

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Junior Facility Payoff Letter, releasing Security Agreement Recorded at Reel 2886, Frame 0514 on 12/18/2003.

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
The Royal Bank of Scotland PLC		09/18/2006	CORPORATION: UNITED KINGDOM

RECEIVING PARTY DATA

Name:	Blue Bird Body Company (f/k/a Blue Bird Investment Corporation)
Street Address:	P.O. Box 937 North Macon Street
City:	Fort Valley
State/Country:	GEORGIA
Postal Code:	31030
Entity Type:	CORPORATION: GEORGIA

PROPERTY NUMBERS Total: 14

Property Type	Number	Word Mark
Registration Number:	1047625	
Registration Number:	1273440	
Registration Number:	0832107	BLUE BIRD
Registration Number:	0732400	BLUE BIRD
Registration Number:	1292132	BLUE BIRD
Serial Number:	78337636	BLUE BIRD
Serial Number:	78219160	BLUE BIRD FINANCE ADVANTAGE
Registration Number:	2766284	BLUE BIRD LEASE ADVANTAGE
Registration Number:	2257613	BLUE BIRD LTC 40 LUXURY TOURING COACH
Serial Number:	78241682	BLUE BIRD
Registration Number:	0742910	BLUE BIRD
Serial Number:	78196607	BLUE BIRD VISION
Registration Number:	1278875	BLUE BIRD WANDERLODGE

CH \$365.00 1047625

900173874

**TRADEMARK
 REEL: 004295 FRAME: 0552**

Registration Number: 0802587 WANDERLODGE

CORRESPONDENCE DATA

Fax Number: (212)593-5955
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 212-756-2552
Email: marisa.davidson@srz.com
Correspondent Name: M. Davidson c/o Schulte Roth & Zabel LLP
Address Line 1: 919 Third Avenue
Address Line 2: 22nd Floor
Address Line 4: New York, NEW YORK 10022

ATTORNEY DOCKET NUMBER: 052308-0006

NAME OF SUBMITTER: Marisa Davidson (052308-0006)

Signature: /kc for md/

Date: 10/13/2010

Total Attachments: 21

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THE ROYAL BANK OF SCOTLAND PLC
Incorporated in Scotland with registered-no. 90312
Registered office: 36 St Andrew Square, Edinburgh EH2 2YB
acting by its office at Syndicated Loans Agency
Level 7, 135 Bishopsgate, London EC2M 3UR

To: Peach County Holdings, Inc. (the Company)
Blue Bird Body Company
Blue Bird Corporation
Blue Bird Investment Corporation
Henlys Holding Corp
Henlys US Investments Inc.

c/o Peach County Holdings, Inc.
402 Blue Bird Boulevard
Fort Valley, GA 31030
USA

cc: School Bus Holdings Inc.

For the attention of: Chief Financial Officer

September 18, 2006

JUNIOR FACILITY PAYOFF LETTER

Dear Sirs,

US\$100,000,000 credit agreement (the Credit Agreement) dated 14 September 1999 (as amended and restated from time to time including, without limitation, by an amendment and restatement agreement dated 29 January 2006) for Peach County Holdings, Inc. (the Company)

We refer to the Credit Agreement and to the stock purchase agreement dated August 24, 2006 between School Bus Holdings Inc. (the Buyer), the Company and the stockholders named therein relating, *inter alia*, to the shares of common stock of the Company (the Stock Purchase Agreement).

Unless otherwise defined, terms used in this letter have the meaning given to them in the Credit Agreement.

In consideration of the payment by the Buyer of the Purchase Price (as defined in the Stock Purchase Agreement) and except as provided below (the Payment) each of the undersigned Finance Parties hereby:

1. fully, finally and irrevocably releases and discharges the Company, Blue Bird Body Company and each of the Guarantors from:
 - (a) all liabilities in respect of the Loans (including, without limitation, all repayment, mandatory prepayment, interest payment and deferred interest payment obligations in clauses 7, 8 and 9 of the Credit Agreement and the fee and expense payment requirements in clauses 22, 23 and 24 of the Credit Agreement); and

- (b) all other present and future claims and liabilities (actual or contingent) of whatsoever nature arising under or in connection with the Finance Documents;
2. fully, finally and irrevocably releases and discharges all Security Interests including the Security Interests in and liens on any and all properties and assets of the Company, Blue Bird Body Company and each of the Guarantors, whether personal, real or mixed, tangible or intangible, created under or evidenced by the Security Documents or any other Finance Document;
 3. fully, finally and irrevocably releases and discharges each other Finance Party from all present and future claims, liabilities or damages, actual or contingent and in whatever capacity, to any other Finance Party whether arising under or in connection with the Finance Documents or otherwise in connection with any Obligor; and
 4. agrees (at the expense of the Obligors), promptly to take all such actions as the Company and its Subsidiaries may reasonably request in connection with the above releases and discharges.

