) of the Company and its Subsidiaries calculated on a consolidated basis for such period.

"Consolidated Tangible Net Worth" means, as of any date, (a) the amount of any capital stock, paid in capital and similar equity accounts plus (or minus in the case of a deficit) the capital surplus and retained earnings of such person and the amount of any foreign currency translation adjustment account shown as a capital account of such person, less (b) the net book value of all items of the following character which are included in the assets of such person: (i) goodwill, including, without limitation, the excess of cost over book value of any asset, (ii) organization expenses, (iii) unamortized debt discount and expense, (iv) patents, trademarks, trade names and copyrights, (v) treasury stock, (vi) deferred taxes and deferred charges, (vii) franchises, licenses and permits, and (viii) other assets which are deemed intangible assets under generally accepted accounting principles, all calculated for the Company and its Subsidiaries on a consolidated basis.

"Consolidated Total Debt" means at any time the sum of all of the following for Company and its Subsidiaries calculated on a consolidated basis: (i) obligations for borrowed money and similar obligations, (ii) obligations representing the deferred purchase price of property or services (other than accounts payable arising in the ordinary course of business payable on terms customary in the trade), (iii) obligations, whether or not assumed, secured by liens or payable out of the proceeds or production from property now or hereafter owned or acquired, (iv) obligations which are evidenced by notes,

acceptances, or other instruments, (v) Capital Lease Obligations, (vi) obligations under asset securitizations, sale/leasebacks, "synthetic lease" transaction or similar obligations which are the functional equivalent of or take the place of borrowing, based on the amount that would be outstanding thereunder if it were structured as borrowing, (vii) contingent obligations under letters of credit, bankers acceptances and similar instruments, (viii) the amount of any earn-out obligation related to any Acquisition in excess of $4,000,000, calculated in accordance with generally accepted accounting principles, and (ix) any contingent obligation for any of the foregoing obligations of others. "Consolidated Total Debt" shall specifically exclude liabilities related to the Supplemental Employee Retirement Program.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. " Controlling" and "Controlled" have meanings correlative thereto.

"Defaulting Lender" means any Lender, as determined by the Administrative Agent, that has (a) failed to fund any portion of its Loans or participations in Letters of Credit or Swingline Loans within three Business Days of the date required to be funded by it hereunder, (b) notified any Borrower, the Administrative Agent, the Issuing Bank, the Swingline Lender or any Lender in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement or under other agreements in which it commits to extend credit, (c) otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within three Business Days of the date when due, unless the subject of a good faith dispute, or (d) (i) become or is insolvent or has a parent company that has become or is insolvent or (ii) become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment.

"Disclosed Matters" means the actions, suits and proceedings and the environmental matters disclosed in Schedule 3.06.

"dollars" or "$" refers to lawful money of the United States of America.

"Domestic Subsidiary" means any Subsidiary organized under the laws of the United States of America, any State thereof, or the District of Columbia.

"Effective Date" means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

"Environmental Laws" means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to health and safety matters.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Company or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any

Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

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

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with a Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by any Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by any Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by any Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by any Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from any Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"Eurodollar", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

"Event of Default" has the meaning assigned to such term in Article VII.

"Excluded Taxes" means, with respect to the Administrative Agent, any Lender, the Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of any Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which any Borrower is located and (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by any Borrower under Section 2.19(b)), any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office) or is attributable to such Foreign Lender's failure to comply with Section 2.17(e), except to the extent that such Foreign Lender (or its assignor, if any) was

entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from any Borrower with respect to such withholding tax pursuant to Section 2.17(a).

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Financial Officer" means the chief financial officer, principal accounting officer, treasurer or controller of the Company.

"Fiscal Quarter" means each of the quarterly accounting periods of the Company, ending March 31, June 30, September 30 and December 31 of each year.

"Fiscal Year" means each annual accounting period of the Company ending on December 31 of each year. As an example, reference to the 2009 Fiscal Year shall mean the Fiscal Year ending December 31, 2009.

"Foreign Lender" means any Lender that is organized under the laws of a jurisdiction other than that in which a Borrower is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"GAAP" means generally accepted accounting principles in the United States of America.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantor" means each existing and future Domestic Subsidiary, provided, that no Inactive Subsidiary shall be required to be a Guarantor.

"Guaranty Obligations" means, with respect to any Person, without duplication, any obligations of such Person (other than endorsements in the ordinary course of business of negotiable instruments for deposit or collection) guaranteeing or intended to guarantee any Indebtedness of any other Person in any manner, whether direct or indirect, and including without limitation any obligation, whether or not contingent, (i) to purchase any such Indebtedness or any property constituting security therefor, (ii) to advance or provide funds or other support for the payment or purchase of any such Indebtedness or to maintain working capital, solvency or other balance sheet condition of such other Person (including without limitation keep well agreements, maintenance agreements or similar agreements or arrangements) for the benefit of any holder of Indebtedness of such other Person, (iii) to lease or purchase assets, securities or services primarily for the purpose of assuring the holder of such Indebtedness against loss in respect thereof, or (iv) to otherwise assure or hold harmless the holder of such Indebtedness against loss in respect thereof. The amount of any Guaranty Obligation hereunder shall (subject to any limitations set forth therein) be deemed to be an amount equal to the outstanding principal amount (or maximum principal amount, if larger) of the Indebtedness in respect of which such Guaranty Obligation is made.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Inactive Subsidiary" means a Subsidiary which has no assets and conducts no business. Schedule 1.01 is a list of all Inactive Subsidiaries as of the Effective Date.

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (g) all Guaranty Obligations by such Person of Indebtedness of others, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty and (j) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Interest Coverage Ratio" means, the ratio, determined as of the end of each of Fiscal Quarter of the Company, of (a) Consolidated EBIT, to (b) Consolidated Interest Expense, all as calculated for the most-recently ended four Fiscal Quarters and for the Company and its Subsidiaries on a consolidated basis.

"Interest Election Request" means a request by a Borrower to convert or continue a Revolving Borrowing in accordance with Section 2.08.

"Interest Expense" means, with reference to any period, total interest expense (including that attributable to Capital Lease Obligations) of the Company and its Subsidiaries for such period with respect to all outstanding Indebtedness of the Company and its Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under Swap Agreements in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP), calculated on a consolidated basis for the Company and its Subsidiaries for such period in accordance with GAAP.

"Interest Payment Date" means (a) with respect to any ABR Loan (other than a Swingline Loan), the last day of each March, June, September and December, (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period, and (c) with respect to any Swingline Loan, the day that such Loan is required to be repaid.

"Interest Period" means with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter, as a Borrower may elect, and; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and, in the case of a Revolving Borrowing, thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"Issuing Bank" means JPMorgan Chase Bank, N.A. in its capacity as the issuer of Letters of Credit hereunder, and its successors in such capacity as provided in Section 2.06(i). The Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of the Issuing Bank, in which case the term "Issuing Bank" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

"LC Disbursement" means a payment made by the Issuing Bank pursuant to a Letter of Credit.

"LC Exposure" means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of any Borrower at such time. The LC Exposure of any Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time.

"Lenders" means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term "Lenders" includes the Swingline Lender.

"Letter of Credit" means any letter of credit issued pursuant to this Agreement.

"Leverage Ratio" means, as of the end of any Fiscal Quarter, the ratio of the Consolidated Total Debt as of such Fiscal Quarter end to the Consolidated EBITDA for the period of four consecutive Fiscal Quarters ending with such Fiscal Quarter end.

"LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, the rate appearing on Reuters Screen Page LIBOR01 (or on any successor or substitute page of Reuters, or any successor to or substitute for Reuters, providing rate quotations comparable to those currently provided on such page of Reuters, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the " LIBO Rate" with respect to such Eurodollar Borrowing for such Interest Period shall be the rate at which dollar deposits of $5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Loan Documents" means this Agreement, any promissory notes issued pursuant to this Agreement, any Letter of Credit applications, the Loan Party Guaranties, and all other agreements, instruments, documents and certificates identified in Section 4.01 executed and delivered to, or in favor of, the Administrative Agent or any Lenders and including all other consents, contracts, notices, letter of credit agreements and all other written matter whether heretofore, now or hereafter executed by or on behalf of any Loan Party, or any employee of any Loan Party, and delivered to the Administrative Agent or any Lender in connection with the Agreement or the transactions contemplated thereby. Any reference in the Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to the Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

"Loan Parties" means the Borrowers and the Guarantors.

"Loan Party Guaranty" means any guaranty agreements from any Guarantor as are requested by the Administrative Agent and its counsel, in each case as amended, restated, supplemented or otherwise modified from time to time.

"Loans" means the loans made by the Lenders to the Borrowers pursuant to this Agreement, including Swingline Loans.

"Material Adverse Effect" means a material adverse effect on (a) the business, assets, operations, prospects or condition, financial or otherwise, of the Company and the Subsidiaries taken as a whole, (b) the ability of the Loan Parties to perform any of their obligations under this Agreement or any other Loan Document or (c) the rights of or benefits available to the Lenders under this Agreement or any other Loan Document.

"Material Indebtedness" means Indebtedness (other than the Loans and Letters of Credit), or obligations in respect of one or more Swap Agreements, of any one or more of the Company and its Subsidiaries in an aggregate principal amount exceeding $500,000. For purposes of determining Material Indebtedness, the "principal amount" of the obligations of the Company or any Subsidiary in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Company or such Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

"Maturity Date" means November 30, 2012.

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Note Purchase Agreement" has the meaning set forth in Section 6.01(f).

"Obligations" means all unpaid principal of and accrued and unpaid interest on (including without limitation interest accruing after the maturity of the Loans and reimbursement obligations and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding relating to any Loan Party, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans, all LC Exposure, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations of the Loan Parties to the Lenders or to any Lender, the Administrative Agent, the Issuing Bank or to the Issuing Bank or any indemnified party arising under the Loan Documents.

"Other Taxes" means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement.

"Participant" has the meaning set forth in Section 9.04.

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Permitted Encumbrances" means:

(a) liens imposed by law for taxes that are not yet delinquent or are being contested in compliance with Section 5.04;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested in compliance with Section 5.04;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under clause (k) of Article VII; and

(f) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Company or any Subsidiary;

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

"Permitted Investments" means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody's;

(c) investments in certificates of deposit, banker's acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof which has a combined capital and surplus and undivided profits of not less than $500,000,000;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above; and

(e) money market funds that (i) comply with the criteria set forth in Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least $5,000,000,000.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which any Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Prime Rate" means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank as its prime rate in effect at its office located at 270 Park Avenue, New York, New York; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

"Pro Rata Share" means, for each Lender, the ratio of such Lender's Commitment to the aggregate Commitments. If at any time the Commitments have been terminated, the amount of any Commitment for the purposes of this definition of "Pro Rata Share" only shall be deemed equal to the amount of such Commitment immediately prior to its termination.

"Register" has the meaning set forth in Section 9.04.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Required Lenders" means, at any time, Lenders having Revolving Credit Exposures and unused Commitments representing more than 50% of the sum of the total Revolving Credit Exposures and unused Commitments at such time.

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

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Company or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in the Company or any option, warrant or other right to acquire any such Equity Interests in the Company.

"Revolving Credit Exposure" means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender's Revolving Loans and its LC Exposure and Swingline Exposure at such time.

"Revolving Loan" means a Loan made pursuant to Section 2.03.

"S&P" means Standard & Poor's.

"Statutory Reserve Rate" means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject, with respect to the Adjusted LIBO Rate, for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Subsidiary" means any subsidiary of the Company.

