

Form PTO-1594 (Rev. 6-93) **RECORDATION FORM COVER SHEET** U.S. DEPARTMENT OF COMMERCE

OMB No. 0651-0011 (exp. 4/94) **TRADEMARKS ONLY** Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original document or copy thereof

1. Name of conveying party(ies):

**NEW FLYER INDUSTRIES LIMITED**

Individual(s)                       Association  
 General Partnership               Limited Partnership  
 Corporation: A corporation governed by the Canada Business Corporations Act  
 Other \_\_\_\_\_

Additional name(s) of conveying party(ies) attached?  Yes  No

2. Name and address of receiving party(ies):

**THE BANK OF NOVA SCOTIA**  
 IBD Loan Administration and Agency Services  
 44 King Street West, 14<sup>th</sup> Floor  
 Toronto, Ontario  
 M5H 1H1 CANADA

Individual(s)                       Association  
 General Partnership               Limited Partnership  
 Corporation:  
 Other: a bank to which the *Bank Act* (Canada) applies

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No (Security Agreement)  
 (Designations must be a separate document from assignment)

3. Nature of conveyance:

Assignment                       Merger  
 Security Agreement               Change of Name  
 Other \_\_\_\_\_

Execution Date: March 14, 2002

4. Application number(s) or trademark number(s), and identification or description of the mark(s):

A. Trademark Application No(s). and description  
 75/857,065 INVERO  
 75/777,082 INVERO  
 76/218,066 VCOM

B. Trademark Registration No(s). and description

5. Name and address of party to whom correspondence concerning document should be mailed:

**Kerry R. Thompson**  
**FAEGRE & BENSON LLP**  
 2200 Wells Fargo Center  
 90 South Seventh Street  
 Minneapolis, MN 55402-3901  
 612/766-7226

6. Total number of applications and registrations involved: 03

7. Total fee (37 CFR 3.41)..... \$90.00

Authorized to be charged to deposit account for payment

8. Deposit Account number: 06-0029

**DO NOT USE THIS SPACE**

9. Statement and signature.  
*To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.*

Kerry R. Thompson                      *Kerry R. Thompson*                      March 25, 2002  
 Name of person signing                      Signature                      Date

Total number of pages including cover sheet, attachments, and document: **5**

Mail documents to be recorded with required cover sheet information to:  
**Director – U.S. Patent and Trademark Office, Box Assignments**  
**Washington, D.C. 20231**

## TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of March 14, 2002, is by NEW FLYER INDUSTRIES LIMITED, a corporation governed by the Canada Business Corporations Act (following continuation from The Corporations Act (Manitoba)) (the "Grantor"), in favor of THE BANK OF NOVA SCOTIA in its capacity as agent (herein, in such capacity, called the "Agent") for and on behalf of and for the benefit of the Secured Parties (as defined below).

Pursuant to an Amended and Restated Credit Agreement (together with all amendments, modifications and restatements of such Agreement, the "Credit Agreement") of even date herewith among New Flyer of America (Delaware) Inc., a Delaware corporation, New Flyer USA, Inc., a Minnesota corporation, NFIL Holdings Corp., a Delaware corporation (collectively, the "Co-Borrowers"), the Grantor (with the Co-Borrowers, the "Borrowers"), the Secured Party and various Lenders, as defined therein, the Lenders have agreed to make advances and grant certain other financial accommodations to the Borrowers.

As a condition to making any advances under the Credit Agreement, the Secured Party and the Lenders have required that the Grantor execute and deliver to the Secured Party an Amended and Restated General Security Agreement (as the same may be amended, supplemented or restated from time to time, the "Security Agreement") to secure its obligations to the Lenders and the Secured Party.

