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TRADEMARK
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**SCHEDULE I
TRADEMARK SECURITY AGREEMENT**

Trademarks/Service Marks

Owner	Country	TM/SM	Filing Date	Reg. Date	Reg. No.	Serial No	Class	Goods/Services
*BusLease, Inc. (n/a) MCI Financial Services, Inc.)	USA	MISC. DESIGN (FRONT AND SIDE OF BUS)	6/29/92	4/26/94	1,832,909	74-289,679	Intl. Cl. 37 and 39	BUS REPAIR, REFURBISHING AND MAINTENANCE SERVICES; LEASING OF BUSES
Universal Coach Parts, Inc. (n/a) MCI Service Parts, Inc.) (name change to MCI Service Parts, Inc. not on assignment record)	Canada	COACH & GUARD & DESIGN	8/16/94	5/3/96	457805	761,675		MOTOR COACH PARTS, THEIR SUB-COMPONENTS AND RELATED LUBRICANTS, NAMELY, AXLE SYSTEMS, BRAKE AND AIR SYSTEMS, BEARINGS AND SEALS, COOLING SYSTEMS, ELECTRICAL SYSTEMS, ENGINE, TRANSMISSION, DRIVE LINE AND CLUTCH SYSTEMS, FUEL, EXHAUST AND EMISSION MEASURING SYSTEMS, RUBBER PARTS (SUCH AS BELTS AND BUSHINGS), SUSPENSION SYSTEMS, FILTERS, STEERING SYSTEMS, WHEEL, DRUM AND HUB SYSTEMS, WHEELCHAIR LIFTS, HEATING, VENTILATING AND AIR CONDITION SYSTEMS, AND THE LIKE
Universal Coach Parts, Inc. (n/a) MCI Service Parts, Inc.) (name change to MCI Service Parts, Inc. not on assignment record)	Canada	COACH GUARD	8/16/94	3/22/96	TMA455,910	761,678		MOTOR COACH PARTS, THEIR SUB-COMPONENTS AND RELATED LUBRICANTS, NAMELY, AXLE SYSTEMS, BRAKE AND AIR SYSTEMS, BEARINGS AND SEALS, COOLING SYSTEMS, ELECTRICAL SYSTEMS, ENGINE, TRANSMISSION, DRIVE LINE AND CLUTCH SYSTEMS, FUEL, EXHAUST AND EMISSION MEASURING SYSTEMS, RUBBER PARTS (SUCH AS BELTS AND BUSHINGS), SUSPENSION SYSTEMS, FILTERS, STEERING SYSTEMS, WHEEL, DRUM AND HUB SYSTEMS, WHEELCHAIR LIFTS, HEATING, VENTILATING AND AIR CONDITIONING SYSTEMS, AND THE LIKE
*MCI Service Parts, Inc.	USA	FLXIBLE	3/11/93	6/14/94	1,839,332	74/366,998	Intl. Cl. 12	BUSES AND STRUCTURAL PARTS THEREOF
*MCI Service Parts, Inc.	USA	COACH GUARD	6/23/94	4/23/96	1,969,306	74/541577	Intl. Cl. 6, 7, 9, 11, 12 and	MOTOR VEHICLE PARTS, NAMELY METAL SEALS, IN CLASS 6; MOTOR VEHICLE PARTS, NAMELY, AIR

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Owner	Country	TM/SH	Filing Date	Reg. Date	Reg. No.	Serial No	Class	Goods/Services
							17	COMPRESSORS, ALTERNATORS AND GENERATORS; ENGINE PARTS, NAMELY WATER PUMPS, AIR FILTERS, OIL FILTERS, FUEL FILTERS, COOLANT FILTERS, WATER FILTERS, FAN BELTS, DRIVE BELTS, RUBBER ENGINE MOUNTS AND POLYURETHANE BUSHINGS; ELECTRIC MOTORS AND PARTS THEREFOR, NAMELY MOTOR BRUSHES AND SPRINGS, IN CLASS 7; MOTOR VEHICLE PARTS, NAMELY BATTERIES, BATTERY CHARGERS, ELECTRIC SWITCHES, VIDEO SECURITY SYSTEMS CONSISTING OF VIDEO CAMERA, VIDEO CASSETTE RECORDER, MONITOR AND INFRARED LIGHTING MODULE, SOLENOID VALVES, COOLANT LEVEL SENSORS, OIL LEVEL SENSORS, EMISSIONS MEASURING DEVICES CONSISTING OF OPACITY METERS AND RECORDERS, IN CLASS 9; MOTOR VEHICLE PARTS, NAMELY SLEEVES AND WASHERS FOR HEATERS, ELECTRIC LIGHT BULBS, HEADLAMPS, TAIL LAMPS, BALLAST FOR FLUORESCENT FIXTURES; AIR CONDITIONER COMPRESSORS AND PARTS THEREFOR, NAMELY CLUTCHES, PISTONS, CONNECTING RODS, BEARINGS, SEALS, COILS, FAN BELTS, DRIVE BELTS, SLEEVES AND WASHERS, IN CLASS 11; MOTOR VEHICLE PARTS, NAMELY AXLE BEARINGS, WHEEL BEARINGS, WHEEL STUDS, TIE RODS, KING PINS, BRAKE SHOES, BRAKE CYLINDERS, BRAKE LININGS, BRAKE HARDWARE, BRAKE VALVES, DRIVE GEARS, STEERING GEAR BOXES, STEERING GEARS, STEERING PUMPS, CLUTCHES, BUMPER, TRANSMISSIONS, TRANSMISSION OIL COOLERS AND WINDSHIELD WIPER MOTORS, IN CLASS 12; MOTOR VEHICLE PARTS, NAMELY RUBBER SEALS AND GASKETS, IN CLASS 17
*MCI Service Parts, Inc.	USA	COACH GUARD & DESIGN	6/5/95	3/18/97	2,043,412	74-684,360	Intl. Cl. 6, 7, 9, 10, 11, 12 and 17	MOTOR VEHICLE PARTS, NAMELY METAL SEALS IN CLASS 6; MOTOR VEHICLE PARTS, NAMELY AIR COMPRESSORS, ALTERNATORS AND GENERATORS; ENGINE PARTS, NAMELY WATER PUMPS, AIR FILTERS, OIL FILTERS, FUEL FILTERS, COOLANT FILTERS, WATER FILTERS, FAN BELTS, DRIVE BELTS, RUBBER ENGINE MOUNTS AND POLYURETHANE BUSHINGS; ELECTRIC MOTORS AND PARTS