"Supplemental Employee Retirement Program" means the deferred compensation program established under the Spartan Motors, Inc. Supplemental Executive Retirement Plan as originally adopted on January 1, 2006 and amended January 1, 2009.

"Swap Agreement" means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Company or the Subsidiaries shall be a Swap Agreement .

"Swingline Exposure" means, at any time, the aggregate principal amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Lender at any time shall be its Applicable Percentage of the total Swingline Exposure at such time.

"Swingline Lender" means JPMorgan Chase Bank, in its capacity as lender of Swingline Loans hereunder.

"Swingline Loan" means a Loan made pursuant to Section 2.05.

"Taxes" means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

"Transactions" means the execution, delivery and performance by the Loan Parties of this Agreement, the borrowing of Loans and other credit extensions, the use of the proceeds thereof and the issuance of Letters of Credit hereunder.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate or the Alternate Base Rate.

"Unmatured Default" means any event or condition which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Utilimaster Acquisition" means the Acquisition by the Company of substantially all of the stock of Utilimaster Holdings, Inc.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a "Revolving Loan") or by Type (e.g., a "Eurodollar Loan") or by Class and Type (e.g., a "Eurodollar Revolving Loan"). Borrowings also may be classified and referred to by Class (e.g., a "Revolving Borrowing") or by Type (e.g., a "Eurodollar Borrowing") or by Class and Type (e.g., a "Eurodollar Revolving Borrowing").

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding mascu line, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Company notifies the Administrative Agent that the Company requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Company that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. For purposes of calculating all financial covenants and all other covenants, any Acquisition or any sale or other disposition outside the ordinary course of business by any Borrower or any of its Subsidiaries of any asset or group of related assets in one or a series of related transactions, including the incurrence of any Indebtedness and any related financing or other transactions in connection with any of the foregoing, occurring during the period for which such matters are calculated shall be deemed to have occurred on the first day of the relevant period for which such matters were calculated on a pro forma basis acceptable to the Administrative Agent.

ARTICLE II.
THE CREDITS

SECTION 2.01. Commitments. (a) Subject to the terms and conditions set forth herein, each Lender agrees to make Revolving Loans to the Borrowers from time to time during the Availability Period, on a joint and several basis, in an aggregate principal amount that will not result in such Lender's Revolving Credit Exposure exceeding such Lender's Commitment. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrowers may borrow, prepay and reborrow Revolving Loans.

(b) The Borrowers may, with the consent of the Administrative Agent (which consent shall not be unreasonably withheld), from time to time elect to increase the aggregate Commitments so long as, after giving effect thereto, the total amount of the aggregate Commitments does not exceed $90,000,000. The Borrowers may arrange for any such increase to be provided by one or more Lenders (each Lender so agreeing, electing in its sole discretion, to an increase in its Commitment, an "Increasing Lender"), or by one or more banks, financial institutions or other entities (each such bank, financial institution or other entity, an "Augmenting Lender"), to increase their existing Commitments, or extend Commitments, provided that (i) each Augmenting Lender, shall be subject to the approval of the Borrowers and the Administrative Agent and (ii) the Borrowers and each applicable Increasing Lender or Augmenting Lender shall execute all such documentation as the Administrative Agent shall reasonably specify as necessary to give effect to such increase. Increases and new Commitments created pursuant to this clause (b) shall become effective on the date agreed by the Borrowers, the Administrative Agent and the relevant Increasing Lenders and Augmenting Lenders, and the Administrative Agent shall notify each affected Lender thereof. Notwithstanding the foregoing, no increase in the aggregate Commitments (or in the Commitment of any Increasing Lender or Augmenting Lender), shall become effective under this Section 2.01(b) unless, (i) on the proposed date of the effectiveness of such increase, the conditions set forth Section 4.02 shall be satisfied and the Administrative Agent shall have received a certificate to that effect dated such date and executed by a responsible officer of the Borrowers. On the effective date of any increase in the aggregate Commitments, (i) each relevant Increasing Lender and Augmenting Lender shall make available to the Administrative Agent such amounts in immediately available funds and in the relevant currency or currencies as the Administrative Agent shall determine, for the benefit of the other relevant Lenders, as being required in order to cause, after giving effect to such increase and the use of such amounts to make payments to such other relevant Lenders, each Lender's portion of the aggregate

outstanding Revolving Credit Exposure to equal its Pro Rata Share of the aggregate outstanding Revolving Credit Exposure and (ii) the Borrowers shall be deemed to have repaid and reborrowed all outstanding Loans as of the date of any increase in the Commitments (with such reborrowing to consist of the Loans, with related Interest Periods if applicable, specified in a notice delivered by the Borrowers in accordance with the requirements of Section 2.03), provided, that such deemed repayment and reborrowing shall not be required in the event that each of the existing Lenders is also an Increasing Lender and the Pro Rata Share of each Lender remains the same after giving effect to such increase in the aggregate Commitments. The deemed payments made pursuant to clause (ii) of the immediately preceding sentence in respect of each Eurocurrency Loan shall be subject to indemnification by the Borrowers pursuant to the provisions of Section 2.16 if the deemed payment occurs other than on the last day of the related Interest Periods. On the effective date of any increase in the aggregate Commitments, each Augmenting Lender and each Increasing Lender shall be deemed a Lender for purposes of this Agreement. The Agent shall promptly distribute a revised Schedule 2.01 to all of the Lenders, which new Schedule 2.01 shall automatically supercede any prior Schedule 2.01.

SECTION 2.02. Loans and Borrowings. (a) Each Revolving Loan shall be made as part of a Borrowing consisting of Revolving Loans made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.14, each Revolving Borrowing shall be comprised entirely of ABR Loans or Eurodollar Loans as a Borrower may request in accordance herewith. Each Swingline Loan shall be an ABR Loan or shall bear interest at an alternate rate agreed upon by the applicable Borrower and the Swingline Lender. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of any Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurodollar Revolving Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of $100,000 and not less than $1,000,000. At the time that each ABR Revolving Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of $100,000 and not less than $500,000; provided that an ABR Revolving Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e). Each Swingline Loan shall be in an amount that is an amount required by the Swingline Lender from time to time. Borrowings of more than one Type and Class may be outstanding at the same time; provided that there shall not at any time be more than a total of six (6) Eurodollar Revolving Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, no Borrower shall be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03. Requests for Revolving Borrowings. To request a Revolving Borrowing, the applicable Borrower shall notify the Administrative Agent of such request by telephone (a) in the case of a Eurodollar Borrowing, not later than 11:00 a.m., Eastern time, three Business Days before the date of the proposed Borrowing or (b) in the case of an ABR Borrowing, not later than 11:00 a.m., Eastern time, on the Business Day of the proposed Borrowing; provided that any such notice of an ABR Revolving Borrowing to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e) may be given not later than 11:00 a.m., Eastern time, on the date of the proposed

Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery, electronic transmission or telecopy to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the applicable Borrower. Each Borrower hereby authorizes any Financial Officer of the Company to submit on behalf of such Borrower Borrowing Requests and any other notices pursuant to this Agreement. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) the aggregate amount of the requested Borrowing;

(ii) the date of such Borrowing, which shall be a Business Day;

(iii) whether such Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing;

(iv) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and

(v) the location and number of the applicable Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.07.

If no election as to the Type of Revolving Borrowing is specified, then the requested Revolving Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Revolving Borrowing, then the applicable Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.04. [Intentionally Reserved.]

SECTION 2.05. Swingline Loans. (a) Subject to the terms and conditions set forth herein, the Swingline Lender agrees to make Swingline Loans to the Borrowers from time to time during the Availability Period, in an aggregate principal amount at any time outstanding that will not result in (i) the aggregate principal amount of outstanding Swingline Loans exceeding $10,000,000 or (ii) the sum of the total Revolving Credit Exposures exceeding the total Commitments; provided that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrowers may borrow, prepay and reborrow Swingline Loans.

(b) To request a Swingline Loan, a Borrower shall notify the Administrative Agent of such request by telephone (confirmed by telecopy), not later than 12:00 noon, Eastern time, on the day of a proposed Swingline Loan or by such other time and by other procedures as may be agreed upon from time to time between the applicable Borrower and the Swingline Lender. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day) and amount of the requested Swingline Loan and whether such Swingline Loan shall be an ABR Loan or shall bear interest at an alternate rate agreed upon by the applicable Borrower and the Swingline Lender, and each Swingline Loan shall bear interest at the ABR or at an alternate rate if agreed upon by the applicable Borrower and the Swingline Lender. The Administrative Agent will promptly advise the Swingline Lender of any such notice received from any Borrower. The Swingline Lender shall make each Swingline Loan available to the applicable Borrower by means of a credit to the general deposit account of the applicable Borrower with the Swingline Lender (or, in the case of a Swingline Loan made to

finance the reimbursement of an LC Disbursement as provided in Section 2.06(e), by remittance to the Issuing Bank) by 3:00 p.m., Eastern time, on the requested date of such Swingline Loan.

(c) The Swingline Lender may by written notice given to the Administrative Agent not later than 10:00 a.m., Eastern time, on any Business Day require the Lenders to acquire participations on such Business Day in all or a portion of the Swingline Loans outstanding. Such notice shall specify the aggregate amount of Swingline Loans in which Lenders will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Lender, specifying in such notice such Lender's Applicable Percentage of such Swingline Loan or Loans. Each Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the Administrative Agent, for the account of the Swingline Lender, such Lender's Applicable Percentage of such Swingline Loan or Loans. Each Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of an Event of Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Lenders. The Administrative Agent shall notify the applicable Borrower of any participations in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from the Borrowers (or other party on behalf of the Borrowers) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Lenders that shall have made their payments pursuant to this paragraph and to the Swingline Lender, as their interests may appear; provided that any such payment so remitted shall be repaid to the Swingline Lender or to the Administrative Agent, as applicable, if and to the extent such payment is required to be refunded to any Borrower for any reason. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve any Borrower of any default in the payment thereof.

SECTION 2.06. Letters of Credit. (a) General. Subject to the terms and conditions set forth herein, each Borrower may request the issuance of Letters of Credit for its own account, in a form reasonably acceptable to the Administrative Agent and the Issuing Bank, at any time and from time to time during the Availability Period. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the applicable Borrower to, or entered into by the applicable Borrower with, the Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the applicable Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the Issuing Bank) to the Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend,

renew or extend such Letter of Credit. If requested by the Issuing Bank, the applicable Borrower also shall submit a letter of credit application on the Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the applicable Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the LC Exposure shall not exceed $5,000,000 and (ii) the total Revolving Credit Exposures shall not exceed the total Commitments.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (provided that Letters of Credit having a one-year tenor may provide for the renewal thereof for additional one-year periods, but not extending beyond the date referred to in clause (ii) below) and (ii) the date that is five Business Days prior to the Maturity Date.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the Issuing Bank or the Lenders, the Issuing Bank hereby grants to each Lender, and each Lender hereby acquires from the Issuing Bank, a participation in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Issuing Bank, such Lender's Applicable Percentage of each LC Disbursement made by the Issuing Bank and not reimbursed by the applicable Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the applicable Borrower for any reason. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of an Event of Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If the Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the applicable Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent an amount equal to such LC Disbursement not later than 3:00 p.m., Eastern time, on the date that such LC Disbursement is made, if the applicable Borrower shall have received notice of such LC Disbursement prior to 10:00 a.m., Eastern time, on such date, or, if such notice has not been received by the applicable Borrower prior to such time on such date, then not later than 3:00 p.m., Eastern time, on the Business Day immediately following the day that the applicable Borrower receives such notice; provided that the applicable Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 or 2.05 that such payment be financed with an ABR Revolving Borrowing or Swingline Loan in an equivalent amount and, to the extent so financed, the applicable Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Revolving Borrowing or Swingline Loan. If the applicable Borrower fails to make such payment when due, the Administrative Agent shall notify each Lender of the applicable LC Disbursement, the payment then due from the applicable Borrower in respect thereof and such Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Lender shall pay to the Administrative Agent its Applicable Percentage of the payment then due from the applicable Borrower, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Issuing Bank the amounts so received by it from the Lenders. Promptly following receipt by the Administrative Agent of any payment from the applicable Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to the Issuing Bank or, to the extent

that Lenders have made payments pursuant to this paragraph to reimburse the Issuing Bank, then to such Lenders and the Issuing Bank as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse the Issuing Bank for any LC Disbursement (other than the funding of ABR Revolving Loans or a Swingline Loan as contemplated above) shall not constitute a Loan and shall not relieve the applicable Borrower of its obligation to reimburse such LC Disbursement.

