

RECORDATION OF
TRADEMARKS

10-25-2000

DEPARTMENT OF COMMERCE
Patent and Trademark Office



101496614

or copy thereof.

Tab settings

To the Honorable Commissioner of Patents and Trademarks:

1. Name of conveying party(ies): 10-10-00

Shred-It Canada Corporation Inc.

- Individual(s)
- General Partnership
- Corporation-State Ontario, Canada
- Other

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

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Association
- Limited Partnership
- Merger
- Change of Name

Execution Date: August 31, 2000

2. Name and address of receiving party(ies)

Name: The Toronto-Dominion Bank

Internal Address: Toronto Dominion Centre Branch

Street Address: 55 King Street West

City: Toronto State: Ontario ZIP: M5K 1A2
Canada

- 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 patent number(s):

A. Trademark Application No.(s)

75/703890

B. Trademark Registration No.(s)

1890271

2084571

2329832

2379173

Additional numbers attached? Yes No

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

Name: Victoria A Gilbert

Internal Address: Sonnenschein Nath & Rosenthal

Street Address: 8000 Sears Tower

233 South Wacker Drive

City: Chicago State: IL ZIP: 60606

6. Total number of applications and registrations involved: 5

7. Total fee (37 CFR 3.41).....\$ 140.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

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.

Victoria A. Gilbert
Name of Person Signing

Victoria A. Gilbert
Signature

10/5/00
Date

Total number of pages including cover sheet, attachments, and document: 19

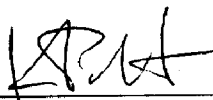
Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignments

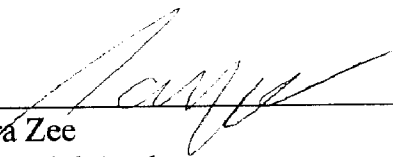
TRADEMARK
REEL: 002161 FRAME: 0147

DESIGNATION OF DOMESTIC REPRESENTATIVE

Sonnenschein Nath & Rosenthal and/or Victoria A. Gilbert, Esq., whose postal address is 8000 Sears Tower Chicago, Illinois 60606, is designated as Domestic Representative for The Toronto-Dominion Bank, for purposes of attending to recordal of this Trademark Security Agreement against each of the trademarks listed on Schedule A of the Trade Mark Security Agreement, dated as of August 31, 2000, between Shred-It Canada Corporation Inc. and The Toronto-Dominion Bank.

THE TORONTO-DOMINION BANK

By: 
Name: Karl Brecht
Title: Relationship Manager

By: 
Name: Sara Zee
Title: Financial Analyst

TRADE MARK SECURITY AGREEMENT

THIS AGREEMENT made as of the 31st day of August, 2000.

B E T W E E N:

SHRED-IT CANADA CORPORATION INC.

(the "Debtor")

- and -

THE TORONTO-DOMINION BANK

(the "Secured Party")

THE PARTIES AGREE AS FOLLOWS:

1. **Interpretation**

(1) In this Agreement,

- (a) "Charge" means any mortgage, hypothec, charge, lien, encumbrance or other security interest;
- (b) "Collateral" means all of the assets subject to the Security Interest;
- (c) "Obligations" means all indebtedness and liability which the Debtor has incurred or may incur or be under to the Secured Party, present or future, direct or indirect, absolute or contingent, matured or unmatured, whether arising from dealings between the Debtor and the Secured Party, or from any other dealings by which the Debtor may become in any manner liable to the Secured Party;
- (d) "Security Interest" means the mortgage, charge, hypothec, pledge and security interest granted to the Secured Party under Section 2 hereof; and
- (e) "Trade-Marks" means the trade-marks, distinguishing guises, trade names, trade styles, service marks, certification marks, prints and labels identified in

File#71106
Client#27678

Trade Mark Security Agreement
Execution Copy

TRADEMARK
REEL: 002161 FRAME: 0149

Schedule "A" and all similar, present or future marks, names, styles, prints or labels, any future trade-marks, and all applications, registrations and recordings thereof in Canada, the United States of America or elsewhere including every renewal, reissue or other extension of any registration or recording.