Owner	Country	TM/SM	Filing Date	Reg. Date	Reg. No.	Serial No	Class	Goods/Services
								THEREFOR, NAMELY MOTOR BRUSHES AND SPRINGS, IN CLASS 7; MOTOR VEHICLE PARTS, NAMELY BATTERIES, BATTERY CHARGERS, ELECTRIC SWITCHES, VIDEO SECURITY SYSTEMS CONSISTING OF VIDEO CAMERA, VIDEO CASSETTE RECORDER, MONITOR AND INFRARED LIGHTING MODULE, SOLENOID VALVES, COOLANT LEVEL SENSORS, OIL LEVEL SENSORS, EMISSIONS MEASURING DEVICES CONSISTING OF OPACITY METERS AND RECORDERS, IN CLASS 9; WHEELCHAIR LIFT SENSORS AND SWITCHES IN CLASS 10; MOTOR VEHICLE PARTS, NAMELY SLEEVES AND WASHERS FOR HEATERS, ELECTRIC LIGHT BULBS, HEADLAMPS, TAIL LAMPS, BALLAST FOR FLUORESCENT FIXTURES; AIR CONTAINER COMPRESSORS AND PARTS THEREFOR, NAMELY, CLUTCHES, PISTONS, CONNECTING RODS, BEARINGS, SEALS, COILS, FAN BELTS, DRIVE BELTS, SLEEVES AND WASHERS, IN CLASS 11; MOTOR VEHICLE PARTS, NAMELY AXLE BEARINGS, WHEEL BEARINGS, WHEEL STUDS, TIE RODS, KING PINS, BRAKE SHOES, BRAKE CYLINDERS, BRAKE LININGS, BRAKE HARDWARE, BRAKE VALVES, DRIVE GEARS, STEERING GEAR BOXES, STEERING GEARS, STEERING PUMPS, CLUTCHES, BUMPER, TRANSMISSIONS, TRANSMISSION OIL COOLERS, WINDSHIELD WIPER MOTORS AND WHEELCHAIR LIFT CYLINDERS, IN CLASS 12; MOTOR VEHICLE PARTS, NAMELY RUBBER SEALS AND GASKETS, IN CLASS 17
*MCI Service Parts, Inc.	USA	THE PARTS PROS	5/5/89	1/23/90	1,579,673	73-797,891	Intl. Cl. 42	DISTRIBUTORSHIP SERVICES IN THE FIELD OF REPLACEMENT PARTS FOR VEHICLES
*MCI Service Parts, Inc.	USA	BILLINGS LEY DESIGN MARK	8/8/83	2/26/85	1322652	73/438,248	Intl. Cl. 42	MOTOR VEHICLE PART DISTRIBUTORSHIP SERVICES
*MCI Holdings, Inc.	USA	Miscellaneous (Web) Design	8/18/98	6/6/00	2,356,154	75/538,283	Intl. Cl. 41	CONDUCTING TRAINING IN THE OPERATION AND MAINTENANCE OF BUSES AND MOTOR COACHES
*MCI Holdings, Inc.	USA	MCI (STYLIZE)	10/7/93	12/1/98	2,207,719	75/977,822	Intl. Cl. 36 and 37	FINANCING SERVICES RELATING TO THE PURCHASE OF NEW AND USED BUSES AND MOTOR COACHES,

TRADEMARK

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*MCI Holdings, Inc.	USA	MISCELLANEOUS (WEB) DESIGN	6/24/98	8/17/99	2,270,668	75506,152	Intl. Cl. 35, 36, 37, 39 and 40	BUS AND MOTOR COACH BROKERAGE SERVICES; MAINTENANCE AND REPAIR OF LEASED BUSES AND MOTOR COACHES
Motor Coach Industries, Inc.	Australia	MCI	2/14/78	2/14/78	315706		Cl. 12	MOTOR COACH AND BUS DEALERSHIP SERVICES; AND MOTOR COACH, BUS AND DIESEL ENGINE PARTS DISTRIBUTORSHIP SERVICES; MOTOR COACH AND BUS BROKERAGE, APPRAISAL AND LOAN FINANCING SERVICES; MOTOR COACH AND BUS MAINTENANCE AND REPAIR SERVICES; MOTOR COACH AND BUS LEASING SERVICES; AND CUSTOM MANUFACTURE OF MOTOR COACHES FOR OTHER BUSES AND PARTS THEREOF
Motor Coach Industries, Inc.	Brazil	MCI	9/14/93	5/9/95	817443010	817443010	Cl. 7	VEHICLES, INCLUDING MOTOR COACHES AND BUSES AND PARTS THEREFOR
Motor Coach Industries, Inc.	Canada	RENAISSANCE	7/16/97	10/5/98	TMA50178	850,044		MOTOR COACHES
Motor Coach Industries, Inc.	Canada	SWIRL DESIGN	7/7/97	8/27/98	499515	850046		MOTOR COACHES
Motor Coach Industries, Inc.	China	MCI	9/12/79	11/15/81	151,947		Intl. Cl. 12	MOTOR BUSES, VEHICLE PARTS
Motor Coach Industries, Inc.	Egypt	MCI	7/19/93			87608	Intl. Cl. 12	VEHICLES, PARTICULARLY MOTOR COACHES, BUSES AND PARTS THEREFOR
Motor Coach Industries, Inc.	El Salvador	MCI	1/15/80	5/4/82	88		Cl. 26	VEHICLES OF ALL TYPES
Motor Coach Industries, Inc.	Guatemala	MCI	5/12/80	9/4/80	39881		Cl. 12	BUSES
Motor Coach Industries, Inc.	Honduras	MCI	5/28/80	1/19/81	29076		Cl. 12	VEHICLES, LAND VEHICLES AND BUSES IN PARTICULAR
Motor Coach Industries, Inc.	Israel	MCI	9/14/79	9/15/82	48652		Cl. 12	MOTOR BUSES
Motor Coach Industries, Inc.	Mexico	MCI	12/11/92	8/30/95	502,213	156,766	Intl. Cl. 12	VEHICLES, APPARATUS FOR LOCOMOTION BY LAND, AIR OR WATER
Motor Coach Industries, Inc.	Mexico	MCI	7/16/94	7/16/95	415631	118168	Intl. Cl. 37	SERVICES RELATING TO ASSEMBLY, MAINTENANCE AND REPAIR OF VEHICLES
Motor Coach Industries, Inc.	Mexico	MCI & DESIGN	3/31/95	9/23/96	531,382	228,686	Intl. Cl. 37	SERVICES FOR THE ASSEMBLY, MAINTENANCE AND REPAIR OF VEHICLES
Motor Coach Industries, Inc.	Panama	MCI	5/6/80	11/19/80	25334		Intl. Cl. 12	BUSES
Motor Coach Industries, Inc.	Saudi Arabia	MCI	4/17/90	11/13/90	228/5		Cl. 12	MOTOR BUSES