(f) Obligations Absolute. Each Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the applicable Borrower's obligations hereunder. Neither the Administrative Agent, the Lenders nor the Issuing Bank, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Bank; provided that nothing in this subsection 2.06(f) shall be construed to excuse the Issuing Bank from liability to the applicable Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by each Borrower to the extent permitted by applicable law) suffered by the applicable Borrower that are caused by the Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or wilful misconduct on the part of the Issuing Bank (as finally determined by a court of competent jurisdiction), the Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. The Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Issuing Bank shall promptly notify the Administrative Agent and the Borrower by telephone (confirmed by telecopy) of such demand for payment and whether the Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the applicable Borrower of its obligation to reimburse the Issuing Bank and the Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If the Issuing Bank shall make any LC Disbursement, then, unless the applicable Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the applicable Borrower reimburses

such LC Disbursement, at the rate per annum then applicable to ABR Revolving Loans; provided that, if the applicable Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.13(d) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to paragraph (e) of this Section to reimburse the Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) Replacement of the Issuing Bank. The Issuing Bank may be replaced at any time by written agreement among the applicable Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of the Issuing Bank. At the time any such replacement shall become effective, the applicable Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.12(b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of the Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(j) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the applicable Borrower receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with LC Exposure representing greater than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, the applicable Borrower shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Lenders, an amount in cash equal to the LC Exposure as of such date plus any accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the applicable Borrower described in clause (h) or (i) of Article VII. Such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the obligations of the applicable Borrower under this Agreement. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the applicable Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse the Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the applicable Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with LC Exposure representing greater than 50% of the total LC Exposure), be applied to satisfy other obligations of the applicable Borrower under this Agreement. If a Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the applicable Borrower within three Business Days after all Events of Default have been cured or waived.

SECTION 2.07. Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 noon, Eastern time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders; provided that Swingline Loans shall be made as provided in

Section 2.05. The Administrative Agent will make such Loans available to the applicable Borrower by promptly crediting the amounts so received, in like funds, to an account of the applicable Borrower maintained with the Administrative Agent in New York City and designated by the applicable Borrower in the applicable Borrowing Request; provided that ABR Revolving Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e) shall be remitted by the Administrative Agent to the Issuing Bank.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the applicable Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the applicable Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the applicable Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the applicable Borrower, the interest rate applicable to ABR Loans. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.08. Interest Elections. (a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the applicable Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section. The applicable Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Swingline Borrowings, which may not be converted or continued.

(b) To make an election pursuant to this Section, the applicable Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the applicable Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the applicable Borrower.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the applicable Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(d) If the applicable Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the applicable Borrower, then, so long as an Event of Default is continuing (i) no outstanding Revolving Borrowing may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

SECTION 2.09. Termination and Reduction of Commitments. (a) Unless previously terminated, the Commitments shall termi nate on the Maturity Date.

(b) The Borrowers may at any time terminate, or from time to time reduce, the Commitments; provided that (i) each reduction of the Commitments shall be in an amount that is an integral multiple of $1,000,000 and not less than $5,000,000 and (ii) the Borrowers shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.11, the Revolving Credit Exposures would exceed the total Commitments.

(c) The Borrowers shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrowers pursuant to this Section shall be irrevocable; provided that a notice of termination of the Commitments delivered by the Borrowers may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrowers (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

SECTION 2.10. Repayment of Loans; Evidence of Debt. (a) The Borrowers hereby unconditionally promise to pay (i) to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Revolving Loan on the Maturity Date, and (ii) to the Swingline Lender the then unpaid principal amount of each Swingline Loan on the earliest of (x) the Maturity Date, (y) the date five (5) Business Days after demand by the Swingline Lender in its discretion if no Event of Default

exists and (z) the demand by the Swingline Lender in its discretion if an Event of Default exists. The Obligations of the Borrowers hereunder and under the Loan Documents are joint and several.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrowers to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Class and Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein absent manifest error; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrowers to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrowers shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.11. Prepayment of Loans. (a) Each Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with paragraph (b) of this Section.

(b) The applicable Borrower shall notify the Administrative Agent (and, in the case of prepayment of a Swingline Loan, the Swingline Lender) by telephone (confirmed by telecopy) of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Revolving Borrowing, not later than 11:00 a.m., Eastern time, three Business Days before the date of prepayment, (ii) in the case of prepayment of an ABR Revolving Borrowing, not later than 11:00 a.m., Eastern time, one Business Day before the date of prepayment or (iii) in the case of prepayment of a Swingline Loan, not later than 12:00 noon, Eastern time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.09, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.09. Promptly following receipt of any such notice relating to a Revolving Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Revolving Borrowing shall be in an amount that would be permitted in the case of an advance of a Revolving Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Revolving Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.13.

SECTION 2.12. Fees. (a) The Borrowers agree to pay, on a joint and several basis, to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue at the Applicable Rate on the average daily amount of the Available Revolving Commitment of such Lender during the period from and including the Effective Date to but excluding the date on which such Commitment terminates. Accrued commitment fees shall be payable in arrears on the last day of March, June, September and December of each year and on the date on which the Commitments terminate, commencing on the first such date to occur after the date hereof. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Borrowers agree to pay, on a joint and several basis, (i) to the Administrative Agent for the account of each Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the same Applicable Rate used to determine the interest rate applicable to Eurodollar Revolving Loans on the average daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date on which such Lender's Commitment terminates and the date on which such Lender ceases to have any LC Exposure, and (ii) to the Issuing Bank a fronting fee, which shall accrue at the rate of 0.25% per annum on the average daily amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date of termination of the Commitments and the date on which there ceases to be any LC Exposure, as well as the Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the third Business Day following such last day, commencing on the first such date to occur after the Effective Date; provided that all such fees shall be payable on the date on which the Commitments terminate and any such fees accruing after the date on which the Commitments terminate shall be payable on demand. Any other fees payable to the Issuing Bank pursuant to this paragraph shall be payable within 10 days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) The Borrowers agree to pay, on a joint and several basis, to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Company and the Administrative Agent.

(d) The Borrowers agree to pay, on a joint and several basis, to the Administrative Agent for the account of each Lender an upfront fee in an amount equal to 0.20% of such Lender’s Commitment, which upfront fees shall be payable on the Effective Date.

(e) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent (or to the Issuing Bank, in the case of fees payable to it) for distribution, in the case of commitment fees and participation fees, to the Lenders. Fees paid shall not be refundable under any circumstances.

SECTION 2.13. Interest. (a) The Loans comprising each ABR Borrowing (including each Swingline Loan) shall bear interest at the Alternate Base Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by any Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(d) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and, in the case of Revolving Loans, upon termination of the Commitments; provided that (i) interest accrued pursuant to paragraph (d) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Adjusted LIBO Rate or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.14. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders that the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrowers and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrowers and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Revolving Borrowing to, or continuation of any Revolving Borrowing as, a Eurodollar Borrowing shall be ineffective, and (ii) if any Borrowing Request requests a Eurodollar Revolving Borrowing, such Borrowing shall be made as an ABR Borrowing; provided that if the circumstances giving rise to such notice affect only one Type of Borrowings, then the other Type of Borrowings shall be permitted.

SECTION 2.15. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate) or the Issuing Bank; or

(ii) impose on any Lender or the Issuing Bank or the London interbank market any other condition affecting this Agreement or Eurodollar Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or main taining any Eurodollar Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender or the Issuing Bank of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receiv able by such Lender or the Issuing Bank hereunder (whether of principal, interest or otherwise), then the Borrowers will pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or the Issuing Bank determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or the Issuing Bank's capital or on the capital of such Lender's or the Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by the Issuing Bank, to a level below that which such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Bank's policies and the policies of such Lender's or the Issuing Bank's holding company with respect to capital adequacy), then from time to time the Borrowers will pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or the Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or the Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrowers and shall be conclusive absent manifest error. The Borrowers shall pay such Lender or the Issuing Bank, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay on the part of any Lender or the Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or the Issuing Bank's right to demand such compensation; provided that the Borrowers shall not be required to compensate a Lender or the Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 270 days prior to the date that such Lender or the Issuing Bank, as the case may be, notifies the Borrowers of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the Issuing Bank's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.16. Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurodollar Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.11(b) and is revoked in accordance therewith), or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrowers pursuant to Section 2.19, then, in any such event, the Borrowers shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Eurodollar Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have

accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the eurodollar market. A certifi cate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrowers and shall be conclusive absent manifest error. The Borrowers shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

SECTION 2.17. Taxes. (a) Any and all payments by or on account of any obligation of the Borrowers hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if any Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent, Lender or Issuing Bank (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) such Borrower shall make such deductions and (iii) such Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrowers shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Each Borrower shall indemnify the Administrative Agent, each Lender and the Issuing Bank, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent, such Lender or the Issuing Bank, as the case may be, on or with respect to any payment by or on account of any obligation of such Borrower hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrowers by a Lender or the Issuing Bank, or by the Administrative Agent on its own behalf or on behalf of a Lender or the Issuing Bank, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by a Borrower to a Governmental Authority, such Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which any Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrowers (with a copy to the Administrative Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law or reasonably requested by the Borrowers as will permit such payments to be made without withholding or at a reduced rate.

(f) If the Administrative Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by a Borrower or with respect to which a Borrower has paid additional amounts pursuant to this Section 2.17, it shall pay

over such refund to such Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by such Borrower under this Section 2.17 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that each Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to such Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This Section shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrowers or any other Person.

SECTION 2.18. Payments Generally; Pro Rata Treatment; Sharing of Set-offs. (a) Each Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.15, 2.16 or 2.17, or otherwise) prior to 12:00 noon, Eastern time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at such office designated by the Administrative Agent, except payments to be made directly to the Issuing Bank or Swingline Lender as expressly provided herein and except that payments pursuant to Sections 2.15, 2.16, 2.17 and 9.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Revolving Loans or participations in LC Disbursements or Swingline Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Revolving Loans and participations in LC Disbursements and Swingline Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Revolving Loans and participations in LC Disbursements and Swingline Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Revolving Loans and participations in LC Disbursements and Swingline Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrowers pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in

any of its Loans or participations in LC Disbursements to any assignee or participant, other than to any Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from a Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Bank hereunder that such Borrower will not make such payment, the Administrative Agent may assume that such Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Bank, as the case may be, the amount due. In such event, if such Borrower has not in fact made such payment, then each of the Lenders or the Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.05(c), 2.06(d) or (e), 2.07(b), 2.18(d) or 9.03(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

SECTION 2.19. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.15, or if any Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.17, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrowers hereby agree to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender (i) shall become affected by any of the changes or events described in Section 2.15 or 2.17 and any Borrower is required to pay additional amounts or make indemnity payments with respect to the Lender thereunder, (ii) is a Defaulting Lender or (iii) has failed to consent to a proposed amendment, waiver, discharge or termination which pursuant to the terms of Section 9.02 or any other provision of any Loan Document requires the consent of all affected Lenders and with respect to which the Required Lenders shall have granted their consent (any such Lender being hereinafter referred to as a "Departing Lender"), then in such case, the Borrowers may, upon at least five Business Days' notice to the Administrative Agent and such Departing Lender (or such shorter notice period specified by the Administrative Agent), designate a replacement lender acceptable to the Administrative Agent (a "Replacement Lender") to which such Departing Lender shall, subject to its receipt (unless a later date for the remittance thereof shall be agreed upon by the Borrowers and the Departing Lender) of all amounts owed to such Departing Lender under Sections 2.15 or 2.17, assign all (but not less than all) of its interests, rights, obligations, Loans and Commitments hereunder; provided, that the Departing Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements and Swingline Loans, accrued interest thereon, accrued fees and all

other amounts payable to it hereunder, from the Replacement Lender (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts). Upon any assignment by any Lender pursuant to this Section 2.19 becoming effective, the Replacement Lender shall thereupon be deemed to be a "Lender" for all purposes of this Agreement (unless such Replacement Lender was, itself, a Lender prior thereto) and such Departing Lender shall thereupon cease to be a "Lender" for all purposes of this Agreement and shall have no further rights or obligations hereunder (other than pursuant to Section 2.15 or 2.17 and Section 9.03) while such Departing Lender was a Lender.