- (2) In this Agreement,
- (a) a word importing the masculine, feminine or neuter gender includes members of the other genders;
 - (b) a word defined in or importing the singular number has the same meaning when used in the plural number, and vice versa;
 - (c) a reference to any Act, by-law, rule or regulation or to a provision thereof shall be deemed to include a reference to any Act, by-law, rule or regulation or provision enacted in substitution therefor or amendment thereof; and
 - (d) the headings to each section are inserted for convenience of reference only and do not form part of the Agreement.

2. Grant of Security

- (1) As continuing collateral security for the performance of the Obligations, the Debtor hereby grants to the Secured Party a security interest in, and hereby mortgages, charges, hypothecates and pledges to and in favour of the Secured Party all of its present and future right, title and interest in and to:
- (a) all present and future Trade-Marks, including all goodwill of the business of the Debtor symbolized by each of the Trade-Marks and all rights of the Debtor as the owner of the Trade-Marks, including all rights to receive royalty, licence or other payments due to the Debtor from any licensed user or other user of any of the Trade-Marks and all rights and claims of action that may exist by reason of the Trade-Marks and the rights to oppose any application for a conflicting trade- mark;
 - (b) any present or future claim by, or right of action of, the Debtor against any person or persons with respect to the infringement of any of the Trade-Marks; and

- (c) all present or future proceeds of any of the foregoing.
- (2) It is the parties' intention that the security interest and mortgage, charge, hypothec and pledge provided for in subsection (1) shall attach to each item described in that subsection immediately upon the execution of this Agreement or upon the Debtor obtaining rights in the Collateral, whichever is the earlier.
- (3) For future and after acquired property, from time to time as requested by it, the Debtor hereby agrees to execute and deliver to the Secured Party a Trade-Mark Security Agreement substantially in the form of Schedule B hereto and each of those security interest agreements shall be subject to this Agreement and shall be deemed to incorporate the terms and conditions of this Agreement and the Debtor hereby authorizes the Secured Party to register any or all of such security interest agreements in such governmental registration offices as the Secured Party in its absolute discretion deems appropriate.

3. **Covenants and Warranties**

- (1) The Debtor covenants and agrees with the Secured Party that as long as this Agreement is outstanding, it shall:
 - (a) do all things and execute all documents (including all assignments, affidavits and other instruments in a form suitable for filing with the trade-mark offices in Canada, the United States of America and all other jurisdictions in which the Trade-Marks are issued or registered and recorded or filed) as may be requested by the Secured Party from time to time and at any time, in order to perfect or record the Secured Party's interest in any part of the Collateral;
 - (b) do all things and execute all documents and promptly pay all fees that may be necessary or expedient to maintain or renew or that the Secured Party may reasonably require in order to maintain or renew the registration or recording of the Trade-Marks, including but not limited to the payment of all maintenance fees;
 - (c) diligently prosecute and maintain all applications for Trade-Marks;
 - (d) take all necessary steps and initiate all necessary proceedings promptly and without prior demand by the Secured Party to defend the Trade-Marks from any compulsory license applications or from infringement by another person

or to prevent any licensed or other permitted user from doing anything that may invalidate or otherwise impair the Trade-Marks;

- (e) continue to use each of the Trade-Marks in each of the countries in which there are Trade-Marks on its current line of wares and services as reflected in its current catalogues, brochures and price lists in order to maintain the Trade-Marks in full force and free from any claim of abandonment for non-use, unless the Secured Party consents to the discontinuation of the use of that Trade-Mark in writing;
 - (f) register in the name of the Debtor all applications and registrations for Trade-Marks hereafter created or acquired by it and provide full particulars thereof to the Secured Party.
 - (g) not assign, sell, lease, license, sublicense or otherwise dispose of any of the Collateral, except with the prior written consent of the Secured Party;
 - (h) on the Security Interest becoming enforceable, deliver up quiet possession of the Collateral, free from encumbrances, to the Secured Party;
 - (i) properly mark all intellectual property assets in accordance with the appropriate legislation so as to protect the property rights therein and allow proper enforcement of such rights against infringing third parties; and
 - (j) maintain up to date records of all Collateral at its head office which may be examined at any time during normal business hours by a representative of the Secured Party.
- (2) The Debtor shall notify the Secured Party promptly of the details of any claims or litigation affecting the Debtor or the Collateral.
- (3) The Debtor expressly warrants that:
- (a) the Debtor has disclosed fully and identified clearly to the Secured Party all of the intellectual property owned or used by the Debtor in the conduct of its business;
 - (b) all registrations and recordings of the Trade-Marks are valid and subsisting and in full force and effect as of the date of this Agreement;