As a further condition to making any advances under the Credit Agreement, the Secured Party and the Lenders have required that the Grantor execute and deliver this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and in order to induce the Lenders to make Advances (as defined in the Credit Agreement) pursuant to the Credit Agreement, the Grantor agrees, for the benefit of the Lenders and the Secured Party, as follows:

1. **Definitions.** Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement have the meanings provided in the Credit Agreement. In addition, as used herein, (a) "Obligations" means (i) the Obligations (as defined in the Credit Agreement), (ii) the Other Secured Obligations (as defined in the Credit Agreement), and (iii) the guaranties of the Grantor in favor of the Secured Party of even date herewith with respect to the obligations of the Co-Borrowers under the Credit Agreement, and (b) "Trademark Collateral" means all trademarks, service marks, business names, designs, logos, indicia and other source and/or business identifiers and the goodwill of the business

relating thereto and all registrations or applications for registration which have heretofore been or may hereafter be issued or filed thereon and all renewals thereof throughout the world (including, without limitation, those listed on Schedule I hereto), all proceeds of, and rights associated with, the foregoing (including without limitation license royalties and proceeds of infringement suits), all rights to sue for all past, present or future infringements of any of the foregoing and all common law and other rights corresponding thereto throughout the world in and to all the foregoing.

2. Grant of Security Interest. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, to secure all of the Obligations, the Grantor hereby grants to the Agent for the benefit of the Secured Parties a continuing security interest in Grantor's right, title and interest in and to the Trademark Collateral, whether now or hereafter existing or acquired; provided, however, that prior to an Event Of Default or exercise of remedies under the Credit Agreement or the Security Agreement, the grant of security interest hereunder shall not include any Trademark Collateral that would be invalidated, canceled or abandoned due to the grant of such security interest.

3. Security Agreement. This Agreement has been executed and delivered by the Grantor for the purpose of recording the security interest of the Agent on behalf of each Secured Party in the Trademark Collateral with the United States Patent and Trademark Office and corresponding offices in other countries of the world. The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to the Agent under the Security Agreement. The Security Agreement (and all rights and remedies of the Agent thereunder) shall remain in full force and effect in accordance with its terms.

4. Release of Security Interest. Upon the payment in full of all Obligations and the termination of all commitments of the Secured Parties, the Agent shall, at the Grantor's expense, execute and deliver to the Grantor all instruments and other documents as may be necessary or proper to release the lien on and security interest in the Trademark Collateral which has been granted hereunder.

5. Acknowledgment. The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Agent with respect to the security interest in the Trademark Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth therein.

6. Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

7. Conflicts. In the event of any conflict between the terms of the Credit Agreement and the terms of this Agreement, the provisions of the Credit Agreement shall govern to the extent necessary to remove the conflict.

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed and delivered by its officer thereunder duly authorized as of the day and year first above written.

Address:

711 Kernaghan Avenue  
Winnipeg, Manitoba  
R2C 3T4  
Attention: Vice-President,  
Finance  
Facsimile: 204-222-4578

NEW FLYER INDUSTRIES LIMITED

By: [Signature]  
Name: KEW ROSS  
Title: EXECUTIVE VICE-PRESIDENT

Address:

The Bank of Nova Scotia  
Winnipeg Commercial Banking Centre &  
Main Branch  
200 Portage Avenue at Main Street  
Winnipeg, Manitoba  
R3C 2R7  
Attention: Senior Account Manager  
Facsimile: 204-985-3106

THE BANK OF NOVA SCOTIA, as Agent

By: [Signature]  
Name: D. SHILES  
Title: DIRECTOR

**SCHEDULE 1**

to

**Trademark Security Agreement****TRADEMARKS****UNITED STATES OF AMERICA TRADEMARKS**

<b>TRADE-MARK</b>	<b>APPLN./REGN. NO.</b>	<b>REGISTRATION DATE</b>
<b>INVERO</b>	<b>75857065</b>	<b>November 24, 1999</b>
<b>INVERO</b>	<b>75777082</b>	<b>August 16, 1999</b>
<b>VCOM</b>	<b>76218066</b>	<b>March 1, 2001</b>

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- 4 -

RECORDED: 03/25/2002

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