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

Tab settings

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

1. Name of conveying party(ies): 2-15-02  
 NexCycle, Inc.  
 Williams' Square - East Tower  
 5221 North O'Connor Rd., Suite 850  
 Irving, TX 75039  
 Individual(s)  Association  
 General Partnership  Limited Partnership  
 Corporation-State  
 Other \_\_\_\_\_  
 Additional name(s) of conveying party(ies) attached?  Yes  No

2. Name and address of receiving party(ies)  
 Name: Parkway Capital Investors, LLC  
 Internal Attention: Christopher Pope  
 Address: 7301 Parkway Drive  
 Street Address: Same  
 City: Hanover State: MD Zip: 21076  
 Individual(s) citizenship \_\_\_\_\_  
 Association \_\_\_\_\_  
 General Partnership \_\_\_\_\_  
 Limited Partnership \_\_\_\_\_  
 Corporation-State \_\_\_\_\_  
 Other Limited Liability Company  
 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

3. Nature of conveyance:  
 Assignment  Merger  
 Security Agreement  Change of Name  
 Other \_\_\_\_\_  
 Execution Date: February 11, 2002

4. Application number(s) or registration number(s):  
 A. Trademark Application No.(s)  
 B. Trademark Registration No.(s)  
2,143,443  
~~2,181,175~~  
 Additional number(s) attached  Yes  No

6. Total number of applications and registrations involved: 2

5. Name and address of party to whom correspondence concerning document should be mailed:  
 Name: Patrick K. Cameron, Esq.  
 Internal Address: c/o Ober, Kaler, Grimes & Shriver  
120 East Baltimore Street  
8th Floor  
Baltimore, Maryland 21202  
 Street Address: Same as above  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

7. Total fee (37 CFR 3.41).....\$ 65.00  
 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.*  
Patrick K. Cameron, Esq. [Signature] 2/14/02  
 Name of Person Signing Signature Date  
 Total number of pages including cover sheet, attachments, and document: 32

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

02/21/2002 TBI/AZI 00000028 2143443  
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02 FC:482 25.00 OP



## TRADEMARK COLLATERAL SECURITY AND PLEDGE AGREEMENT

This TRADEMARK COLLATERAL SECURITY AND PLEDGE AGREEMENT (this "Agreement"), dated as of February 11th, 2002, is made by and between NEXCYCLE, INC. ("NexCycle"), a Delaware corporation, NU-PLAST INC. ("Nu-Plast"), a Delaware corporation, NEXCYCLE RESOURCES, INC. ("NexCycle Resources"), a Delaware corporation, NEXCYCLE SYSTEMS, INC. ("NexCycle Systems"), a Delaware corporation, NEXCYCLE RECOVERY, INC. ("NexCycle Recovery"), a Delaware corporation, CONTAIN-A-WAY, INC. ("Contain-A-Way"), a California corporation, 20/20 RECYCLE CENTERS, INC. ("20/20"), a California corporation and RETURNABLE SERVICES, INC. ("RSI"), a Maine corporation (each of NexCycle, Nu-Plast, NexCycle Resources, NexCycle Systems, NexCycle Recovery, Contain-A-Way, 20/20 and RSI being hereinafter referred to from time to time as an "Assignor" and collectively, as the "Assignors"), and PARKWAY CAPITAL INVESTORS, LLC, as collateral agent (in such capacity, the "Collateral Agent").

WHEREAS, NexCycle Investment Partners, L.P. ("NexCycle Investment") has entered into an Amended and Restated Stock Purchase Agreement dated as of January 7, 2002, with the selling shareholders named therein (collectively, the "Sellers" and individually a "Seller"), and NexCycle, pursuant to which NexCycle Investment has agreed to purchase from the Sellers, and the Sellers have agreed to sell to NexCycle Investment, 98.8% of the issued and outstanding capital stock of NexCycle; and

WHEREAS, the Assignors, along with their Canadian affiliates, have entered into that certain Loan and Security Agreement (as the same may be amended, modified, restated or otherwise supplemented from time to time, the "Loan Agreement") of even date herewith, with Transamerica Business Capital Corporation and Transamerica Commercial Finance Corporation, Canada (collectively, the "Senior Lenders"), pursuant to which the Senior Lenders have agreed to make available to said parties various loans and other financial accommodations, a portion of the proceeds of which will be used by NexCycle Investment to acquire from the Sellers their stockholdings in NexCycle; and

WHEREAS, contemporaneously therewith and pursuant and subject to the terms and conditions of that certain Senior Subordinated Note Purchase Agreement of even date herewith (as the same may from time to time be amended, supplemented or otherwise modified, the "Note Purchase Agreement"), by and between the Assignors and Parkway Capital Investors, LLC, individually as purchaser (the "Purchaser") and as Collateral Agent, the Assignors have agreed to sell to the Purchaser, and the Purchaser has agreed to purchase from the Assignors, \$7,000,000 of the Assignors' 15% Senior Subordinated Notes due December 31, 2008 (collectively, the "Notes"); and

WHEREAS, as inducement to the Purchaser to purchase said Notes, NexCycle has issued in favor of the Purchaser a warrant (the "Warrant") exercisable for up to 1,408,186 shares of common stock of NexCycle (corresponding to up to 7% of the total equity of NexCycle on a fully-diluted basis, excluding the issued and outstanding options). Pursuant to that certain Warrant Holders Rights Agreement of even date herewith (as the same may from time to time be

amended, restated, supplemented or otherwise modified, the "Warrantholders Rights Agreement") among NexCycle, the warrant holders (including the Purchaser) and the stockholders named therein, the Purchaser has the right, under certain circumstances, to demand certain registration rights, piggyback rights, tag-along rights and other rights with respect to such Warrant; and