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Motor Coach Industries, Inc.	South Africa	MCI	9/24/79	9/24/79	B79/5093		Cl. 12	APPARATUS FOR LOCOMOTION BY LAND, AIR OR WATER; VEHICLES INCLUDING BUSES, COACHES, CARRIAGES, TRUCKS, MECHANICAL HORSES AND TRAILERS; TOURING VEHICLES; LUGGAGE CARRIERS AND LUGGAGE HOLDERS FOR VEHICLES; PARTS AND ACCESSORIES FOR THE AFOREGOING
Motor Coach Industries, Inc.	Taiwan	MCI	9/9/93	3/16/94	637645	82034300	Intl. Cl. 12	VEHICLES, INCLUDING MOTOR COACHES, BUSES AND PARTS THEREOF
Motor Coach Industries, Inc.	Uruguay	MCI	8/13/80	7/30/81	166,383	730245,987	Intl. Cl. 7, 12 and 22	STARTING SPARK PLUGS FOR EXPLOSION AND GAS ENGINES AND ALL THOSE ITEMS WHICH COULD BE INCLUDED IN LOCAL CLASS 24; EXCEPT BRAKES (FOR AUTOMOBILES), OARS, AXLES, AXLE BOXES, PUMPS, BABY FRAMES, SAILS FOR BOATS AND ALL THOSE ITEMS WHICH COULD BE INCLUDED IN LOCAL CLASS 24
*Motor Coach Industries, Inc.	USA	MCI	7/26/76	10/4/77	1,074,499	73-094,646	Intl. Cl. 12	MOTOR BUSES
*Motor Coach Industries, Inc.	USA	MCI & DESIGN	11/3/64	9/28/65	796,660	72/205,403	Intl. Cl. 12	MOTOR BUSES
*Motor Coach Industries, Inc.	USA	MCI (STYLE D)	4/3/86	11/4/86	1,415,772	73/591,420	Intl. Cl. 12	MOTOR BUSES
*Motor Coach Industries, Inc.	USA	RENAISSANCE	12/23/96	12/16/97	2,121,666	75/217,847	Intl. Cl. 12	MOTOR COACHES
*Motor Coach Industries, Inc.	USA	MISCELLANEOUS (SWIRL) DESIGN	7/28/97	10/13/98	2,195,446	75/331,380	Intl. Cl. 12	MOTOR COACHES
*Motor Coach Industries, Inc.	USA	CHALLENGER	11/8/62	1/28/64	763,801	72-158,494	Cl. 19	MOTOR COACHES AND BUSES
Motor Coach Industries, Inc.	Venezuela	MCI	2/8/96	5/9/97	1996-001728	1728-96	Intl. Cl. 12	VEHICLES AND PARTS THEREOF
Motor Coach Industries International, Inc.	Canada	LOGO DESIGN	11/23/00	1083779		1083779		BUSES; MOTOR COACH AND BUS DEALERSHIP SERVICES, AND MOTOR COACH, BUS AND DIESEL ENGINE PARTS DISTRIBUTORSHIP SERVICES; MOTOR COACH AND BUS BROKERAGE; APPRAISAL AND LOAN FINANCING SERVICES; EXTENDED WARRANTY CONTRACTS, WARRANTY CONTRACTS, AND WARRANTY PROGRAMS IN THE FIELD OF BUS MAINTENANCE AND REPAIR; MOTOR COACH AND BUS MAINTENANCE AND REPAIR SERVICES AND ROADSIDE ASSISTANCE SERVICES; MOTOR COACH

