

10-16-2002

SEP 20

Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings



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U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

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

1. Name of conveying party(ies):

New Flyer Industries Limited

9-20-02

- Individual(s) Association General Partnership Limited Partnership Corporation- State CANADA Other

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

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: March 18, 2002

2. Name and address of receiving party(ies)

Name: Manitoba Development Corporation

Internal Address: 555-155 Carlton Street

Street Address: Winnipeg, Manitoba

City: CANADA State: Zip: R3C 3H8

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation- State CANADA Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? Yes No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s) 75/857,065

B. Trademark Registration No.(s) 2,072,380

Additional number(s) attached Yes No

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

Name: Rebecca L. Roby

Internal Address: Dorsey & Whitney LLP

Suite 400 South

Street Address: 1001 Pennsylvania Ave., NW

City: Washington State: DC Zip: 20004

6. Total number of applications and registrations involved: 10

7. Total fee (37 CFR 3.41) \$ 265.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

10/16/2002 DBYRNE 00000117 75857065

01 FC:8521 Rebecca L. Roby 40.00 DP 02 FC:8522 225.00 DP Name of Person Signing

Signature: Rebecca L. Roby

Date: 9/19/02

Total number of pages including cover sheet, attachments, and document: 6

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

ADDITIONAL TRADEMARKS

NEW FLYER	1,577,351
NEW FLYER & design	1,572,970
NEW FLYER & design	2,177,401
NEW FLYER & design	2,177,404
NEW FLYER & design	2,177,405
Wings Design	2,059,301
INVERO	75/777,082
VCOM	76/218,066

75,857,065

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

DESIGNATION OF DOMESTIC REPRESENTATIVE

MANITOBA DEVELOPMENT CORPORATION, a Canadian Corporation, located at 555-155 Carlton Street, Winnipeg, Manitoba, R3C 3H8 Canada, hereby designates JOHN HARROP and REBECCA L. ROBY of DORSEY & WHITNEY LLP, 1001 Pennsylvania Avenue, N.W., Suite 400 South, Washington D.C. 20004 (Tel: 202-442-3000; Fax: 202-442-3199), as its representative upon whom notices or process in proceedings affecting the marks in the attached Schedule 1 may be served.

MANITOBA DEVELOPMENT CORPORATION

Date: August 14, 2002

By:   
Name: Jim Kilgour  
Title: General Manager

By:   
Name: Hugh Eliasson  
Title: Chairperson

## TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of March 18, 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 favour of MANITOBA DEVELOPMENT CORPORATION ("MDC").

Pursuant to an offer of financing (together with all amendments, modifications and restatements of such agreement, the ("Offer of Financing")) 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") and MDC, MDC has agreed to make advances and grant certain other financial accommodations to the Borrowers.

As a condition to making any advances under the Offer of Financing, MDC has required that the Grantor execute and deliver to MDC a General Security Agreement (as the same may be amended, supplemented or restated from time to time, the "Security Agreement") to secure its obligations to MDC.

As a further condition to making any advances under the Offer of Financing, MDC has 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 MDC to make advances pursuant to the Offer of Financing, the Grantor agrees, for the benefit of MDC as follows:

1. Definitions. Unless otherwise defined herein or the context otherwise requires terms used in this Agreement have the meanings provided in the Offer of Financing. In addition, as used herein, (a) "Obligations" means all indebtedness (i) owed to MDC pursuant to the Offer of Financing; (ii) the guaranties of the Grantor in favour of MDC of even date herewith with respect to the obligations of the Co-Borrowers under the Offer of Financing; 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 thereto 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 assigns and grants to MDC 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 Offer of Financing 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 MDC in the Patent 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 MDC 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 payment in full of all Obligations and the termination of all commitments of MDC, MDC 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 Patent Collateral which has been granted hereunder.

5. Acknowledgement. The Grantor does hereby further acknowledge and affirm that the rights and remedies of MDC with respect to the security interest in the Patent 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 Offer of Financing and the terms of this Agreement, the provisions of the Offer of Financing 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.

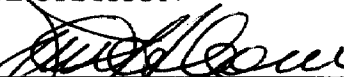
Address:  
  
711 Kernaghan Avenue  
Winnipeg, Manitoba  
R2C 3T4  
Finance  
Facsimile: 204-222-4578


NEW FLYER INDUSTRIES LIMITED

By:   
Name: Glenn Asham  
Title: V.P. Finance

Address:  
  
555-155 Carlton Street  
Winnipeg, Manitoba  
R3C 3H8  
Attention: •  
Facsimile: 204-945-1193

MANITOBA DEVELOPMENT CORPORATION

By:   
Name: J. KILGOUR  
Title: GENERAL MGR.

By:   
Name: J. DALZIEL  
Title: SEC. / TREAS.

**Schedule 1**

**to**

**Trade-mark Security Agreement**

**TRADE-MARKS**

**UNITED STATES OF AMERICA TRADE-MARKS**

<b>TRADE-MARK</b>	<b>APPLN./REGN.NO.</b>	<b>APPLN./REGN. DATE</b>
ICON LOGO DESIGN	2,072,380	June 17, 1997
NEW FLYER	1,577,351	January 16, 1990
NEW FLYER AND DESIGN	1,572,970	December 26, 1989
NEW FLYER AND DESIGN	2,177,401 (Class 9)	July 28, 1998
NEW FLYER AND DESIGN	2,177,404 (Class 11)	July 28, 1998
NEW FLYER AND DESIGN	2,177,405 (Class 12)	July 28, 1998
WINGS DESIGN	2,059,301	May 6, 1997
INVERO	75/857,065	Filed on: November 24, 1999
INVERO	75/777,082	Filed on: August 16, 1999
VCOM	76/218,066	Filed on: March 1, 2001