- (c) none of the Trade-Marks has lapsed, been expunged, impeached or otherwise removed from the applicable government list of such Trade-Marks, been abandoned or dedicated to the public, licensed or sublicensed to any person (other than in the ordinary course of the Debtor's franchise operations), nor to the best of the knowledge of the Debtor, has any Trade-Mark been infringed by any other person;
- (d) as of the date of this Agreement, the Debtor has no Trade-Marks registered or recorded in or subject to pending applications for registration or recording in Canada, the United States of America or elsewhere other than those described in Schedule A hereto;
- (e) the Debtor is not a party to any agreement under the terms of which the Debtor is prohibited or restricted from entering into any of the obligations assumed, liabilities imposed, or restrictions accepted by the Debtor under this Agreement;
- (f) except as permitted by the Lender in writing, no encumbrance exists on or over any of its Collateral nor are any of its Trade-Marks licensed or sublicensed to third parties (other than in conjunction with the franchise operations of the Debtor) or subject to any option or agreement of purchase or license; and
- (g) no litigation, arbitration or administrative proceeding is current or pending or so far as the Debtor is aware threatened, in respect of the Debtor that appears reasonably likely to have a materially adverse effect on the Debtor's rights with respect to the whole or any part of the Collateral.

4. **Default**

The Security Interest shall immediately become enforceable if the Debtor defaults in the payment or performance of any of the Obligations (subject to any applicable grace periods).

5. **Remedies**

- (1) Once the Security Interest has become enforceable pursuant to Section 4 hereof, the Secured Party may do any one or a combination of the following:
 - (a) seize any technical or other manuals or records of, or in the possession of, the Debtor that pertain directly or indirectly to the use and application of the

Collateral, including records of any technical or trade secrets knowledge which is necessary to the use of or enhances the utility of the Collateral;

- (b) sell or otherwise dispose of the whole or any part of the Collateral;
- (c) without limiting clause (b), grant a general, special or other licence on an exclusive or non-exclusive basis to any person throughout the world or any part of it and on such terms and on such conditions as the Secured Party may consider appropriate;
- (d) enforce against any licensee or other person all rights and remedies of the Debtor with respect to all or any part of the Collateral, and take or refrain from taking any action that the Debtor might take with respect to any of those rights and remedies, and for this purpose the Secured Party shall have the exclusive right to enforce or refrain from enforcing those rights and remedies, and may in the name of the Debtor and at its expense retain and instruct counsel and initiate any court or other proceeding that the Secured Party considers necessary or expedient;
- (e) take any steps necessary to preserve, maintain or ensure the whole or any part of the Collateral or to realize upon any of it or put it in vendible condition, and any amount paid as a result of taking any such steps shall be a cost the payment of which is secured by this Agreement;
- (f) collect and receive all royalties, rents, incomes and profits arising from the Collateral of any kind whatsoever payable to the Debtor, and in connection therewith the Secured Party may give to any person any notice of the existence of the Security Interest and the default of the Debtor that it may consider to be necessary or expedient for that purpose;
- (g) pay all taxes, liens, encumbrances and other charges ranking in priority to the Security Interest and any amount so paid shall be a cost secured by this Agreement;
- (h) generally, take or invoke any or all remedies and rights to which the Secured Party is entitled under the *Personal Property Security Act* (Ontario), or similar legislation from time to time in force in any jurisdiction where any of the Collateral may be situate;