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								AND BUS LEASING SERVICES; CUSTOM MANUFACTURE OF MOTOR COACHES FOR OTHERS; CONDUCTING TRAINING IN THE OPERATION AND MAINTENANCE OF BUSES AND MOTOR COACHES
Motor Coach Industries International, Inc.	Mexico	LOGO DESIGN	12/6/00			461,364	Intl Cl. 35	MOTOR COACH AND BUS DEALERSHIP SERVICES, AND MOTOR COACH, BUS AND DIESEL ENGINE PARTS DISTRIBUTORSHIP SERVICES
Motor Coach Industries International, Inc.	Mexico	LOGO DESIGN	12/6/00		739477	461,365	Intl. 36	MOTOR COACH AND BUS BROKERAGE; APPRAISAL AND LOAN FINANCING SERVICES; EXTENDED WARRANTY CONTRACTS, WARRANTY CONTRACTS, AND WARRANTY PROGRAMS IN THE FIELD OF BUS MAINTENANCE AND REPAIR
Motor Coach Industries International, Inc.	Mexico	LOGO DESIGN	12/6/00	5/24/01	699263	461,363	Intl. 12	BUSES
Motor Coach Industries International, Inc.	Mexico	LOGO DESIGN	12/6/00	5/18/01	698587	461,367	Intl. Cl. 39	MOTOR COACH AND BUS LEASING SERVICES
Motor Coach Industries International, Inc.	Mexico	LOGO DESIGN	12/6/00	6/20/01	702550	461,368	Intl. Cl. 40	CUSTOM MANUFACTURE OF MOTOR COACHES FOR OTHERS
Motor Coach Industries International, Inc.	Mexico	LOGO DESIGN	12/6/00	4/25/01	695922	461,366	Intl Cl. 37	MOTOR COACH AND BUS MAINTENANCE AND REPAIR SERVICES AND ROADSIDE ASSISTANCE SERVICES;
Motor Coach Industries International, Inc.	Mexico	LOGO DESIGN	12/6/00	4/25/01	695923	461,369	Intl Cl. 41	CONDUCTING TRAINING IN THE OPERATION AND MAINTENANCE OF BUSES AND MOTOR COACHES
Motor Coach Industries International, Inc.	USA	LOGO DESIGN	6/13/00	10/8/02	2632667	76068431	Intl Cl. 12,35,36,37,39,40,41	BUSES; MOTOR COACH AND BUS DEALERSHIP SERVICES, AND MOTOR COACH, BUS AND DIESEL ENGINE PARTS DISTRIBUTORSHIP SERVICES; MOTOR COACH AND BUS BROKERAGE; APPRAISAL AND LOAN FINANCING SERVICES; EXTENDED WARRANTY CONTRACTS, WARRANTY CONTRACTS, AND WARRANTY PROGRAMS IN THE FIELD OF BUS MAINTENANCE AND REPAIR; MOTOR COACH AND BUS MAINTENANCE AND REPAIR SERVICES AND

Owner	Country	TM/SM	Filing Date	Reg. Date	Reg. No.	Serial No	Class	Goods/Services
Motor Coach Industries Limited	Canada	MCI & DESIGN	8/13/73	11/1/74	TMA202,1 58	367,158		ROADSIDE ASSISTANCE SERVICES; MOTOR COACH AND BUS LEASING SERVICES; CUSTOM MANUFACTURE OF MOTOR COACHES FOR OTHERS; CONDUCTING TRAINING IN THE OPERATION AND MAINTENANCE OF BUSES AND MOTOR COACHES BUSES, MOTOR COACHES, MOTOR COACH PARTS, CRESTS AND BADGES
Motor Coach Industries Limited	Canada	SKYVIEW & DESIGN	8/23/77	1/26/79	TMA231,6 26	414731		SIGHT SEEING BUSES AND COACHES
Motor Coach Industries Limited	Canada	SKYVIEW	8/23/77	12/15/78	TMA231,2 40	414730		SIGHT SEEING BUSES AND COACHES
Motor Coach Industries Limited	Canada	CHALLENGER IN SPECIAL SHOWING	2/10/60	9/16/60	TMA119,4 61	255,250		MOTOR COACHES AND BUSES
Motor Coach Industries Limited	Canada	COURIER	2/20/52	2/20/52	UCA042,3 17	214,045		MOTOR COACHES

*Assigned to the Canadian Imperial Bank of Commerce on 6/16/99 as a security interest.

May 28, 2004

Motor Coach Industries International, Inc.
1700 East Golf Road, Suite 300
Schaumburg, IL 60173

Attention: Thomas Sorrells
Michael McIlwain
William Murray

Payoff Letter

Ladies and Gentlemen:

Reference is made to the Credit Agreement dated as of June 16, 1999, among MCII Holdings, Inc. (f/k/a Motor Coach Industries International, Inc.) (the "Parent"), Motor Coach Industries International, Inc. (f/k/a Transportation Manufacturing Operations, Inc.) (the "Borrower"), the Guarantors referred to in the Credit Agreement (the "Guarantors"), Canadian Imperial Bank of Commerce, as Administrative Agent (in such capacity, the "Administrative Agent"), General Electric Capital Corporation, as Documentation Agent (in such capacity, the "Documentation Agent"), The Bank of Nova Scotia, as Syndication Agent (in such capacity, the "Syndication Agent") and the Lenders parties thereto (as amended, the "Credit Agreement"). All capitalized terms used but not defined herein shall have the respective meanings given to such terms in the Credit Agreement.

The Borrower has informed the Administrative Agent that the Borrower intends (i) to satisfy in whole the outstanding Obligations under the Credit Agreement by wire transfer to the Agent of immediately available funds on May 28, 2004 and by the issuance of a certain note as described in clause (iv) below on such date, (ii) to terminate the Commitments under the Credit Agreement, (iii) with respect to all Letters of Credit outstanding on such date, (x) to return Letter of Credit No. SNY-02-10017 dated May 14, 2002 to the Issuing Lender marked cancelled and not drawn under since April 20, 2004, and (y) to provide the Issuing Lender with one or more back-to-back letters of credit issued by a financial institution satisfactory to the Issuing Lender and the Administrative Agent and having a stated amount equal to 105% of the stated amount of the Letters of Credit described on Schedule 3 attached hereto (the Obligations set forth in this clause (iii) being collectively referred to as the "Letter of Credit Payoff Obligations"), and (iv) in respect of a portion of the Tranche B Loan, in the amount of \$8,948,843.29, to cause to be issued on behalf of the Funding Affiliate to JLL Partners Fund III, L.P., the sole member of the Funding Affiliate (the "Sole Member"), the Parent Note (as defined below) as more fully described in the direction letter addressed to the Tranche B Lender and attached as Annex I hereto (the "Direction Letter").