In addition and without limitation, the Issuing Bank fully, finally and irrevocably releases and discharges the Lenders from all their obligations in respect of the indemnities to the Issuing Bank under clause 6 of the Credit Agreement, whether or not any Letter of Credit remains outstanding or is demanded.

The Finance Parties agree that the Company, Blue Bird Body Company and each of the Guarantors may prepare and file such UCC-3 termination statements, mortgage satisfactions, release of liens, discharges and terminations and other release documentation in respect of the security interests and liens set forth in paragraph 2. above, without the signature of any Finance Party, to the extent permitted by law, in each case without recourse to the Finance Parties, without any representation or warranty of any kind, express or implied, and at the sole cost and expense of the Company, Blue Bird Body Company and each of the Guarantors. Each Finance Party (other than the Agent) hereby authorises the Agent to take whatever further action, and to execute such documents (including by way of deed), as may be necessary and are requested by the Company to give effect to the releases contemplated by this letter, including, without limitation, the delivery of stock certificates (with powers or similar documents associated therewith) and such other instruments in the Agent's possession to the Company and UCC-3 termination statements, mortgage satisfactions, release of liens, discharges and terminations and other release documentation in respect of the Security Interests and liens set forth in paragraph 2. above. The Agent agrees to take such action and to execute such documents. The Company must immediately on demand pay all costs and expenses (including legal fees) incurred by the Agent in connection with any such action or execution.

The Agent confirms that it has not appointed any co-security agent, delegate or representative in relation to the Security Documents.

The above releases are without prejudice to any rights or remedies that a Finance Party may now or in the future have under the Stock Purchase Agreement.

Notwithstanding anything in this letter, nothing in this letter shall be deemed to release, or to authorise the Agent to release, any person from any liability arising in connection with the reimbursement of any amount payable to (i) the Issuing Bank in respect of the Letters of Credit under any agreement or arrangement (other than a Finance Document), or (ii) the Ancillary Facility Provider in respect of letters of credit issued under the Ancillary Facility.

In consideration of the releases granted by the Finance Parties under this letter, each of the undersigned Obligors hereby fully, finally and irrevocably releases and discharges each Finance Party from all present and future claims and liabilities (actual or contingent) of whatsoever nature arising under or in connection with the Finance Documents.

Notwithstanding anything in this letter, nothing in this letter shall limit or affect the obligations or liabilities of the Obligors, the Lenders or the Agent under the Stock Purchase Agreement, or of the Obligors, or the Lenders to the Agent, under or in respect of the Finance Documents to the extent that such obligations or liabilities are stated to survive the termination of the Finance Documents.

Further, notwithstanding any of the releases in this letter each Obligor acknowledges and agrees that:

- (a) the indemnity to the Agent set out in clause 20.11 of the Credit Agreement survives the execution of this letter; and
- (b) if at any time for any reason (including, without limitation, the insolvency, bankruptcy, dissolution, liquidation, or reorganization of any Obligor or the appointment of any intervenor or conservator of, or agent or similar official for any Obligor or any of their respective properties), the Payment (or any portion of the Payment) is rescinded or must otherwise be restored or returned by the Agent or any Lender, the amount rescinded, restored or returned will continue to be due and owing under the Credit Agreement or will be reinstated, and the Credit Agreement and the Security Documents will continue to be effective or will be reinstated, if necessary, as if there had not been any release.

Each Obligor agrees to take whatever further action, and to execute such documents (including by way of deed), as may be necessary and are requested by the Agent to give effect to the releases contemplated by paragraph (b) above.

For the avoidance of doubt, in this letter the term **Finance Documents** does not include any documents or agreements relating to the Ancillary Facility, nor any documents, acknowledgments or other agreements executed or delivered in connection with that certain letter, dated August 24, 2006 from Wachovia Bank, National Association to the Company and Blue Bird Body Company, relating to ongoing obligations under the Letters of Credit and the Ancillary Facility.

The Obligors are liable for any stamp or transfer duties and all Taxes payable in connection with this letter and the releases.

This letter may be executed in any number of counterparts and all of those counterparts taken together will be deemed to constitute one and the same document.

This letter is governed by English law.

Please confirm your agreement by countersigning the enclosed copy of this letter.