(c) Notwithstanding any Departing Lender's failure or refusal to assign its rights, obligations, Loans and Commitments under this Section 2.19, the Departing Lender shall cease to be a "Lender" for all purposes of this Agreement and the Replacement Lender shall be substituted therefor upon payment to the Departing Lender by the Replacement Lender of all amounts set forth in this Section 2.19 without any further action of the Departing Lender.

SECTION 2.20. Defaulting Lenders.

Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender pursuant to Section 2.12(a);

(b) the Commitments and Revolving Credit Exposure of such Defaulting Lender shall not be included in determining whether all Lenders or the Required Lenders have taken or may take any action hereunder (including any consent to any amendment or waiver pursuant to Section 9.02), provided that any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender which by its terms treats such Defaulting Lender differently than other affected Lenders shall require the consent of such Defaulting Lender;

(c) if any Swingline Exposure or LC Exposure exists at the time a Lender becomes a Defaulting Lender then:

(i) all or any part of such Swingline Exposure and LC Exposure shall be reallocated among the non-Defaulting Lenders in accordance with their respective Applicable Percentages but only to the extent (x) the sum of all non-Defaulting Lenders' Revolving Credit Exposures plus such Defaulting Lender's Swingline Exposure and LC Exposure does not exceed the total of all non-Defaulting Lenders' Commitments and does not otherwise result in a non-Defaulting Lender’s Exposure exceeding such Lender’s Commitment and (y) the conditions set forth in Section 4.02 are satisfied at such time; and

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrowers shall within one Business Day following notice by the Administrative Agent (x) first, prepay such Swingline Exposure and (y) second, cash collateralize such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.06(j) for so long as such LC Exposure is outstanding;

(iii) if the Borrowers cash collateralize any portion of such Defaulting Lender's LC Exposure pursuant to Section 2.20(c), the Borrowers shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.12(b) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to Section 2.20(c), then the fees payable to the Lenders pursuant to Section 2.12(a) and Section 2.12(b) shall be adjusted in accordance with such non-Defaulting Lenders' Applicable Percentages; or

(v) if any Defaulting Lender's LC Exposure is neither cash collateralized nor reallocated pursuant to Section 2.20(c), then, without prejudice to any rights or remedies of the Issuing Bank or any Lender hereunder, all commitment fees that otherwise would have been payable to such Defaulting Lender (solely with respect to the portion of such Defaulting Lender's Commitment that was utilized by such LC Exposure) and letter of credit fees payable under Section 2.12 with respect to such Defaulting Lender's LC Exposure shall be payable to the Issuing Bank until such LC Exposure is cash collateralized and/or reallocated;

so long as any Lender is a Defaulting Lender, the Swingline Lender shall not be required to fund any Swingline Loan and the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure will be 100% covered by the Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrowers in accordance with Section 2.20(c), and participating interests in any such newly issued or increased Letter of Credit or newly made Swingline Loan shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.20(c)(i) (and Defaulting Lenders shall not participate therein); and

(d) any amount payable to such Defaulting Lender hereunder (whether on account of principal, interest, fees or otherwise and including any amount that would otherwise be payable to such Defaulting Lender pursuant to Section 2.18 but excluding Section 2.19) shall, in lieu of being distributed to such Defaulting Lender, be retained by the Administrative Agent in a segregated account and, subject to any applicable requirements of law, be applied at such time or times as may be determined by the Administrative Agent (i) first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder, (ii) second, pro rata, to the payment of any amounts owing by such Defaulting Lender to the Issuing Bank or Swingline Lender hereunder, (iii) third, to the funding of any Loan or the funding or cash collateralization of any participating interest in any Swingline Loan or Letter of Credit in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent, (iv) fourth, if so determined by the Administrative Agent and the Borrowers, held in such account as cash collateral for future funding obligations of the Defaulting Lender under this Agreement, (v) fifth, pro rata, to the payment of any amounts owing to the Borrowers or the Lenders as a result of any judgment of a court of competent jurisdiction obtained by the Borrowers or any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement and (vi) sixth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if such payment is (x) a prepayment of the principal amount of any Loans or reimbursement obligations in respect of LC Disbursements which a Defaulting Lender has funded its participation obligations and (y) made at a time when the conditions set forth in Section 4.02 are satisfied, such payment shall be applied solely to prepay the Loans of, and reimbursement obligations owed to, all non-Defaulting Lenders pro rata prior to being applied to the prepayment of any Loans, or reimbursement obligations owed to, any Defaulting Lender.

In the event that the Administrative Agent, the Borrowers, the Issuing Bank and the Swingline Lender each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Swingline Exposure and LC Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders (other than Swingline Loans) as the Administrative shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Applicable Percentage.

ARTICLE III.
REPRESENTATIONS AND WARRANTIES

Each Borrower represents and warrants to the Lenders that:

SECTION 3.01. Organization; Powers. Each of the Borrower and its Subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where a failure to be so qualified would result in a Material Adverse Effect.

SECTION 3.02. Authorization; Enforceability. The Transactions are within the Borrower's corporate powers and have been duly authorized by all necessary corporate and, if required, stockholder action. This Agreement has been duly executed and delivered by the Borrower and constitutes a legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03. Governmental Approvals; No Conflicts. The performance by the Borrower and, if applicable, the Subsidiaries of its or their obligations under Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect, (b) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of the Borrower or any of its Subsidiaries or any order of any Governmental Authority, (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon the Borrower or any of its Subsidiaries or its assets, or give rise to a right thereunder to require any payment to be made by the Borrower or any of its Subsidiaries, and (d) will not result in the creation or imposition of any Lien on any asset of the Borrower or any of its Subsidiaries.

SECTION 3.04. Financial Condition; No Material Adverse Change. (a) The Company has heretofore furnished to the Lenders its consolidated balance sheet and statements of income, stockholders equity and cash flows (i) as of and for the Fiscal Year ended December 31, 2008, reported on by BDO Seidman, LLP, independent public accountants, and (ii) as of and for the Fiscal Quarter and the portion of the Fiscal year ended September 30, 2009, certified by its chief financial officer. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Company and its consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii) above.

(b) Since December 31, 2008, there has been no material adverse change in the business, assets, operations, prospects or condition, financial or otherwise, of the Company and its Subsidiaries, taken as a whole.

SECTION 3.05. Properties. (a) Each of the Borrower and its Subsidiar ies has good title to, or valid leasehold interests in, all its real and personal property material to its business, except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes.

(b) Each of the Borrower and its Subsidiaries owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business, and the use thereof by the Borrower and its Subsidiaries does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(c) As of the Effective Date, each Subsidiary of the Borrower, including its ownership, is described on Schedule 3.05 hereto. Each Subsidiary of the Borrower has and will have all requisite power to own or lease the properties material to its business and to carry on its business as now being conducted and as proposed to be conducted. All outstanding shares of Equity Interests of each class of each Subsidiary of the Borrower have been and will be validly issued and are and will be fully paid and nonassessable and, except as otherwise indicated in Schedule 3.05 hereto or disclosed in writing to the Administrative Agent and the Lenders from time to time, are and will be owned, beneficially and of record, by the Borrower or another Subsidiary of the Borrower free and clear of any Liens other than Liens permitted under this Agreement.

SECTION 3.06. Litigation and Environmental Matters. (a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of its Subsidiaries (i) as to which there is a reasonable possi bility of an adverse determination and that, if adversely deter mined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (other than the Disclosed Matters) or (ii) that involve this Agreement or the Transactions.

(b) Except for the Disclosed Matters and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither the Borrower nor any of its Subsidiaries (i) has failed to comply in all material respects with any Environmental Law or to obtain, maintain or comply in all material respects with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

(c) Since the date of this Agreement, there has been no change in the status of the Disclosed Matters that, individually or in the aggregate, has resulted in, or materially increased the likelihood of, a Material Adverse Effect.

SECTION 3.07. Compliance with Laws and Agreements. Each of the Borrower and its Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Event of Default or Unmatured Default has occurred and is continuing.

SECTION 3.08. Investment Company Status. Neither the Borrower nor any of its Subsidiaries is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 3.09. Taxes. Each of the Borrower and its Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which the Borrower or such Subsidiary, as applicable, has set aside on its

books adequate reserves or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.10. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect. The present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of such Plan.

SECTION 3.11. Disclosure. The Borrower has disclosed to the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No reports, financial statements, certificates or other information furnished by or on behalf of the Borrower to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

SECTION 3.12. No Default. No Event of Default or Unmatured Default has occurred and is continuing.

ARTICLE IV.
CONDITIONS

SECTION 4.01. Effective Date. The obligations of the Lenders to make Loans and of the Issuing Bank to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) Credit Agreement and Loan Documents. The Administrative Agent (or its counsel) shall have received (i) from each party hereto either (A) a counterpart of this Agreement signed on behalf of such party or (B) written evidence satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement and (ii) duly executed copies of the Loan Documents and such other legal opinions, certificates, documents, instruments, lien searches and agreements and other conditions and requirements as the Administrative Agent shall reasonably request in connection with the transactions contemplated by this Agreement and the Loan Documents, all in form and substance satisfactory to the Administrative Agent and its counsel.

(b) Opinion. The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of Varnum LLP, counsel for the Loan Parties, in form and substance satisfactory to the Required Lenders, and covering such matters relating to the Loan Parties, this Agreement or the Transactions as the Required Lenders shall reasonably request. The Borrowers hereby request such counsel to deliver such opinion.

(c) Charter Documents. The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Loan Parties, the authorization of the Transactions

and any other legal matters relating to the Loan Parties, this Agreement or the Transactions, all in form and substance satisfactory to the Administrative Agent and its counsel.

(d) Certificate. The Administrative Agent shall have received a certificate, dated the Effective Date and signed by the President, a Vice President or a Financial Officer of each Borrower, confirming compliance with the conditions set forth in paragraphs (a) and (b) of Section 4.02.

(e) Financial Statements. The Lenders shall have received satisfactory historical financial statements, pro forma financial statements and projections of the Company and its Subsidiaries.

(f) Fees. The Lenders and the Administrative Agent shall have received, substantially concurrently with the effectiveness hereof, all fees required to be paid, and all expenses for which invoices have been presented (including the reasonable fees and documented expenses of legal counsel to the Administrative Agent), on or before the Effective Date. All such amounts will be paid with proceeds of Loans made on the Effective Date and will be reflected in the funding instructions given by the Borrowers to the Administrative Agent on or before the Effective Date.