For purposes of the foregoing, the Administrative Agent (on behalf of itself, the Issuing Lender and the other Lenders) hereby acknowledges to and agrees with the Borrower and the Guarantors as follows:

1. As of today's date, the amounts of principal, accrued and unpaid interest, accrued fees and other known obligations owing by you to the undersigned, the Issuing Lender and the Lenders under the Credit Agreement and other Loan Documents are set forth on Schedule 1 attached hereto (together with *per diem* amounts and including an estimate for future fees and expenses).

NYA 668971.7

2. As a result, the sum of \$385,946,217.81 will be payable if payment in whole of the outstanding Obligations occurs today (the "Payoff Amount"), which amount does not include \$8,948,843.29 which is the portion of the Tranche B Loan to be satisfied by the issuance of the Parent Note as described in paragraph 5.
3. Payment in full of the Payoff Amount shall be made on the date hereof by wire transfer of immediately available Dollars to the Administrative Agent, for the benefit of itself, the Issuing Lender and the other Lenders, in accordance with the instructions set forth on Schedule 2 attached hereto.
4. All issued and outstanding Letters of Credit under the Credit Agreement are set forth on Schedule 3 attached hereto.
5. On the date hereof, Parent shall issue directly to the Sole Member, an 11¼% Senior Subordinated Note due 2009 in the original principal amount of \$130,910,933.31 (the "Parent Note"), a portion of which Parent Note shall be issued to the Sole Member in partial satisfaction of the Tranche B Loan in the amount of \$8,948,843.29, all as more fully described in the Direction Letter. The remaining portion of the Obligations in respect of the Tranche B Loan in the aggregate amount of \$1,493,223.19 (the "Tranche B Cash Portion") is included in the Payoff Amount set forth in paragraph 2 and will be satisfied by the payment of such amount by wire transfer of immediately available Dollars to the Administrative Agent. The Administrative Agent shall distribute the Tranche B Cash Portion to the designated accounts on behalf of the Funding Affiliate to satisfy the balance of the Tranche B Loan, as more fully described in the Direction Letter.
6. The parties hereto agree that on and after the date on which the Payoff Amount is received by the Administrative Agent, the Letter of Credit Payoff Obligations are satisfied and the Parent Note is issued directly to the Sole Member, all Commitments are hereby terminated, no Lender or Issuing Lender shall have any further obligation to make Loans or issue Letters of Credit and that no further Borrowing or issuance of a Letter of Credit may be made or requested under the Credit Agreement.
7. Subject to the provisions of this Letter Agreement, effective upon receipt by the Administrative Agent of payment in full of the Payoff Amount in immediately available Dollars, the satisfaction of the Letter of Credit Payoff Obligations and the issuance directly to the Sole Member of the Parent Note: (i) the Credit Agreement and each of the other Loan Documents shall terminate to the extent described in paragraph 8, (ii) the Administrative Agent shall be deemed to have released automatically, and the Administrative Agent hereby agrees to so release, all of its Liens upon any and all Collateral granted in connection with the Credit Agreement and the other Loan Documents, (iii) the Administrative Agent hereby agrees to execute and deliver to the Borrower, at the Borrower's sole cost and expense, such instruments and documents, in form and substance reasonably satisfactory to the Borrower, which are reasonably requested by the Borrower for the purpose of effectuating the intent of this Letter Agreement, including, without limitation, to release of record any and all liens and security interests and collateral and to terminate any and all control agreements, landlord's or similar waivers and like documents, (iv) the Administrative Agent hereby authorizes the Borrower or its designee, in the Administrative Agent's name, to file UCC-3 termination statements (with or without signature) and such other documents, instruments and releases with respect to any mortgages, liens, encumbrances or other security interests on any property of the Borrower or any Guarantors to evidence the transactions contemplated by this letter, including to submit a copy of this letter to the United States Patent and Trademark Office in order to release the lien of Administrative Agent on the patents and trademarks registered with such office against which the Administrative Agent has recorded a lien and (v) the Administrative Agent shall return to Borrower all certificates, stock powers and other physical collateral provided to and held by the Administrative Agent pursuant to the Credit Agreement and the other Loan Documents. Without limiting the generality of the foregoing clause (ii) of this paragraph 7, upon termination of the Credit Agreement and the other Loan Documents, this Letter Agreement terminates all rights of the Administrative Agent and the Lenders in patents and trademarks granted under the Guarantee and Collateral Agreement

NYA 668971.7

8. Upon the termination of the Credit Agreement and the other Loan Documents, all rights, duties, commitments and other obligations of the parties thereto (including, without limitation, the Borrower, the Guarantors, the Administrative Agent, the Issuing Lender and the other Lenders) arising under or in connection with the Credit Agreement and the other Loan Documents shall terminate, except that (i) each indemnity and expense reimbursement obligation in the Credit Agreement or any of the other Loan Documents that by its terms survives the repayment in full of the Obligations or the termination of such agreement shall survive the termination described herein and (ii) the terms and provisions of Sections 3.4, 3.5(a), 3.6, 3.7 and 3.8 (and the related Sections referred to therein) of the Credit Agreement shall survive the termination described herein, but only to the extent such Sections apply to the Letters of Credit set forth on Schedule III attached hereto.

9. If after the date hereof, the Administrative Agent comes into the possession of any property of the Borrower or Guarantors or any proceeds thereof on account of the Obligations evidenced by the Credit Agreement, then, to the extent such property or proceeds are not on account of Obligations that, pursuant to paragraph 8, survive the termination described herein, the Administrative Agent shall, in the form received, promptly deliver such property and proceeds to Borrower or as Borrower shall direct.

This Letter Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, including a counterpart signed by facsimile, each of which when so executed and delivered shall be deemed to be an original and all of which when taken together shall constitute but one and the same letter.

This Letter Agreement shall in all respects be construed in accordance with and governed by the laws of the State of New York.