- (i) by instrument in writing appoint any person or persons, whether an officer or officers or an employee or employees of the Secured Party or not, to be a receiver of any debt or right of payment comprising any part of the Collateral, and remove any receiver so appointed and appoint another in his place, and subject to the provisions of the instrument appointing a receiver, any receiver so appointed shall have the power to take possession of the Collateral and to sell or concur in selling all or any part of the Collateral on behalf of the Debtor; and
 - (j) on notice to the Debtor require the Debtor to discontinue its use of the Trade-Marks in which case the Debtor's rights to use the same shall terminate (except as may be necessary to give effect to the rights of the Secured Party under this Agreement, in which case those rights shall be deemed to be held in trust by the Debtor for the Secured Party, and the Debtor shall comply with all directions given by the Secured Party with respect thereto).
- (2) Except where otherwise expressly provided in this Agreement or by applicable law, where under any rule of law or equity the Debtor is entitled to a period of reasonable notice before,
- (a) a demand for payment made under this Agreement (whether by reason of default or otherwise) must be satisfied by the Debtor, or
 - (b) any remedy may be taken under this Agreement

that period of notice shall not in any event or under any circumstances exceed three (3) banking days, but this subsection shall not be construed as requiring a minimum of three (3) banking days notice where a lesser period of notice would otherwise be permissible by law and equity by reason of circumstances of the Debtor, the condition of the Collateral, or otherwise.

- (3) The fees and expenses of any receiver appointed under this Agreement shall form a Charge upon the Collateral together with all other property of the Debtor that may come into the custody or control of the receiver, ranking in priority to the Security Interest.

- (4) Any receiver appointed under this Agreement shall, so far as concerns responsibilities of his acts, be deemed the agent of the Debtor and the Secured Party shall not be in any way responsible for any misconduct for or negligence on the part of any such receiver.
- (5) The Secured Party may require any receiver to give security for the performance of his duties, but the Secured Party shall not be bound to require such security.
- (6) Except as may be otherwise directed by the Secured Party all moneys from time to time received by a receiver shall be held in trust for and paid over the Secured Party.
- (7) Except as expressly agreed between the Secured Party and the Debtor, the rights and power conferred by this Agreement are in supplement to, and not in substitution for, any rights or powers the Secured Party may from time to time have by law or under any other agreement.
- (8) The costs incurred in appointing a receiver and the fees and expenses of the receiver shall be payable by the Debtor as incurred.
- (9) The Debtor shall be entitled to be credited with the actual proceeds of any sale, lease or other disposition only when such proceeds are received by the Secured Party in cash or such other form of compensation as may be acceptable to the Secured Party in its sole discretion acting reasonably.

6. **Costs and Expenses**

The Debtor shall pay to the Secured Party forthwith upon demand all costs, charges and expenses (including legal fees and disbursements on a solicitor and his own client basis) of or incurred by the Secured Party or on its behalf in connection with preparation or execution of this Agreement or the person perfecting or recording its security against any part of the Collateral or any cost incurred by it or on its behalf in respect of the recovery of funds or enforcement of any of the Obligations, including all costs, charges and expenses in connection with taking possession, protecting, preserving, collecting and realizing upon any part of the Collateral, together with interest thereon at the rate set out in the Loan Agreement from the date of incurring such costs, charges and expenses to the date of payment.

7. **Effect of Taking Remedies**

Neither the taking of judgment nor the exercise of a power of seizure or sale shall:

- (a) extinguish the liability of the Debtor to pay any money or perform any other Obligation secured under this Agreement;
- (b) operate as a merger of any covenant or other obligation contained in this Agreement or under any loan or other credit facility agreement to which it relates; or
- (c) affect the right of the Secured Party to interest at the rate agreed between the parties or under any loan or other credit facility agreement to which it relates;

nor shall the acceptance of any payment or other security constitute or create any novation.

8. Indulgences and Releases.

The Secured Party may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as the Secured Party may see fit without prejudice to the Obligations or the right of the Secured Party to repossess, hold, collect and realize the Collateral.

9. No Liability for Failure to Exercise Remedies.

The Secured Party shall not be liable or accountable to the Debtor or to any other person for any failure to exercise any of the rights, powers and remedies set out in Section 5, and shall not be bound to commence, continue or defend proceedings for the purpose of preserving or protecting any rights of the Secured Party, the Debtor or any other party in respect of same.