(g) Existing Indebtedness. The Borrowers shall have paid, concurrently with the initial Loans hereunder, all Indebtedness that is not permitted hereunder and shall have terminated all credit facilities and all Liens relating thereto, all in a manner satisfactory to the Administrative Agent and its counsel.

(h) Private Placement Debt. The Lenders shall have received copies of documentation relating to the private placement debt to be issued on or about the Effective Date through Prudential Investment Management, Inc. (or one of its Affiliates), all of which is in form and substance satisfactory to the Lenders.

(i) Utilimaster Acquisition Documents. The Lenders shall have received copies of the Utilimaster Acquisition documents and shall be satisfied with the form, structure and terms of the Utilimaster Acquisition and all related transactions, the legal and the regulatory aspects of the Utilimaster Acquisition and all related transactions and all other legal (including tax implications), financial and regulatory matters relating to the Utilimaster Acquisition and the Utilimaster Acquisition documents and related transactions.

The Administrative Agent shall notify the Borrowers and the Lenders of the Effective Date, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lenders to make Loans and of the Issuing Bank to issue Letters of Credit hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 9.02) at or prior to 3:00 p.m., Eastern time, on December 31, 2009 (and, in the event such conditions are not so satisfied or waived, the Commitments shall terminate at such time).

SECTION 4.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of the Issuing Bank to issue, amend, renew or extend any Letter of Credit, is subject to the satisfaction or waiver of the following conditions:

(a) The representations and warranties of the Borrowers set forth in this Agreement and the other Loan Documents shall be true and correct on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable.

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Event of Default or Unmatured Default shall have occurred and be continuing.

Each Borrowing and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrowers on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

ARTICLE V.
AFFIRMATIVE COVENANTS

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired or terminated and all LC Disbursements shall have been reimbursed, each Borrower covenants and agrees with the Lenders that:

SECTION 5.01. Financial Statements; Ratings Change and Other Information . The Borrower will furnish to the Administrative Agent and each Lender:

(a) within 90 days after the end of each Fiscal Year, its audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all reported on by BDO Seidman, LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Company and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) within 45 days after the end of each of the first three Fiscal Quarters, its consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such Fiscal Quarter and the then elapsed portion of the Fiscal Year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous Fiscal Year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of the Company and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consis tently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of the Company (i) certifying as to whether an Event of Default has occurred and, if an Event of Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Section 6.13 and (iii) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 3.04 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate; and

(d) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by the Company or any Subsidiary with the Securities and Exchange Commission, or any Govern mental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange, as the case may be; and

(e) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of any Borrower or any Subsidi ary, or compliance with the terms of this Agreement, as the Administrative Agent or any Lender may reasonably request.

SECTION 5.02. Notices of Material Events. The Borrower will furnish to the Administrative Agent and each Lender prompt written notice of the following:

(a) the occurrence of any Event of Default or Unmatured Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Borrower or any Affiliate thereof that, if adversely determined, could reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of the Borrower and its Subsidiaries in an aggregate amount exceeding $1,000,000; and

(d) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03. Existence; Conduct of Business. The Borrower will, and will cause each of its Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.03.

SECTION 5.04. Payment of Obligations. The Borrower will, and will cause each of its Subsidiaries to, pay its obliga tions, including Tax liabilities, that, if not paid, could result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropri ate proceedings, (b) the Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.05. Maintenance of Properties; Insurance. The Borrower will, and will cause each of its Subsidiaries to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, and (b) maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations.

SECTION 5.06. Books and Records; Inspection Rights. The Borrower will, and will cause each of its Subsidiaries to, keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities. The Borrower will, and will cause each of its Subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition

with its officers and independent accountants, all at such reasonable times and as often as reasonably requested.

SECTION 5.07. Compliance with Laws. The Borrower will, and will cause each of its Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The Borrower will not, and will not permit any of its Subsidiaries, to be or become subject at any time to any law, regulation, or list of any government agency (including, without limitation, the U.S. Office of Foreign Asset Control list) that prohibits or limits any Lender from making any advance or extension of credit to the Borrower or Guarantor or from otherwise conducting business with the Borrower or Guarantor, or fail to provide documentary and other evidence of the Borrower's or Guarantor's identity as may be reasonably requested by any Bank at any time to enable such Lender to verify the Borrower's or Guarantor's identity or to comply with any applicable law or regulation, including, without limitation, Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318.

SECTION 5.08. Use of Proceeds and Letters of Credit. The proceeds of the Loans will be used only to refinance existing Indebtedness, to consummate the acquisition of Utilimaster Holdings, Inc. and for general corporate purposes. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X.

SECTION 5.09. Further Assurances. (a) To guarantee the payment when due of the Obligations, the Borrower shall cause to be executed and delivered, to the Lenders and the Administrative Agent Loan Party Guaranties of all present and future Guarantors.

(b) The Borrower agrees that it will promptly notify the Administrative Agent of the formation or acquisition of any Subsidiary. The Borrower agree that it will promptly cause each Loan Party to execute and deliver, promptly upon the request of the Administrative Agent, such additional Loan Party Guaranties and other agreements, documents and instruments, each in form and substance reasonably satisfactory to the Administrative Agent, sufficient to grant to the Administrative Agent, for the benefit of the Lenders and the Administrative Agent, the Loan Party Guaranties contemplated by this Agreement. Additionally, the Borrower shall execute and deliver, and cause each Subsidiary to execute and deliver, promptly upon the request of the Administrative Agent, such certificates, legal opinions, insurance, lien searches, environmental reports, organizational and other charter documents, resolutions and other documents and agreements as the Administrative Agent may request in connection therewith.

SECTION 5.10. Additional Covenants. If at any time the Borrower or any of its Subsidiaries shall enter into or be a party to any instrument or agreement, including all such instruments or agreements in existence as of the date hereof and all such instruments or agreements entered into after the date hereof, relating to or amending any provisions applicable to any of its Indebtedness, which includes any material covenants or defaults not substantially provided for in this Agreement or more favorable to the lender or lenders thereunder than those provided for in this Agreement, then the Borrower shall promptly so advise the Administrative Agent and the Lenders. Thereupon, if the Administrative Agent or the Required Lenders shall request, upon notice to the Borrower, the Administrative Agent and the Lenders shall enter into an amendment to this Agreement or an additional agreement (as the Administrative Agent may request), providing for substantially the same material covenants and defaults as those provided for in such instrument or agreement to the extent required and as may be selected by the Administrative Agent.

ARTICLE VI.
NEGATIVE COVENANTS

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit have expired or terminated and all LC Disbursements shall have been reimbursed, each Borrower covenants and agrees with the Lenders that:

SECTION 6.01. Indebtedness. The Borrower will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Indebtedness, except:

(a) Indebtedness created hereunder;

(b) Indebtedness existing on the date hereof and set forth in Schedule 6.01 and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof;

(c) Indebtedness of the Borrower to any Subsidiary and of any Subsidiary to the Borrower or any other Subsidiary;

(d) Guarantees by the Borrower of Indebtedness of any Subsidiary and by any Subsidiary of Indebtedness of the Borrower or any other Subsidiary;

(e) Indebtedness of the Borrower or any Subsidiary incurred to finance the acquisition, construction or improvement of any fixed or capital assets, including Capital Lease Obligations and any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof; provided that (i) such Indebtedness is incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement and (ii) the aggregate principal amount of Indebtedness permitted by this clause (e) shall not exceed $1,500,000 at any time outstanding;

(f) Indebtedness of the Company outstanding under a certain Amended and Restated Note Purchase and Private Shelf Agreement dated as of November 30, 2009 among the Company, Prudential Investment Management, Inc., and the Purchasers named therein (the "Note Purchase Agreement") comprised of (i) Series A Notes (as defined in the Note Purchase Agreement) not exceeding $10,000,000 in aggregate outstanding principal amount, (ii) Series B Notes (as defined in the Note Purchase Agreement) not exceeding $5,000,000 in aggregate outstanding principal amount, (iii) Shelf Notes (as defined in the Note Purchase Agreement) not exceeding $45,000,000 in aggregate outstanding principal amount so long as no Default or Event of Default shall have occurred and be continuing hereunder at the time the Shelf Note(s) are issued, and (iv) guaranties by the other Borrowers and Guarantors of the obligations described in clauses (i), (ii) and (iii) above;

(g) If no Event of Default or Unmatured Default exists or would be caused thereby, other unsecured Indebtedness in an aggregate principal amount not exceeding $7,000,000 at any time outstanding.

SECTION 6.02. Liens. The Borrower will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) Permitted Encumbrances;

(b) any Lien on any property or asset of the Borrower or any Subsidiary existing on the date hereof and set forth in Schedule 6.02; provided that (i) such Lien shall not apply to any other property or asset of the Borrower or any Subsidiary and (ii) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(c) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Subsidiary or existing on any property or asset of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisi tion or such Person becoming a Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Borrower or any Subsidiary and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof; and

(d) Liens on fixed or capital assets acquired, constructed or improved by the Borrower or any Subsidiary; provided that (i) such security interests secure Indebtedness permitted by clause (e) of Section 6.01, (ii) such security interests and the Indebtedness secured thereby are incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement, (iii) the Indebtedness secured thereby does not exceed the cost of acquiring, constructing or improving such fixed or capital assets and (iv) such security interests shall not apply to any other property or assets of the Borrower or any Subsidiary.

SECTION 6.03. Fundamental Changes. (a) The Borrower will not, and will not permit any Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all of the stock of any of its Subsidiaries (in each case, whether now owned or here after acquired), or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Event of Default or Unmatured Default shall have occurred and be continuing (i) any Subsidiary may merge into the Borrower in a transaction in which the Borrower is the surviving corporation, (ii) any Subsidiary may merge into any Subsidiary in a transaction in which the surviving entity is a Subsidiary, (iii) any Subsidiary may sell, transfer, lease or otherwise dispose of its assets to the Borrower or to another Subsidiary and (iv) any Subsidiary may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders; provided that any such merger involving a Person that is not a wholly owned Subsidiary immediately prior to such merger shall not be permitted unless also permitted by Section 6.04.

(b) The Borrower will not, and will not permit any of its Subsidiaries to, engage to any material extent in any business other than businesses of the type conducted by the Borrower and its Subsidiaries on the date of execution of this Agreement and businesses reasonably related thereto.