Very truly yours,

CANADIAN IMPERIAL BANK OF COMMERCE,
as Administrative Agent

By 
Charles D. Mulkeen, Authorized Signatory

NYA 668971.7

Each of the undersigned hereby jointly and severally acknowledges receipt of the foregoing Letter Agreement and, on behalf of itself and its respective successors and assigns, hereby (i) agrees to and accepts the terms hereof and (ii) acknowledges that the payment of the Payoff Amount is made without setoff, defense or counterclaim and that after due inquiry, it is not aware of any grounds or bases for any existing or potential setoffs, defenses or counterclaims.

Each of the Parent, the Sponsor, the Funding Affiliate and the Borrower acknowledges and agrees on behalf of itself and its affiliates that the payoff of the Tranche B Loan and the issuance of the Parent Note as described in the Direction Letter is being conducted pursuant to the terms of such Direction Letter at its request, such terms set forth in the Direction Letter were agreed to by it and that the Funding Affiliate acknowledges that its affiliate, as a direct or indirect equity owner of the Parent, has had and will continue to have, complete access to the Parent relating to the Parent Note. Neither the Administrative Agent nor the Tranche B Lender makes any representation whatsoever, and shall have no responsibility in any manner, with respect to (i) any financial information, certificates, receipts or other documents furnished or to be furnished to the Funding Affiliate and its affiliates in connection with the Parent Note; (ii) the due execution, validity or enforceability of the Parent Note; (iii) the collectibility of the Parent Note or the existence, sufficiency or transferability of any collateral or security therefor; (iv) the financial or other condition of the Parent or any other Person or (v) the performance of the Parent or any other Person of their obligations under any of the Parent Note. The Funding Affiliate represents that it or its affiliate has made such independent investigation and determination of the foregoing matters as it considers appropriate, and accepts full responsibility therefor. Neither the Administrative Agent, the Tranche B Lender nor their respective officers, directors, employees or affiliates shall be liable in any manner to the Funding Affiliate, the Sponsor, the Parent, the Borrower or any of their affiliates in any manner, and each of the Funding Affiliate, the Sponsor, the Parent and the Borrower agrees to indemnify, defend and hold the Administrative Agent, the Tranche B Lender and their respective officers, directors, employees and affiliates harmless from and against all claims, demands, losses, judgments, damages and liabilities (including legal fees and disbursements), arising out of or in connection with the payoff of the portion of the Tranche B Loan through the issuance of the Parent Note or any of the other transactions contemplated under the Direction Letter.

BORROWER:

MOTOR COACH INDUSTRIES
INTERNATIONAL, INC.

By: _____

Title: _____

William M. Murray

Vice President and Treasurer

GUARANTORS:

MCII HOLDINGS, INC.
MOTOR COACH INDUSTRIES, INC.
MCI FINANCIAL SERVICES, INC.
MCII FINANCIAL SERVICES, INC.
MCII FINANCIAL SERVICES II, INC.
MCI SALES AND SERVICE, INC.
MCI SERVICE PARTS, INC.
TRANSIT BUS INTERNATIONAL, INC.

By: _____

Title: _____

William M. Murray

Vice President and Treasurer

SPONSOR:

JLL PARTNERS, INC.
(f/k/a/ JOSEPH, LITTLEJOHN & LEVY, INC.)

By: _____

Title: _____

FUNDING AFFILIATE:

IWPTP, LLC

By: _____

Title: _____

NYA 668971.7

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BORROWER:

MOTOR COACH INDUSTRIES
INTERNATIONAL, INC.

By: _____
Title:

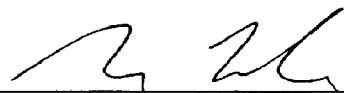
GUARANTORS:

MCII HOLDINGS, INC.
MOTOR COACH INDUSTRIES, INC.
MCI FINANCIAL SERVICES, INC.
MCII FINANCIAL SERVICES, INC.
MCII FINANCIAL SERVICES II, INC.
MCI SALES AND SERVICE, INC.
MCI SERVICE PARTS, INC.
TRANSIT BUS INTERNATIONAL, INC.


By: _____
Title:

SPONSOR:

JLL PARTNERS, INC.
(f/k/a/ JOSEPH, LITTLEJOHN & LEVY, INC.)

By: 
Title: SR MGD Director

FUNDING AFFILIATE:

IWPTP, LLC
By: 
Title:

NYA 668971.7

Schedule I

Principal		
Revolver		98,702,330.00
Term Loan		282,981,293.94
Tranche B: CIBC WG Argosy Merchant Fund 2, L.L.C. (CIBC Argosy)	1,030,195.07	
Tranche B: Co-Investment Merchant Fund 3, LLC (CFM)	114,466.11	
Tranche B: CIBC WMC, Inc (WMC)	<u>332,582.33</u>	
Tranche B: CIBC Total		1,477,243.51
Tranche B: JLL		<u>8,863,461.07</u>
Total Principal		392,024,328.52
Accrued Interest		
Revolver		528,569.84
Term Loan		1,515,418.94
Tranche B: CIBC WG Argosy Merchant Fund 2, L.L.C. (CIBC Argosy)	10,098.20	
Tranche B: Co-Investment Merchant Fund 3, LLC (CFM)	1,122.02	
Tranche B: CIBC WMC, Inc (WMC)	<u>3,260.05</u>	
Tranche B: CIBC Total		14,480.27
Tranche B: JLL		<u>86,881.63</u>
Total Accrued Interest		2,145,350.67
Accrued Fees to Administrative Agent and Lenders		116,231.22
Amount due in respect of Letters of Credit		7,005.93
Other Fees and Expenses		452,144.76
Interest Rate Protection Termination		150,000.00
Breakage Costs		-
Total		394,895,061.10
Less: Non Cash JLL Note		(8,948,843.29)
Total Cash Pay		385,946,217.81

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Schedule II

CANADIAN IMPERIAL BANK OF COMMERCE WIRING INSTRUCTIONS

Credit Bank:	Bank of New York
ABA #:	021000018
For Credit To:	CIBC, NY Agency
Account #:	890-0331-046
For Further Credit to:	Agented Loans
Account #:	07-09611
Attention:	Agency Services
Reference:	Motor Coach