Yours faithfully,

Lenders

LLOYDS TSB BANK PLC

By:

THE ROYAL BANK OF SCOTLAND PLC

By:

LENDERS

LLOYDS TSB BANK PLC

By: _____
Name:
Title:

THE ROYAL BANK OF SCOTLAND PLC

By: N.W. Light
Name: NEIL WRIGHT
Title: CORPORATE DIRECTOR

JP MORGAN CHASE BANK, N.A.

By: _____
Name:
Title:

**BANCA NAZIONALE DEL LAVORO S.p.a,
LONDON BRANCH**

By: _____
Name:
Title:

**BAYERISCHE HYPO- UND VEREINSBANK
AG, LONDON BRANCH**

By: _____
Name:
Title:

Notwithstanding anything in this letter, nothing in this letter shall limit or affect the obligations or liabilities of the Obligors, the Lenders or the Agent under the Stock Purchase Agreement, or of the Obligors, or the Lenders to the Agent, under or in respect of the Finance Documents to the extent that such obligations or liabilities are stated to survive the termination of the Finance Documents.

Further, notwithstanding any of the releases in this letter each Obligor acknowledges and agrees that:

- (a) the indemnity to the Agent set out in clause 20.11 of the Credit Agreement survives the execution of this letter; and
- (b) if at any time for any reason (including, without limitation, the insolvency, bankruptcy, dissolution, liquidation, or reorganization of any Obligor or the appointment of any intervenor or conservator of, or agent or similar official for any Obligor or any of their respective properties), the Payment (or any portion of the Payment) is rescinded or must otherwise be restored or returned by the Agent or any Lender, the amount rescinded, restored or returned will continue to be due and owing under the Credit Agreement or will be reinstated, and the Credit Agreement and the Security Documents will continue to be effective or will be reinstated, if necessary, as if there had not been any release.

Each Obligor agrees to take whatever further action, and to execute such documents (including by way of deed), as may be necessary and are requested by the Agent to give effect to the releases contemplated by paragraph (b) above.

The Obligors are liable for any stamp or transfer duties and all Taxes payable in connection with this letter and the releases.

This letter may be executed in any number of counterparts and all of those counterparts taken together will be deemed to constitute one and the same document.

This letter is governed by English law.

Please confirm your agreement by countersigning the enclosed copy of this letter.

Yours faithfully,

Lenders

LLOYDS TSB BANK PLC

By:

THE ROYAL BANK OF SCOTLAND PLC

By:

JPMORGAN CHASE BANK, N.A.

By:



BANCA NAZIONALE DEL LAVORO S.p.a, LONDON BRANCH

LENDERS

LLOYDS TSB BANK PLC

By: _____
Name:
Title:

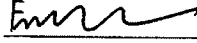

THE ROYAL BANK OF SCOTLAND PLC

By: _____
Name:
Title:

JP MORGAN CHASE BANK, N.A.

By: _____
Name:
Title:

**BANCA NAZIONALE DEL LAVORO S.p.a,
LONDON BRANCH**

By:  _____ 
Name: EMANUELE BIASICH PAOLO COLOMBRARO
Title: LEGAL DEPT. MANAGER HEAD OF CORPORATE

**BAYERISCHE HYPO- UND VEREINSBANK
AG, LONDON BRANCH**

By: _____
Name:
Title:

[Junior Facility Payoff Letter Signature Page]

LENDERS

LLOYDS TSB BANK PLC

By: _____
Name:
Title:

THE ROYAL BANK OF SCOTLAND PLC

By: _____
Name:
Title:

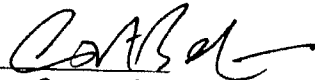
JP MORGAN CHASE BANK, N.A.

By: _____
Name:
Title:

**BANCA NAZIONALE DEL LAVORO S.p.a,
LONDON BRANCH**

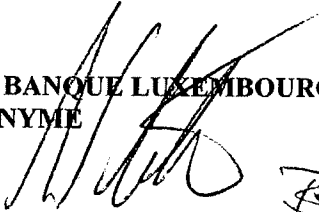
By: _____
Name:
Title:

**BAYERISCHE HYPO- UND VEREINSBANK
AG, LONDON BRANCH**

By: Ray Dans 
Name: RAY DANS GUY BEESTON
Title:

[Junior Facility Payoff Letter Signature Page]

**HVB BANQUE LUXEMBOURG SOCIÉTÉ
ANONYME**

By: 
Name: _____
Title: **Holger Möller**


Name: **Birgit Heincke**

**THE GOVERNOR AND COMPANY OF THE
BANK OF SCOTLAND**

By: _____
Name: _____
Title: _____

BARCLAYS BANK PLC

By: _____
Name: _____
Title: _____

BEAR STEARNS BANK PLC

By: _____
Name: _____
Title: _____

NEWSTART FACTORS, INC.