SECTION 6.04. Investments, Loans, Advances, Guarantees and Acquisitions . The Borrower will not, and will not permit any of its Subsidiaries to, purchase, hold or acquire (including pursuant to any merger with any Person that was not a wholly owned Subsidiary prior to such merger) any capital stock, evidences of indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, guarantee any obligations of, or make or permit to exist any investment or any other interest in, any other Person, or make any Acquisition, except:

(a) Permitted Investments;

(b) investments by the Borrower in the capital stock of its Subsidiaries;

(c) loans or advances made by the Borrower to any Subsidiary and made by any Subsidiary to the Borrower or any other Subsidiary;

(d) Guarantees constituting Indebtedness permitted by Section 6.01;

(e) the Utilimaster Acquisition if (i) immediately before and after giving effect such Acquisition, no Event of Default or Unmatured Default shall exist or shall have occurred and be continuing and the representations and warranties contained in Article III and in the other Loan Documents shall be true and correct on and as of the date thereof (both before and after such merger or Acquisition is consummated) as if made on the date such merger or acquisition is consummated, (ii) the Borrower shall have provided to the Administrative Agent a certificate of the Chief Financial Officer or Treasurer of the Borrower (attaching pro forma computations acceptable to the Administrative Agent to demonstrate compliance with all financial covenants hereunder), each stating that such Acquisition complies with this Section 6.04(e), all laws and regulations and that any other conditions under this Agreement relating to such transaction have been satisfied, and such certificate shall contain such other information and certifications as requested by the Administrative Agent and be in form and substance satisfactory to the Administrative Agent, (iii) the Borrower shall have delivered all Utilimaster Acquisition documents pursuant to Section 4.01(i), and (iv) the Borrower shall provide such other certificates and documents as requested by the Administrative Agent, in form and substance satisfactory to the Administrative Agent; and

(f) any merger or Acquisition (other than the Utilimaster Acquisition permitted in clause (e) above) if (i) such merger involves the Borrower, the Borrower shall be the surviving or continuing corporation thereof, (ii) immediately before and after giving effect such merger or acquisition, no Event of Default or Unmatured Default shall exist or shall have occurred and be continuing and the representations and warranties contained in Article III and in the other Loan Documents shall be true and correct on and as of the date thereof (both before and after such merger or Acquisition is consummated) as if made on the date such merger or acquisition is consummated, (iii) at least 10 Business Days' prior to the consummation of such merger or acquisition, the Borrower shall have provided to the Administrative Agent a certificate of the Chief Financial Officer or Treasurer of the Borrower (attaching pro forma computations acceptable to the Administrative Agent to demonstrate compliance with all financial covenants hereunder), each stating that such merger or acquisition complies with this Section 6.04(f), all laws and regulations and that any other conditions under this Agreement relating to such transaction have been satisfied, and such certificate shall contain such other information and certifications as requested by the Administrative Agent and be in form and substance satisfactory to the Administrative Agent, (iv) at least 10 Business Days' prior to the consummation of such merger or acquisition, the Borrower shall have delivered all acquisition documents and other agreements and documents relating to such merger or acquisition, and the Administrative Agent shall have completed a satisfactory review thereof and completed such other due diligence satisfactory to the Administrative Agent, (v) the Borrower shall, at least 10 Business Days prior to the consummation of merger or acquisition, provide such other certificates and documents as requested by the Administrative Agent, in form and substance satisfactory to the Administrative Agent, (vi) the target of such merger or Acquisition is in the same line of business as the Borrower or a Subsidiary, and (vii) such merger or Acquisition is not opposed by the board of directors (or similar governing body) of the selling person or the person whose equity interests are to be acquired, unless the Administrative Agent consents to such merger or Acquisition.

SECTION 6.05. Swap Agreements. The Borrower will not, and will not permit any of its Subsidiaries to, enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks to which the Borrower or any Subsidiary has actual exposure, and (b) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Borrower or any Subsidiary.

SECTION 6.06. Restricted Payments. The Borrower will not, and will not permit any of its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except (a) the Borrower may declare and pay dividends with respect to its Equity Interests payable solely in additional shares of its common stock, (b) Subsidiaries may declare and pay dividends ratably with respect to their Equity Interests, (c) the Borrower may make Restricted Payments pursuant to and in accordance with stock option plans or other benefit plans for management or employees of the Borrower and its Subsidiaries and (d) other Restricted Payments not exceeding (i) $5,000,000 in each of the 2009 Fiscal Year and the 2010 Fiscal Year, and (ii) $6,000,000 in any Fiscal Year thereafter.

SECTION 6.07. Transactions with Affiliates. The Borrower will not, and will not permit any of its Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) in the ordinary course of business at prices and on terms and conditions not less favorable to the Borrower or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) transactions between or among the Borrower and its wholly owned Subsidiaries not involving any other Affiliate and (c) any Restricted Payment permitted by Section 6.06.

SECTION 6.08. Restrictive Agreements. The Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of the Borrower or any Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets, or (b) the ability of any Subsidiary to pay dividends or other distributions with respect to any shares of its capital stock or to make or repay loans or advances to the Borrower or any other Subsidiary or to guaranty Indebtedness of the Borrower or any other Subsidiary; provided that (i) the foregoing shall not apply to restrictions and conditions imposed by law or by this Agreement or by the Note Purchase Agreement (as in effect on the Effective Date), (ii) the foregoing shall not apply to restrictions and conditions existing on the date hereof identified on Schedule 6.08 (but shall apply to any extension or renewal of, or any amendment or modification expanding the scope of, any such restriction or condition), (iii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder, (iv) clause (a) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness and (v) clause (a) of the foregoing shall not apply to customary provisions in leases and other contracts restricting the assignment thereof.

SECTION 6.09. Disposition of Assets; Etc. Sell, lease, license, transfer, assign or otherwise dispose of any material portion of its business, assets, rights, revenues or property, real, personal or mixed, tangible or intangible, whether in one or a series of transactions, other than inventory sold in the ordinary course of business upon customary credit terms and sales of scrap or obsolete material or equipment, provided, however, that this Section 6.09 shall not prohibit any such sale, lease, license, transfer, assignment or other disposition if the aggregate book value (disregarding any write-downs of such book value other than ordinary depreciation and amortization) of all of the business, assets, rights, revenues and property disposed of after the date of this Agreement shall be less than 10% percent

of such aggregate book value of the total assets of the Borrower or such Subsidiary, as the case may be and if, immediately before and after such transaction, no Event of Default or Unmatured Default shall exist or shall have occurred and be continuing.

SECTION 6.10. Nature of Business. Make any substantial change in the nature of its business from that engaged in on the date of this Agreement or engage in any other businesses other than those in which it is engaged on the date of this Agreement.

SECTION 6.11. Inconsistent Agreements. Enter into any agreement containing any provision which would be violated or breached by this Agreement or any of the transactions contemplated hereby or by performance by the Borrower or any of its Subsidiaries of its obligations in connection therewith.

SECTION 6.12. Accounting Changes. The Company shall not change its Fiscal Year or make any significant changes (i) in accounting treatment and reporting practices except as permitted by generally accepted accounting principles and disclosed to the Lenders, or (ii) in tax reporting treatment except as permitted by law and disclosed to the Lenders.

SECTION 6.13. Financial Covenants. The Borrower will not:

(a) Leverage Ratio. Permit or suffer the Leverage Ratio to exceed (i) commencing with the Fiscal Quarter ending December 31, 2009 and continuing through the Fiscal Quarter ending December 31, 2010, 2.75 to 1.00 and (ii) commencing with the Fiscal Quarter ending March 31, 2011 and thereafter, 2.50 to 1.0 at any time.

(b) Interest Coverage Ratio. Permit or suffer the Interest Coverage Ratio to be less than 3.0 to 1.0.

(c) Tangible Net Worth. Permit or suffer the Consolidated Tangible Net Worth at any time to be less than (i) $75,000,000, plus (ii) 50% of Consolidated Net Income of the Company and its Subsidiaries for each Fiscal Year, commencing with the Fiscal Year ending December 31, 2009 provided that if such net income is negative in any such Fiscal Year, the amount added for such Fiscal Year shall be zero and such amount shall not reduce the amount added pursuant to any other Fiscal Year.

ARTICLE VII.
EVENTS OF DEFAULT

If any of the following events ("Events of Default") shall occur:

(a) any Borrower shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepay ment thereof or otherwise;

(b) any Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five Business Days;

(c) any representation or warranty made or deemed made by or on behalf of any Borrower or any Subsidiary in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or waiver hereunder or thereunder, or in any report, certificate,

financial statement or other document furnished pursuant to or in connection with this Agreement or any amendment or modification hereof or waiver hereunder, shall prove to have been incorrect when made or deemed made;

(d) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02, 5.03 (with respect to any Borrower's existence) or 5.08 or in Article VI;

(e) any Borrower shall fail to observe or perform any covenant, condition or agree ment contained in this Agreement or any other Loan Document (other than those specified in clause (a), (b) or (d) of this Article), and such failure shall continue unremedied for a period of 30 days after notice thereof from the Administrative Agent to the Borrowers (which notice will be given at the request of any Lender);

(f) any Borrower or any Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable, after giving effect to any grace period, if any;

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of any Borrower or any Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Borrower or any Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 90 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) any Borrower or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Borrower or any Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the fore going;

(j) any Borrower or any Subsidiary shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of $1,000,000 shall be rendered against any Borrower, any Subsidiary or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall

not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of any Borrower or any Subsidiary to enforce any such judgment;

(l) an ERISA Event shall have occurred that, in the opinion of the Required Lenders, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(m) a Change in Control shall occur;

(n) any Loan Document shall fail to remain in full force or effect or any action shall be taken to discontinue or to assert the invalidity or unenforceability of any Loan Document, or any Loan Party shall fail to comply with any of the terms or provisions of any Loan Document if the failure continues beyond any period of grace provided for in the applicable Loan Document;

(o) any material provision of any other Loan Document for any reason ceases to be valid, binding and enforceable in accordance with its terms (or any Loan Party shall challenge the enforceability of any Loan Document or shall assert in writing, or engage in any action or inaction based on any such assertion, that any provision of any of the Loan Documents has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms); or

then, and in every such event (other than an event with respect to a Borrower described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrowers, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers; and in case of any event with respect to any Borrower described in clause (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder, shall automatically become due and payable, without present ment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers, and (iii) exercise any rights and remedies provided to the Administrative Agent under the Loan Documents or at law or equity.

ARTICLE VIII.
THE ADMINISTRATIVE AGENT

Each of the Lenders and the Issuing Bank hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf, including (in the case of the Administrative Agent) execution of the other Loan Documents, and to exercise such powers as are delegated to the Administrative Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto.

The bank serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affili ates may accept deposits from, lend money to and generally engage in any kind of business with any Borrower or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

The Administrative Agent shall not have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether an Event of Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that the Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02), and (c) except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Borrower or any of its Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02) or in the absence of its own gross negligence or wilful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Event of Default unless and until written notice thereof is given to the Administrative Agent by a Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Documents, (ii) the contents of any certificate, report or other document delivered hereunder or in connection with any Loan Document, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrowers), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders, the Issuing Bank and the Borrowers. Upon any such resignation, the Required Lenders shall have the right, subject to the consent of the Borrowers (provided no Event of Default then exists), to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders and the Issuing Bank, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor,

such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrowers to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrowers and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

ARTICLE IX.
MISCELLANEOUS

SECTION 9.01. Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(i) if to the Borrowers, to them at 1000 Reynolds Road, Charlotte, MI 48813, Attention of Paula M. Droste (Telecopy No. (517) 543-5403);

(ii) if to the Administrative Agent, Issuing Bank or Swingline Lender, to JPMorgan Chase Bank, Loan and Agency Services Group, 10 South Dearborn, 7th Floor, Chicago, Illinois 60603, Mail Code IL1-0010, Attention of Muoy Lim (Telecopy No. (312) 385-7183); and

(iii) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrowers may, in their discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

SECTION 9.02. Waivers; Amendments. (a) No failure or delay by the Administrative Agent, the Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right

or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Bank and the Lenders hereunder and under any other Loan Document are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Event of Default, regardless of whether the Administrative Agent, any Lender or the Issuing Bank may have had notice or knowledge of such Event of Default at the time.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrowers and the Required Lenders or by the Borrowers and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce or forgive the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce or forgive any interest or fees or other amounts payable hereunder, without the written consent of each Lender affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby, (iv) change Section 2.18(b) or (c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, or (v) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, the Issuing Bank or the Swingline Lender hereunder without the prior written consent of the Administrative Agent, the Issuing Bank or the Swingline Lender, as the case may be.