10. Rights Cumulative.

All rights and remedies of the Secured Party set out in this Agreement shall be cumulative and no right or remedy contained herein as intended to be exclusive but each shall be in addition to every other right or remedy contained herein or in any existing or future security document or now or hereafter existing at law or in equity or by statute. The taking of a judgment or judgments with respect to any of the Obligations shall not operate as a merger of any of the covenants contained in this Agreement.

11. Further Assurance and Power of Attorney

- (1) The Debtor shall draw, execute and deliver at its own expense, all such instruments and documents, and do all such acts and things as the Secured Party may from time to time reasonably consider necessary or advisable for the purpose of carrying out the intent and provisions of this Agreement.
- (2) For the purposes of subsection (1), the Debtor hereby irrevocably constitutes the Secured Party as its attorney, with full power of substitution and delegation, to execute, deliver and register any document or instrument that the Secured Party may from time to time consider to be necessary or expedient in connection with this Agreement, the perfection or recording of the Security Interest or the enforcement of the Security Interest, including any instrument or agreement assigning the Trade-Marks and all applications for the registration of those assignments in a form suitable for filing, recording or registering in Canada, the United States of America or any other jurisdiction.
- (3) For the purpose of giving effect to this section, the Debtor coincidentally with the execution hereof shall execute and deliver 10 copies of the Power of Attorney set out in Schedule "C".
- (4) Each power of attorney created or provided for in this section shall be deemed to be a power coupled with an interest in the subject matter of the power.

12. Discharge

Upon discharge of all of the Obligations and cancellation of all commitments of the Secured Party to extend credit which is guaranteed by the Debtor, the Secured Party, at the request and expense of the Debtor, shall deliver to the Debtor any and all such documents of discharge, release and reconveyance as counsel for the Debtor may reasonably request evidencing the payment in full of the Obligations and the discharge, release and reconveyance to the Debtor of the Security Interest granted herein.

13. Manner of Giving Notice

All notices or other communications provided for herein shall be in writing and shall be personally delivered to an officer or other responsible employee of the addressee or sent by telefacsimile, charges prepaid, at or to the address or telefacsimile number of the party set opposite its name below or to such other address or addresses, telefacsimile number or numbers as either party may from time to time designate to the other party in such manner.

Any communication which is personally delivered as aforesaid shall be deemed to have been validly and effectively given on the date of such delivery if such date is a business day (being a day other than a Saturday, Sunday or statutory holiday in the Province of Ontario) and such delivery was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the business day next following such date of delivery. Any communication which is transmitted by telefacsimile shall be deemed to have been validly and effectively given on the date of transmission if such date is a business day and such transmission was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the business day next following such date of transmission.

In the case of the Debtor: Shred-It Canada Corporation Inc.
2794 South Sheridan Way
Oakville, Ontario L6J 7T4

Attention: Greg Brophy
Telefax: (905) 829-4179

In the case of the Secured Party: The Toronto-Dominion Bank
Toronto Dominion Centre Branch
55 King Street West
Toronto, Ontario M5K 1A2

Attention: Manager, Commercial Banking
Telefax: (416) 982-6076

14. **Amendments to be in Writing**

This Agreement shall not be deemed to be or construed as having been amended as a result of any oral communication between the parties or as a result of any practice of the parties, but all amendments to this Agreement shall be in writing and shall be signed by both parties, provided that any such agreement may be executed in counterpart form.

15. **Assignment**

- (1) The rights of the Debtor under this Agreement are personal to the Debtor and neither the benefits nor the obligations of the Debtor under this Agreement may be assigned.

- (2) All rights of the Secured Party under this Agreement shall enure to the benefit of its successors or assigns and all obligations of the Debtor shall bind the Debtor's successors and assigns.

16. **Governing Law**

- (1) This Agreement is subject to and shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- (2) Each of the parties consents to the non-exclusive jurisdiction of the courts of Ontario with respect to all disputes arising under this Agreement.

17. **Time of the Essence**

Time shall be of the essence in the performance of all obligations by all parties to this Agreement.