NYA 668971.7

TRADEMARK
REEL: 002873 FRAME: 0275

Schedule III

OUTSTANDING LETTERS OF CREDIT

<u>Letter of Credit #</u>	<u>Amount</u>	<u>Expiry Date</u>
SYN-99-10069	\$ 400,000.00	9/20/04
SYN-99-10063	\$ 2,250,000.00	9/30/04
SYN-99-10068	\$ 2,000,000.00	9/30/04
SYN-99-10062	\$ 95,000.00	7/31/04
SYN-02-10027	\$ 800,838.00	8/30/04
SYN-02-10062	\$ 250,000.00	12/30/04
SYN-03-10009	\$ 2,500,000.00	3/13/05

NYA 668971.7

Annex I

DIRECTION LETTER

NYA 668971.7

TRADEMARK
REEL: 002873 FRAME: 0277

IWPTP, LLC
450 Lexington Avenue, Suite 3350
New York, New York 10017

May 28, 2004

Canadian Imperial Bank of Commerce
425 Lexington Avenue
7th Floor
New York, New York 10017

Motor Coach Industries International, Inc.
1700 East Golf Road
Third Floor
Schaumburg, Illinois 60173

Ladies and Gentlemen:

Reference is hereby made to that certain Tranche B term loan in the original principal amount of \$8,500,000 (the "Tranche B Loan"), extended to Motor Coach Industries International, Inc., a Delaware corporation ("Motor Coach"), under Motor Coach's Credit Agreement, dated as of June 16, 1999, as amended, which was sold to IWPTP, LLC, a Delaware limited liability company ("IWPTP"), through the purchase by IWPTP of a 100% participation interest in the Tranche B Loan, pursuant to a Subordination and Participation Agreement (the "Subordination and Participation Agreement"), dated May 1, 2001, as amended, among Canadian Imperial Bank of Commerce, as the Administrative Agent for the Lenders, Canadian Imperial Bank of Commerce, as the Selling Lender, and IWPTP. All capitalized terms used but not defined herein shall have the respective meanings set forth in the Subordination and Participation Agreement.

As indicated in the Payoff Letter to which this letter is attached, the Lender Credit Termination Date is May 28, 2004 and the aggregate outstanding amount in respect of the Tranche B Loan (including, without limitation, the entire outstanding principal balance and all accrued and unpaid interest thereon) to be paid on such date is \$10,442,066.48 (the "Payout Amount").

IWPTP hereby requests and irrevocably directs Motor Coach and the Administrative Agent on behalf of the Selling Lender, in lieu of cash payment, to satisfy a portion of the Payout Amount in the amount of \$8,948,843.29 through the issuance directly to JLL Partners Fund III, L.P. on behalf of IWPTP by Motor Coach's parent company, MCII Holdings, Inc., a Delaware corporation ("MCII Holdings"), of an 11¼% Senior Subordinated Note due 2009 (the "Parent Note"), pursuant to a Subscription and Exchange Agreement between JLL Partners Fund III,

L.P. and MCII Holdings, with a portion of the Parent Note in an aggregate principal amount of \$8,948,843.29 to be attributed to such portion of the Payout Amount.

IWPTP hereby also requests and irrevocably directs the Administrative Agent on behalf of the Selling Lender to distribute by wire transfer an amount of \$1,499.41 in cash to the following account of JLL Partners, Inc.:

Wire Transfer in the amount of \$1,499.41 to:

Bank: Citibank, NA
ABA Number: 021-000-089
Account Number: 9534-5481
Ref: CIBC

IWPTP hereby further requests and irrevocably directs the Administrative Agent on behalf of the Selling Lender to distribute by wire transfer the entire remaining balance of the Payout Amount in an aggregate amount of \$1,491,723.78 in cash to the following accounts:

Wire Transfer in the amount of \$1,040,293.27 to:

Bank: Bank of New York
New York, NY
ABA Number: 021-000-018
Account Number: CIBC Argosy MF2, LLC
Account Number: 890-054-8983
Ref: MCII

Wire Transfer in the amount of \$115,588.14 to:

Bank: United States Trust Company
of New York
ABA Number: 021-001-318
Account Name: Co-Investment Merchant Fund 3, LLC
Income Account
Account Number: 69-9784-8
Ref: MCII

Wire Transfer in the amount of \$335,842.37:

Bank: Bank of New York
ABA Number: 021-000-018
Account Number: CIBC WMC, Inc.
Account Number: 890-054-8932
Ref: MCII

IWPTP, LLC

By: 

Name:

Title: Manager

IWPTP, LLC
450 Lexington Avenue, Suite 3350
New York, New York 10017

May 28, 2004

CIBC WG Argosy Merchant Fund 2, LLC
Co-Investment Merchant Fund 2, LLC
CIBC WMC, Inc.
425 Lexington Avenue
New York, NY 10017

Re: Motor Coach Industries International, Inc. –
Notice of Prepayment of Certain Promissory Notes Due 2006

Dear Noteholders:

Reference is made to certain outstanding Promissory Notes Due 2006, issued pursuant to that certain Amended and Restated Note Purchase Agreement, dated as of May 31, 2001, by IWPTP, LLC, a Delaware limited liability company (the "Company"), to (i) CIBC WG Argosy Merchant Fund 2, LLC in an aggregate original principal amount of \$846,814.45 (the "Argosy Note"), (ii) Co-Investment Merchant Fund 2, LLC in an aggregate original principal amount of \$94,090.49 (the "CIMF Note") and (iii) CIBC WMC, Inc. in an aggregate original principal amount of \$273,380.77 (the "WMC" Note, together with the Argosy Note and the WMC Note, the "Notes"). Unless otherwise indicated, capitalized terms used in this Notice but not defined herein shall have the respective meanings ascribed to such terms in the Notes.