By: _____
Name: _____
Title: _____

[Junior Facility Payoff Letter Signature Page]

**HVB BANQUE LUXEMBOURG SOCIÉTÉ
ANONYME**

By: _____

Name:

Title:

**THE GOVERNOR AND COMPANY OF THE
BANK OF SCOTLAND**

By: R. Allan

Name: Ronnie Allan

Title: Director of Corporate Banking

BARCLAYS BANK PLC

By: _____

Name:

Title:

BEAR STEARNS BANK PLC

By: _____

Name:

Title:

NEWSTART FACTORS, INC.

By: _____

Name:

Title:

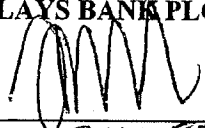
**HVB BANQUE LUXEMBOURG SOCIÉTÉ
ANONYME**

By: _____
Name:
Title:

**THE GOVERNOR AND COMPANY OF THE
BANK OF SCOTLAND**

By: _____
Name:
Title:

BARCLAYS BANK PLC

By:  _____
Name: D. MILLER
Title: DIRECTOR

BEAR STEARNS BANK PLC

By: _____
Name:
Title:

NEWSTART FACTORS, INC.

By: _____
Name:
Title:

**HVB BANQUE LUXEMBOURG SOCIÉTÉ
ANONYME**

By: _____
Name:
Title:

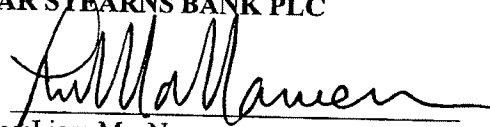
**THE GOVERNOR AND COMPANY OF THE
BANK OF SCOTLAND**

By: _____
Name:
Title:

BARCLAYS BANK PLC

By: _____
Name:
Title:

BEAR STEARNS BANK PLC

By: 
Name: Liam MacNamara
Title: Senior Managing Director

NEWTART FACTORS, INC.

By: _____
Name:
Title:

[Junior Facility Payoff Letter Signature Page]

**HVB BANQUE LUXEMBOURG SOCIÉTÉ
ANONYME**

By: _____
Name:
Title:

**THE GOVERNOR AND COMPANY OF THE
BANK OF SCOTLAND**

By: _____
Name:
Title:

BARCLAYS BANK PLC

By: _____
Name:
Title:

BEAR STEARNS BANK PLC

By: _____
Name:
Title:

NEWSTART FACTORS, INC.

By: _____
Name: *James D. Brown*
Title: *President*

[Junior Facility Payoff Letter Signature Page]

**QUADRANGLE MASTER FUNDING LTD (By
its advisor QUADRANGLE DEBT RECOVERY
ADVISORS LLC)**

By: _____
Name: Andrew Herenstein
Title: Member

BANC OF AMERICA SECURITIES LIMITED

By: _____
Name: _____
Title: _____

ISSUING BANK

**WACHOVIA BANK NATIONAL
ASSOCIATION**

By: _____
Name: _____
Title: _____

ANCILLARY FACILITY PROVIDER

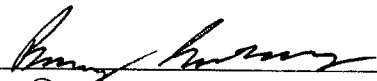
**WACHOVIA BANK NATIONAL
ASSOCIATION**

By: _____
Name: _____
Title: _____

**QUADRANGLE MASTER FUNDING LTD (By
its advisor QUADRANGLE DEBT RECOVERY
ADVISORS LLC)**

By: _____
Name:
Title:

BANC OF AMERICA SECURITIES LIMITED

By: 
Name: BARRY GREENBLATT
Title: Director

ISSUING BANK

**WACHOVIA BANK NATIONAL
ASSOCIATION**

By: _____
Name:
Title:

ANCILLARY FACILITY PROVIDER

**WACHOVIA BANK NATIONAL
ASSOCIATION**

By: _____
Name:
Title:

[Junior Facility Payoff Letter Signature Page]

Issuing Bank

WACHOVIA BANK NATIONAL ASSOCIATION

By: *Matthew A. Humes*

Ancillary Facility Provider

WACHOVIA BANK NATIONAL ASSOCIATION

By: *Matthew A. Humes*

Agent

THE ROYAL BANK OF SCOTLAND PLC

By:

We agree to the above.