SECTION 9.03. Expenses; Indemnity; Damage Waiver. (a) The Borrowers shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, in connection with the syndication of the credit facilities provided for herein, the preparation and administration of this Agreement or any amendments, modifications or waivers of the provisions hereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by the Administrative Agent, the Issuing Bank or any Lender, including the fees, charges and disbursements of any counsel for the Administrative Agent, the Issuing Bank or any Lender, in connection with the enforcement or protection of its rights in connection with this Agreement, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) The Borrowers shall indemnify the Administrative Agent, the Issuing Bank and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a

result of (i) the execution or delivery of this Agreement or any agreement or instrument contemplated hereby, the performance by the parties hereto of their respective obligations hereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to any Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or wilful misconduct of such Indemnitee.

(c) To the extent that any Borrower fails to pay any amount required to be paid by it to the Administrative Agent, the Issuing Bank or the Swingline Lender under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent, the Issuing Bank or the Swingline Lender, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent, the Issuing Bank or the Swingline Lender in its capacity as such.

(d) To the extent permitted by applicable law, the Borrowers shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable promptly after written demand therefor.

SECTION 9.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), except that (i) a Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by a Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Bank and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b)(i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld) of:

(A) the Borrowers, provided that no consent of the Borrowers shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee;

(B) the Administrative Agent, provided that no consent of the Administrative Agent shall be required for an assignment of any Commitment to an assignee that is a Lender with a Commitment immediately prior to giving effect to such assignment ; and

(C) the Issuing Bank.

Notwithstanding anything to the contrary in this Agreement, a Lender may not assign all or any portion of its rights and obligations under this Agreement to a Borrower or any of their respective Affiliates.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $1,000,000 unless each of the Borrowers and the Administrative Agent otherwise consent, provided that no such consent of any Borrower shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, provided that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more Credit Contacts to whom all syndicate-level information (which may contain material non-public information about the Borrowers, the Loan Parties and their related parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws.

For the purposes of this Section 9.04(b), the term " Approved Fund" has the following meaning:

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender

thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obliga tions under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrowers, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the " Register"). The entries in the Register shall be conclusive, and the Borrowers, the Administrative Agent, the Issuing Bank and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrowers, the Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.05(c), 2.06(d) or (e), 2.07(b), 2.18(d) or 9.03(c), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c)(i) Any Lender may, without the consent of the Borrowers, the Administrative Agent, the Issuing Bank or the Swingline Lender, sell participations to one or more banks or other entities (a " Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrowers, the Administrative Agent, the Issuing Bank and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. Subject to paragraph (c)(ii) of this Section, the Borrowers agree that each Participant shall be entitled to the benefits of Sections 2.15, 2.16 and 2.17 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.18(c) as though it were a Lender. Notwithstanding anything to the

contrary in this Agreement, a Lender may not sell a participation to a Borrower or any of their respective Affiliates.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.15 or 2.17 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrowers' prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.17 unless the Borrowers are notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.17(e) as though it were a Lender.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instru ments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the Issuing Bank or any Lender may have had notice or knowledge of any Event of Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstand ing and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.15, 2.16, 2.17 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

SECTION 9.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.07. Severability. Any provision of any Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of

the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of any Borrower or any Guarantor against any of and all the Obligations held by such Lender, irrespective of whether or not such Lender shall have made any demand under the Loan Documents and although such obligations may be unmatured. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of Michigan.

(b) Each Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any state or federal court sitting in Michigan, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such courts in Michigan. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against any Borrower or its proper ties in the courts of any jurisdiction.

(c) Each Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or here after have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDIN(DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HA REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality. Each of the Administrative Agent, the Issuing Bank and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by any Requirement of Law or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to any Borrower and its obligations, (g) with the consent of the Borrowers or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, the Issuing Bank or any Lender on a nonconfidential basis from a source other than a Borrower. For the purposes of this Section, "Information" means all information received from any Borrower relating to any Borrower or its business, other than any such information that is available to the Administrative Agent, the Issuing Bank or any Lender on a nonconfidential basis prior to disclosure by a Borrower; provided that, in the case of information received from a Borrower after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 9.13. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under appli cable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.14. Joint and Several Obligations; Contribution Rights; Savings Clause . (a) Notwithstanding anything to the contrary set forth herein or in any other Loan Document, the obligations of the Borrowers hereunder and under the other Loan Documents are joint and several.

(b) If any Borrower makes a payment in respect of the Obligations it shall have the rights of contribution set forth below against the other Borrowers; provided that such Borrower shall not exercise its right of contribution until all the Obligations shall have been finally paid in full in cash. If any Borrower makes a payment in respect of the Obligations that is smaller in proportion to its Payment Share (as hereinafter defined) than such payments made by the other Borrowers are in proportion to the

amounts of their respective Payment Shares, the Borrower making such proportionately smaller payment shall, when permitted by the preceding sentence, pay to the other Borrowers an amount such that the net payments made by the Borrower in respect of the Obligations shall be shared among the Borrowers pro rata in proportion to their respective Payment Shares. If any Borrower receives any payment that is greater in proportion to the amount of its Payment Shares than the payments received by the other Borrowers are in proportion to the amounts of their respective Payment Shares, the Borrower receiving such proportionately greater payment shall, when permitted by the second preceding sentence, pay to the other Borrowers an amount such that the payments received by the Borrowers shall be shared among the Borrowers pro rata in proportion to their respective Payment Shares. Notwithstanding anything to the contrary contained in this paragraph or in this Agreement, no liability or obligation of any Borrower that shall accrue pursuant to this paragraph shall be paid nor shall it be deemed owed pursuant to this paragraph until all of the Obligations shall be finally paid in full in cash.

For purposes hereof, the "Payment Share" of each Borrower shall be the sum of (a) the aggregate proceeds of the Obligations received by such Borrower plus (b) the product of (i) the aggregate Obligations remaining unpaid on the date such Obligations become due and payable in full, whether by stated maturity, acceleration, or otherwise (the "Determination Date") reduced by the amount of such Obligations attributed to all or such Borrowers pursuant to clause (a) above, times (ii) a fraction, the numerator of which is such Borrower's net worth on the effective date of this Agreement (determined as of the end of the immediately preceding fiscal reporting period of such Borrower), and the denominator of which is the aggregate net worth of all Borrowers on such effective date.

(c) It is the intent of each Borrower, the Administrative Agent and the Lenders that each Borrower's maximum Obligations shall be in, but not in excess of:

(i) in a case or proceeding commenced by or against such Borrower under the Bankruptcy Code on or within one year from the date on which any of the Obligations are incurred, the maximum amount that would not otherwise cause the Obligations (or any other obligations of such Borrower to the Administrative Agent and the Lenders) to be avoidable or unenforceable against such Borrower under (A) Section 548 of the Bankruptcy Code or (B) any state fraudulent transfer or fraudulent conveyance act or statute applied in such case or proceeding by virtue of Section 544 of the Bankruptcy Code; or

(ii) in a case or proceeding commenced by or against such Borrower under the Bankruptcy Code subsequent to one year from the date on which any of the Obligations are incurred, the maximum amount that would not otherwise cause the Obligations (or any other obligations of such Borrower to the Administrative Agent and the Lenders) to be avoidable or unenforceable against such Borrower under any state fraudulent transfer or fraudulent conveyance act or statute applied in any such case or proceeding by virtue of Section 544 of the Bankruptcy Code;

(iii) in a case or proceeding commenced by or against such Borrower under any law, statute or regulation other than the Bankruptcy Code (including, without limitation, any other bankruptcy, reorganization, arrangement, moratorium, readjustment of debt, dissolution, liquidation or similar debtor relief laws), the maximum amount that would not otherwise cause the Obligations (or any other obligations of such Borrower to the Administrative Agent and the Lenders) to be avoidable or unenforceable against such Borrower under such law, statute or regulation including, without limitation, any state fraudulent transfer or fraudulent conveyance act or statute applied in any such case or proceeding.

(d) The Borrowers acknowledge and agree that they have requested that the Lenders make credit available to the Borrowers with each Borrower expecting to derive benefit, directly and indirectly, from the loans and other credit extended by the Lenders to the Borrowers.

SECTION 9.15. Consents to Renewals, Modifications and Other Actions and Events . This Agreement and all of the obligations of the Borrowers hereunder shall remain in full force and effect without regard to and shall not be released, affected or impaired by: (a) any amendment, assignment, transfer, modification of or addition or supplement to the Obligations, this Agreement or any other Loan Document; (b) any extension, indulgence, increase in the Obligations or other action or inaction in respect of any of the Loan Documents or otherwise with respect to the Obligations, or any acceptance of security for, or guaranties of, any of the Obligations or Loan Documents, or any surrender, release, exchange, impairment or alteration of any such security or guaranties including without limitation the failing to perfect a security interest in any such security or abstaining from taking advantage or of realizing upon any guaranties or upon any security interest in any such security; (c) any default by any Borrower under, or any lack of due execution, invalidity or unenforceability of, or any irregularity or other defect in, any of the Loan Documents; (d) any waiver by the Lenders or any other Person of any required performance or otherwise of any condition precedent or waiver of any requirement imposed by any of the Loan Documents, any guaranties or otherwise with respect to the Obligations; (e) any exercise or non-exercise of any right, remedy, power or privilege in respect of this Agreement or any of the other Loan Documents; (f) any sale, lease, transfer or other disposition of the assets of any Borrower or any consolidation or merger of any Borrower with or into any other Person, corporation, or entity, or any transfer or other disposition by any Borrower or any other holder of any Equity Interest of any Borrower; (g) any bankruptcy, insolvency, reorganization or similar proceedings involving or affecting any Borrower; (h) the release or discharge of any Borrower from the performance or observance of any agreement, covenant, term or condition under any of the Obligations or contained in any of the Loan Documents by operation of law; or (i) any other cause whether similar or dissimilar to the foregoing which, in the absence of this provision, would release, affect or impair the obligations, covenants, agreements and duties of any Borrower hereunder, including without limitation any act or omission by the Administrative Agent, or any Lender or any other any Person which increases the scope of such Borrower's risk; and in each case described in this paragraph whether or not any Borrower shall have notice or knowledge of any of the foregoing, each of which is specifically waived by each Borrower. Each Borrower warrants to the Lenders that it has adequate means to obtain from each other Borrower on a continuing basis information concerning the financial condition and other matters with respect to the Borrowers and that it is not relying on the Administrative Agent or the Lenders to provide such information either now or in the future.

SECTION 9.16. Waivers, Etc. Each Borrower unconditionally waives: (a) notice of any of the matters referred to in Section 9.15 above; (b) all notices which may be required by statute, rule or law or otherwise to preserve any rights of the Administrative Agent, or any Lender, including, without limitation, presentment to and demand of payment or performance from the other Borrowers and protect for non-payment or dishonor; (c) any right to the exercise by the Administrative Agent, or any Lender of any right, remedy, power or privilege in connection with any of the Loan Documents; (d) any requirement that the Administrative Agent, or any Lender, in the event of any default by any Borrower, first make demand upon or seek to enforce remedies against, such Borrower or any other Borrower before demanding payment under or seeking to enforce this Agreement against any other Borrower; (e) any right to notice of the disposition of any security which the Administrative Agent, or any Lender may hold from any Borrower or otherwise; and (f) all errors and omissions in connection with the Administrative Agent, or any Lender's administration of any of the Obligations, any of the Loan Documents', or any other act or omission of the Administrative Agent, or any Lender which changes the scope of the Borrower's risk, except as a result of the gross negligence or willful misconduct of the Administrative Agent, or any Lender. The obligations of each Borrower hereunder shall be complete and binding forthwith upon the

execution of this Agreement and subject to no condition whatsoever, precedent or otherwise, and notice of acceptance hereof or action in reliance hereon shall not be required.