18. **English Language**

The parties hereby confirm that it is their wish that this Agreement as well as all other documents relating hereto, including notices, have been and shall be drawn up in English only. Les parties aux présentes confirment leur volonté que cette convention de même que tous les documents, y compris tous avis, s'y rattachant, soient rédigés en anglais seulement.

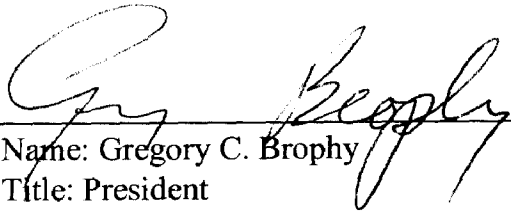
EXECUTED AND DELIVERED as of the date first above written.

SHRED-IT CANADA CORPORATION INC.

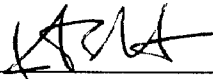
Per: _____

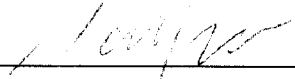
Name: Gregory C. Brophy

Title: President



THE TORONTO-DOMINION BANK

Per: 
Name: Karl Brecht
Title: Relationship Manager

Per: 
Name: Sara Zee
Title: Financial Analyst

Schedule "A"

List of Canadian Trade-Marks

Description of Trade-Mark	Registration/Filing Date	Registration/Application Number
SHRED-IT & Design	TMA 430632	July 22, 1994

List of United States Trade-Marks

Description of Trade-Mark	Registration/Filing Date	Registration/Application Number
SHRED-IT & Design	1890271	April 18, 1995
SHRED-CO	2084571	July 29, 1997
DONE RIGHT. ON SITE.	2329832	March 14, 2000
DOCUMENT DESTRUCTION. DONE RIGHT. ON SITE.	2379173	August 22, 2000
OUR BUSINESS IS TO ENSURE THAT NO ONE KNOWS YOURS	75703890	May 12, 2000

File#71106
Client#27678

Trade Mark Security Agreement
Execution Copy

Schedule "B"
Trade-Mark Security Agreement

To: The Toronto-Dominion Bank
Toronto Dominion Centre
55 King Street West
Toronto, Ontario M5K 1A2
(the "Secured Party")

From: Shred-It Canada Corporation Inc.
2794 South Sheridan Way
Oakville, Ontario L6J 7T4
(the "Debtor")

WHEREAS the Debtor owns the Trade-Marks and applications in Canada and the United States of America and elsewhere more particularly described in Schedule "A" of this agreement (the "Trade-Marks");

AND WHEREAS the Debtor has heretofore entered into a security agreement with the Secured Party (the "Security Agreement") dated August 31, 2000 in order to secure the prompt performance of certain indebtedness, liabilities and obligations therein specified (the "Obligations");

AND WHEREAS under the Security Agreement, the Debtor has granted to the Secured Party a security interest in and a mortgage, charge, hypothecation and pledge upon all of its right, title and interest in the Trade-Marks, together with renewals thereof, and all proceeds derived from the Trade-Marks, including, without limitation, royalties, licence fees, and all rights and claims of action that may exist by reason of the infringement of the Trade-Marks;

NOW THEREFORE, for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Debtor hereby grants to the Secured Party a security interest in and hereby mortgages, charges, hypothecates and pledges to the Secured Party and its successors and assigns, all right, title and interest in and to the Trade-Marks and the goodwill attached thereto and all renewals thereof whether existing or future, for all countries throughout the world, to secure the prompt performance of the Obligations.

THE DEBTOR acknowledges and affirms that the rights and remedies of the Secured Party with respect to the Trade-Marks are more fully set out in the Security Agreement, the terms and conditions of which are hereby incorporated into this agreement by reference as if fully set out in this agreement.

File#71106
Client#27678

Trade Mark Security Agreement
Execution Copy

TRADEMARK
REEL: 002161 FRAME: 0163

EXECUTED AND DELIVERED by the Debtor at the City of Toronto, in the Province of Ontario, Canada this _____ day of _____, _____.

SHRED-IT CANADA CORPORATION

Per: _____

Name: Gregory C. Brophy

Title: President

*File#71106
Client#27678*

*Trade Mark Security Agreement
Execution Copy*