.....
For and on behalf of
PEACH COUNTY HOLDINGS, INC.

.....
For and on behalf of
BLUE BIRD BODY COMPANY

.....
For and on behalf of
BLUE BIRD CORPORATION

.....
For and on behalf of
BLUE BIRD INVESTMENT CORPORATION

.....
For and on behalf of
HENLYS HOLDING CORP

AGENT

THE ROYAL BANK OF SCOTLAND PLC

By: N. Wright
Name: NEIL WRIGHT
Title: CORPORATE DIRECTOR

We agree to the above.

For and on behalf of
PEACH COUNTY HOLDINGS, INC.

For and on behalf of
BLUE BIRD BODY COMPANY

For and on behalf of
BLUE BIRD CORPORATION

For and on behalf of
BLUE BIRD INVESTMENT CORPORATION

For and on behalf of
HENLYS HOLDING CORP

[Junior Facility Payoff Letter Signature Page]

TRADEMARK
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AGENT

THE ROYAL BANK OF SCOTLAND PLC

By: _____
Name:
Title:

We agree to the above.



For and on behalf of
PEACH COUNTY HOLDINGS, INC.

For and on behalf of
BLUE BIRD BODY COMPANY

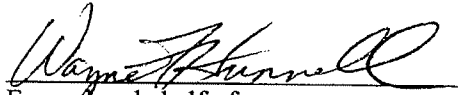
For and on behalf of
BLUE BIRD CORPORATION

For and on behalf of
BLUE BIRD INVESTMENT CORPORATION

For and on behalf of
HENLYS HOLDING CORP

[Junior Facility Payoff Letter Signature Page]

TRADEMARK
REEL: 004295 FRAME: 0571



For and on behalf of
HENLYS US INVESTMENTS INC.

[Junior Facility Payoff Letter Signature Page]

TRADEMARK
REEL: 004295 FRAME: 0572

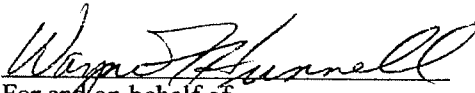
AGENT

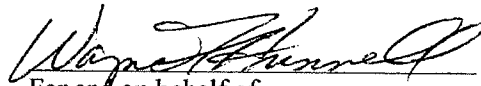
THE ROYAL BANK OF SCOTLAND PLC

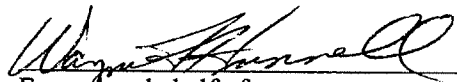
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Name:
Title:

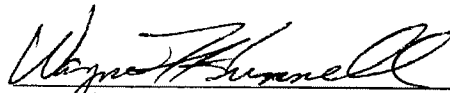
We agree to the above.

For and on behalf of
PEACH COUNTY HOLDINGS, INC.


For and on behalf of
BLUE BIRD BODY COMPANY


For and on behalf of
BLUE BIRD CORPORATION


For and on behalf of
BLUE BIRD INVESTMENT CORPORATION


For and on behalf of
HENLYS HOLDING CORP

SCHEDULE 3

TRADEMARKS

<i>Country</i>	<i>Trademark</i>	<i>Class (IC)</i>	<i>Status</i>	<i>Registration No.</i>	<i>Reg. Date</i>	<i>Application No.</i>
United States of America	Bird Design	12	Registered	1,047,625	07-Sep-1976	73/050,230
	Bird Design	12	Registered	1,273,440	10-Apr-1984	73/417,010
	BLUE BIRD	12	Registered	832,107	18-Jul-1967	72/243,081
	BLUE BIRD	12	Registered	732,400	05-Jun-1962	72/123,516
	BLUE BIRD and Design	12	Registered	1,292,132	28-Aug-1984	73/417,011
	BLUE BIRD and Bird Design	12	Pending			78/337636
	BLUE BIRD FINANCE ADVANTAGE and Design	36	Published			78/219,160
	BLUE BIRD LEASE ADVANTAGE and Design	36	Registered	2,766,284	23-Sep-2003	76/375,411
	BLUE BIRD LTC 40 LUXURY TOURING COACH and Design	12	Registered	2,257,613	29-June-1999	75/248,121
	BLUE BIRD and Design (oval)	12	Pending			78/241,682
	BLUE BIRD and Design (license plate)	12	Registered	742,910	01-Jan-1963	72/124,163
	BLUE BIRD VISION	12	Published			78/196,607
	BLUE BIRD WANDERLODGE and Design	12	Registered	1,278,875	22-May-1984	73/422,692
	WANDERLODGE	12	Registered	802,587	25-Jan-1966	72/215,381