SECTION 9.17. Several Obligations; Nonreliance; Violation of Law. The respective obligations of the Lenders hereunder are several and not joint and the failure of any Lender to make any Loan or perform any of its obligations hereunder shall not relieve any other Lender from any of its obligations hereunder. Each Lender hereby represents that it is not relying on or looking to any margin stock for the repayment of the Borrowings provided for herein. Anything contained in this Agreement to the contrary notwithstanding, neither the Issuing Bank nor any Lender shall be obligated to extend credit to any Borrower in violation of any Requirement of Law.

SECTION 9.18. Disclosure. Each Borrower and each Lender hereby acknowledges and agrees that the Administrative Agent and/or its Affiliates from time to time may hold investments in, make other loans to or have other relationships with any of the Borrowers, their respective Subsidiaries and their respective Affiliates.

SECTION 9.19. USA PATRIOT Act. Each Lender that is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act") hereby notifies the Borrowers that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Act.

[*Signatures on next page*]

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

SPARTAN MOTORS, INC.

By: /s/ Joseph M. Nowicki
Name: Joseph M. Nowicki
Title: Chief Financial Officer

ROAD RESCUE, INC.

By: /s/ Joseph M. Nowicki
Name: Joseph M. Nowicki
Title: Treasurer

SPARTAN MOTORS CHASSIS, INC.

By: /s/ Joseph M. Nowicki
Name: Joseph M. Nowicki
Title: Treasurer

CRIMSON FIRE, INC.

By: /s/ Joseph M. Nowicki
Name: Joseph M. Nowicki
Title: Treasurer

CRIMSON FIRE AERIALS, INC.

By: /s/ Joseph M.Nowicki
Name: Joseph M. Nowicki
Title: Treasurer

UTILIMASTER CORPORATION

By: /s/ Joseph M. Nowicki
Name: Joseph M. Nowicki
Title: Treasurer

[*Credit Agreement – Signature Page*]

JPMORGAN CHASE BANK, N.A., individually and as Administrative Agent, Issuing Bank and Swingline Lender

By: /s/ Thomas A. Lakocy
Name: Thomas A. Lakocy
Title: Senior Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/ Charles W. Lott
Name: Charles W. Lott
Title: Vice President

EXHIBIT A

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the "Assignor") and [*Insert name of Assignee*] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit, guarantees, and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1.	Assignor:	_____
2.	Assignee:	_____ [and is an Affiliate/Approved Fund of [*identify Lender*][1]]
3.	Borrowers:	_____
4.	Administrative Agent:	JPMorgan Chase Bank, N.A., as the administrative agent under the Credit Agreement
5.	Credit Agreement:	The Credit Agreement dated as of November 30, 2009 among Spartan Motors, Inc., Spartan Motors Chassis, Inc., Crimson Fire, Inc., Crimson Fire Aerials, Inc., Road Rescue, Inc., and Utilimaster Corporation, the Lenders parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other agents parties thereto]

_____

[1] Select as applicable.

6. Assigned Interest:

Facility Assigned	Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/Loans[2]
	$	$	%
	$	$	%
	$	$	%

Effective Date: _____ ___, 20___ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The Assignee agrees to deliver to the Administrative Agent a completed Administrative Questionnaire in which the Assignee designates one or more Credit Contacts to whom all syndicate-level information (which may contain material non-public information about the Loan Parties and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the Assignee's compliance procedures and applicable laws, including Federal and state securities laws.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By:_____

Title:

ASSIGNEE

[NAME OF ASSIGNEE]

By:_____

Title:

_____

[2] Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

[Consented to and][3] Accepted:

[NAME OF ADMINISTRATIVE AGENT], as

Administrative Agent

By_____

Title:

[Consented to:][4]

[NAME OF RELEVANT PARTY]

By_____

Title:

_____

[3] To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

[4] To be added only if the consent of the Borrowers and/or other parties (e.g. Swingline Lender, Issuing Bank) is required by the terms of the Credit Agreement.

[_____][5]

STANDARD TERMS AND CONDITIONS FOR

ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document[6], (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of any Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by any Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section ___ thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) if it is a Foreign Lender[7], attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

_____

5 Describe Credit Agreement at option of Administrative Agent.

6 The term "Loan Document" should be conformed to that used in the Credit Agreement.

7 The concept of "Foreign Lender" should be conformed to the section in the Credit Agreement governing withholding taxes and gross-up.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of Michigan.

Annex 1

EXHIBIT 21

SUBSIDIARIES OF SPARTAN MOTORS, INC.

Name of Subsidiary	Jurisdiction of Incorporation
Spartan Motors Chassis, Inc.	Michigan, United States
Crimson Fire, Inc.*	South Dakota, United States
Road Rescue, Inc.	South Carolina, United States
Crimson Fire Aerials, Inc.	Pennsylvania, United States
Utilimaster Holdings, Inc.	Delaware, United States
- Utilimaster Corporation (100% owned by Utilimaster Holdings, Inc.)	Delaware, United States
- Utilimaster Canada Limited (100% owned by Utilimaster Holdings, Inc.)	Ontario, Canada

*Formerly also did business under the names Luverne Fire Apparatus Co., Ltd. and Quality Manufacturing Inc.

EXHIBIT 31.1

CEO CERTIFICATION

I, John E. Sztykiel, certify that:

1. I have reviewed this annual report on Form 10-K of Spartan Motors, Inc.;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 15, 2010

/s/ John E. Sztykiel
John E. Sztykiel
President and Chief Executive Officer
Spartan Motors, Inc.

EXHIBIT 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders
Spartan Motors, Inc.
Charlotte, Michigan

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-25357) and Form S-8 (Nos. 333-69028, 333-98083, 333-111887, 333-111888, 333-126269, 033-80980 and 333-145674) of Spartan Motors, Inc. of our reports dated March 15, 2010, relating to the consolidated financial statements and the financial statement schedule, and the effectiveness of Spartan Motors, Inc.'s internal control over financial reporting, which appear in this Form 10-K.

/s/ BDO Seidman, LLP

Grand Rapids, Michigan

March 15, 2010

Exhibit 24

POWER OF ATTORNEY

The undersigned, in his or her capacity as a director or officer, or both, as the case may be, of Spartan Motors, Inc., does hereby appoint John E. Sztykiel, Joseph M. Nowicki, and Thomas T. Kivell, and each of them, his attorney, with full power of substitution and resubstitution, for such individual and in his name, place and stead, in any and all capacities, to sign the Form 10-K of Spartan Motors, Inc. for its fiscal year ended December 31, 2009, together with any and all amendments thereto, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission.

Signature: /s/ David R. Wilson

Print Name: David R. Wilson

Title: Director

Date: February 1, 2010

POWER OF ATTORNEY

The undersigned, in his or her capacity as a director or officer, or both, as the case may be, of Spartan Motors, Inc., does hereby appoint John E. Sztykiel, Joseph M. Nowicki, and Thomas T. Kivell, and each of them, his attorney, with full power of substitution and resubstitution, for such individual and in his name, place and stead, in any and all capacities, to sign the Form 10-K of Spartan Motors, Inc. for its fiscal year ended December 31, 2009, together with any and all amendments thereto, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission.

Signature: /s/ George Tesseris

Print Name: George Tesseris

Title: Director

Date: January 19, 2010

POWER OF ATTORNEY

The undersigned, in his or her capacity as a director or officer, or both, as the case may be, of Spartan Motors, Inc., does hereby appoint John E. Sztykiel, Joseph M. Nowicki, and Thomas T. Kivell, and each of them, his attorney, with full power of substitution and resubstitution, for such individual and in his name, place and stead, in any and all capacities, to sign the Form 10-K of Spartan Motors, Inc. for its fiscal year ended December 31, 2009, together with any and all amendments thereto, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission.

Signature: /s/ Hugh W. Sloan, Jr.

Print Name: Hugh W. Sloan, Jr.

Title: Director

Date: January 20, 2010

POWER OF ATTORNEY

The undersigned, in his or her capacity as a director or officer, or both, as the case may be, of Spartan Motors, Inc., does hereby appoint John E. Sztykiel, Joseph M. Nowicki, and Thomas T. Kivell, and each of them, his attorney, with full power of substitution and resubstitution, for such individual and in his name, place and stead, in any and all capacities, to sign the Form 10-K of Spartan Motors, Inc. for its fiscal year ended December 31, 2009, together with any and all amendments thereto, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission.

Signature: /s/ Kenneth Kaczmarek

Print Name: Kenneth Kaczmarek

Title: Director

Date: February 1, 2010

POWER OF ATTORNEY

The undersigned, in his or her capacity as a director or officer, or both, as the case may be, of Spartan Motors, Inc., does hereby appoint John E. Sztykiel, Joseph M. Nowicki, and Thomas T. Kivell, and each of them, his or her attorney, with full power of substitution and resubstitution, for such individual and in his or her name, place and stead, in any and all capacities, to sign the Form 10-K of Spartan Motors, Inc. for its fiscal year ended December 31, 2009, together with any and all amendments thereto, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission.

Signature: /s/ Richard F. Dauch

Print Name: Richard F. Dauch

Title: Director

Date: February 11, 2010

POWER OF ATTORNEY

The undersigned, in his or her capacity as a director or officer, or both, as the case may be, of Spartan Motors, Inc., does hereby appoint John E. Sztykiel, Joseph M. Nowicki, and Thomas T. Kivell, and each of them, his attorney, with full power of substitution and resubstitution, for such individual and in his name, place and stead, in any and all capacities, to sign the Form 10-K of Spartan Motors, Inc. for its fiscal year ended December 31, 2009, together with any and all amendments thereto, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission.

Signature: /s/ Richard R. Current

Print Name: Richard R. Current

Title: Director

Date: January 19, 2010

POWER OF ATTORNEY

The undersigned, in his or her capacity as a director or officer, or both, as the case may be, of Spartan Motors, Inc., does hereby appoint John E. Sztykiel, Joseph M. Nowicki, and Thomas T. Kivell, and each of them, his attorney, with full power of substitution and resubstitution, for such individual and in his name, place and stead, in any and all capacities, to sign the Form 10-K of Spartan Motors, Inc. for its fiscal year ended December 31, 2009, together with any and all amendments thereto, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission.

Signature: /s/ Ronald E. Harbour

Print Name: Ronald E. Harbour

Title: Director

Date: January 15, 2010

EXHIBIT 31.2

CFO CERTIFICATION

I, Joseph M. Nowicki, certify that:

1. I have reviewed this annual report on Form 10-K of Spartan Motors, Inc.;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 15, 2010

/s/ Joseph M. Nowicki
Joseph M. Nowicki
Chief Financial Officer, Treasurer, and
Chief/Corporate Compliance Officer
Spartan Motors, Inc.

EXHIBIT 32

CERTIFICATION

Solely for the purpose of complying with 18 U.S.C. § 1350, each of the undersigned hereby certifies in his capacity as an officer of Spartan Motors, Inc. (the "Company"), pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 that:

1. The Annual Report on Form 10-K of the Company for the fiscal year ended December 31, 2009 (the "Report") fully complies with the requirements of Section 13(a) of the Securities and Exchange Act of 1934 (15 U.S.C. 78m); and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for such period.

Date: March 15, 2010

/s/ John E. Sztykiel
John E. Sztykiel
President and Chief Executive Officer

Date: March 15, 2010

/s/ Joseph M. Nowicki
Joseph M. Nowicki
Chief Financial Officer, Treasurer, and
Chief/Corporate Compliance Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.