The Company has instructed Canadian Imperial Bank of Commerce to send money to the following accounts as payment in full of the Principal Amount under each Note as of the date hereof, together with all accrued and unpaid interest thereon and to the date hereof:

Wire Transfer in the amount of \$1,040,293.27 for payment in full of the Argosy Note to the following account:

Bank:	Bank of New York New York, NY
ABA Number:	021-000-018
Account Number:	CIBC Argosy MF2, LLC
Account Number:	890-054-8983
Ref:	MCII

Wire Transfer in the amount of \$115,588.14 for payment in full of the
CIMF Note to the following account:

Bank: United States Trust Company of New York
ABA Number: 021-001-318
Account Name: Co-Investment Merchant Fund 3, LLC
Income Account
Account Number: 69-9784-8
Ref: MCII

Wire Transfer in the amount of \$335,842.37 for payment in full of the
WMC Note to the following account:

Bank: Bank of New York
ABA Number: 021-000-018
Account Number: CIBC WMC, Inc.
Account Number: 890-054-8932
Ref: MCII

As a result of the payment in full of the Notes, the Notes shall be deemed
paid in full and the Company shall have no further obligations thereunder. Accordingly
we would appreciate if you would promptly deliver the original copies of the Notes to the
Company at the following address for being marked for cancellation:

IWPTP, LLC
450 Lexington Avenue, Suite 3350
New York, New York 10017
Attention: Mr. Frank Rodriguez

IWPTP, LLC

By: 

Name: Frank Rodriguez

Title: Manager

SCHEDULE 1
TRADEMARK SECURITY AGREEMENT

Trademarks/Service Marks

Owner	Country	TM/SM	Filing Date	Reg. Date	Reg. No.	Serial No	Class	Goods/Services
*Busleuse, Inc. (n/v/a MCI Financial Services, Inc.)	USA	MISC. DESIGN (FRONT AND SIDE OF BUS)	6/29/92	4/26/94	1,832,909	74-289,679	Intl. Cl. 37 and 39	BUS REPAIR, REFURBISHING AND MAINTENANCE SERVICES; LEASING OF BUSES
Universal Coach Parts, Inc. (n/v/a MCI Service Parts, Inc.) (name change to MCI Service Parts, Inc. not on assignment record)	Canada	COACH GUARD & DESIGN	8/16/94	5/3/96	457005	761,675		MOTOR COACH PARTS, THEIR SUB-COMPONENTS AND RELATED LUBRICANTS, NAMELY, AXLE SYSTEMS, BRAKE AND AIR SYSTEMS, BEARINGS AND SEALS, COOLING SYSTEMS, ELECTRICAL SYSTEMS, ENGINE, TRANSMISSION, DRIVE LINE AND CLUTCH SYSTEMS, FUEL, EXHAUST AND EMISSION MEASURING SYSTEMS, RUBBER PARTS (SUCH AS BELTS AND BUSHINGS), SUSPENSION SYSTEMS, FILTERS, STEERING SYSTEMS, WHEEL, DRUM AND HUB SYSTEMS, WHEELCHAIR LIFTS, HEATING, VENTILATING AND AIR CONDITIONING SYSTEMS, AND THE LIKE
Universal Coach Parts, Inc. (n/v/a MCI Service Parts, Inc.) (name change to MCI Service Parts, Inc. not on assignment record)	Canada	COACH GUARD	8/16/94	3/22/96	TMA455,910	761,678		MOTOR COACH PARTS, THEIR SUB-COMPONENTS AND RELATED LUBRICANTS, NAMELY, AXLE SYSTEMS, BRAKE AND AIR SYSTEMS, BEARINGS AND SEALS, COOLING SYSTEMS, ELECTRICAL SYSTEMS, ENGINE, TRANSMISSION, DRIVE LINE AND CLUTCH SYSTEMS, FUEL, EXHAUST AND EMISSION MEASURING SYSTEMS, RUBBER PARTS (SUCH AS BELTS AND BUSHINGS), SUSPENSION SYSTEMS, FILTERS, STEERING SYSTEMS, WHEEL, DRUM AND HUB SYSTEMS, WHEELCHAIR LIFTS, HEATING, VENTILATING AND AIR CONDITIONING SYSTEMS, AND THE LIKE
*MCI Service Parts, Inc.	USA	FLXIBLE	3/11/93	6/14/94	1,839,332	74/366,998	Intl. Cl. 12	BUSES AND STRUCTURAL PARTS THEREOF
*MCI Service Parts, Inc.	USA	COACH GUARD	6/23/94	4/23/96	1,969,306	74/541577	Intl. Cl. 6, 7, 9, 11, 12 and	MOTOR VEHICLE PARTS, NAMELY METAL SEALS, IN CLASS 6; MOTOR VEHICLE PARTS, NAMELY, AIR

SCHEDULE I
PATENT SECURITY AGREEMENT

Patents

Owner	Country	Patent No.	Date Issd.	U.S. Exp.	For. Exp.	Title	Serial No.	Date Filed
Motor Coach Industries Limited	Austria	207827T	11/15/01			Trepppe Fuer Reisebus (circular stairway)	19960929154	9/9/96
Motor Coach Industries Limited	Benelux	71673	9/23/96		3/1/16	Coach Design		3/13/96
Motor Coach Industries Limited	Brazil	1602269	Issued			Coach Design	56.02,219-0	3/13/96
Motor Coach Industries Limited	Canada	78,515	6/7/96		6/7/06	Coach Design		9/13/95
Motor Coach Industries Limited	Canada					Curved Stairway	2,162,961	11/15/95
Motor Coach Industries Limited	Canada				11/14/15	Lavalory/White Ichair Lift	2,162,793	11/14/95
Motor Coach Industries Limited	Canada	2352994	1/25/02			Sliding Door for Wheelchair Entry	20012352994	7/13/01
Motor Coach Industries Limited	Canada					Engine Accessory Drive	2,185,843	9/18/96
Motor Coach Industries Limited	Denmark	79220T	2/18/02			Stairway for a Motor Coach	19960929154 T	9/19/1996
Motor Coach Industries Limited	Europe	WO97/101 20	Issued			Curved Stairway	969291541	6/13/97