WHEREAS, to secure their obligations to the Purchaser, the Assignors have agreed to pledge to the Collateral Agent, for the benefit of the Purchaser, its successors and assigns, and to grant to the Collateral Agent, a security interest in and lien on all of their assets, subordinate and junior only to the interests of Transamerica, as provided for in that certain Subordination Agreement of even date herewith (as the same may from time to time be amended, restated, supplemented or otherwise modified, the "Intercreditor Agreement") by and between Transamerica Business Capital Corporation, as agent for itself and Transamerica Commercial Finance Corporation, Canada (in such capacity, the "Agent") and the Collateral Agent; and

WHEREAS, it is a condition precedent to the Purchaser entering into the Note Purchase Agreement and purchasing the Notes that the Assignors execute and deliver to the Collateral Agent, for the benefit of the Purchaser, its successors and assigns, a trademark collateral security and pledge agreement in substantially the form hereof.

NOW, THEREFORE, in consideration of the premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

#### 1. DEFINITIONS.

Capitalized terms used herein without definition shall have the respective meanings provided therefor in the Note Purchase Agreement and the Security Agreement. In addition, the following terms shall have the meanings set forth in this Section 1 or elsewhere in this Agreement referred to below:

Assignment of Marks. See Section 2.1.

Associated Goodwill. All goodwill of each Assignor and its respective business, products and services appurtenant to, associated with or symbolized by the Trademarks and the use thereof.

Pledged Trademarks. All of an Assignor's right, title and interest in and to all of its Trademarks, Trademark Registrations, Trademark License Rights, Trademark Rights, the Associated Goodwill, the Related Assets, and all accessions to, substitutions for, replacements of, and all products and proceeds of any and all of the foregoing.

PTO. The United States Patent and Trademark Office.

Related Assets. All assets, rights and interests of an Assignor that uniquely reflect or embody the Associated Goodwill, including the following:

(a) all patents, inventions, copyrights, trade secrets, confidential information, formulae, methods or processes, compounds, recipes, know-how, methods and operating systems, drawings, descriptions, formulations, manufacturing and production and delivery procedures, quality control procedures, product and service specifications, catalogs, price lists, and advertising materials, relating to the manufacture, production, delivery, provision and sale of goods or services under or in association with any of the Trademarks; and

(b) the following documents and things in the possession or under the control of such Assignor, or subject to its demand for possession or control, related to the production, delivery, provision and sale by such Assignor, or any affiliate, franchisee, licensee or contractor, of products or services sold by or under the authority of such Assignor in connection with the Trademarks or Trademark Rights, whether prior to, on or subsequent to the date hereof:

(i) all lists, contracts, ancillary documents and other information that identify, describe or provide information with respect to any customers, dealers or distributors of such Assignor, its affiliates or franchisees or licensees or contractors, for products or services sold under or in connection with the Trademarks or Trademark Rights, including all lists and documents containing information regarding each customer's, dealer's or distributor's name and address, credit, payment, discount, delivery and other sale terms, and history, pattern and total of purchases by brand, product, style, size and quantity;

(ii) all agreements (including franchise agreements), product and service specification documents and operating, production and quality control manuals relating to or used in the design, manufacture, production, delivery, provision and sale of products or services under or in connection with the Trademarks or Trademark Rights;

(iii) all documents and agreements relating to the identity and locations of all sources of supply, all terms of purchase and delivery, for all materials, components, raw materials and other supplies and services used in the manufacture, production, provision, delivery and sale of products or services under or in connection with the Trademarks or Trademark Rights; and

(iv) all agreements and documents constituting or concerning the present or future, current or proposed advertising and promotion by such Assignor (or any of its affiliates, franchisees, licensees or contractors) of products or services sold under or in connection with the Trademarks or Trademark Rights.

Trademark License Rights. Any and all past, present or future rights and interests of an Assignor pursuant to any and all past, present and future franchising or licensing agreements in favor of such Assignor, or to which such Assignor is a party, pertaining to any Trademarks, Trademark Registrations, or Trademark Rights owned or used by third parties in the past, present or future, including the right (but not the obligation) in the name of such Assignor or the

Collateral Agent to enforce, and sue and recover for, any breach or violation of any such agreement to which such Assignor is a party.

Trademark Registrations. All past, present or future federal, state, local and foreign registrations of the Trademarks, all past, present and future applications for any such registrations (and any such registrations thereof upon approval of such applications), together with the right (but not the obligation) to apply for such registrations (and prosecute such applications) in the name of an Assignor or the Collateral Agent, and to take any and all actions necessary or appropriate to maintain such registrations in effect and renew and extend such registrations.

Trademark Rights. Any and all past, present or future rights in, to and associated with the Trademarks throughout the world, whether arising under federal law, state law, common law, foreign law or otherwise, including the following: all such rights arising out of or associated with the Trademark Registrations; the right (but not the obligation) to register claims under any state, federal or foreign trademark law or regulation; the right (but not the obligation) to sue or bring opposition or cancellation proceedings in the name of an Assignor or the Collateral Agent for any and all past, present and future infringements or dilution of or any other damages or injury to the Trademarks, the Trademark Rights, or the Associated Goodwill, and the rights to damages or profits due or accrued arising out of or in connection with any such past, present or future infringement, dilution, damage or injury; and the Trademark License Rights.

Trademarks. All of the trademarks, service marks, designs, logos, indicia, trade names, corporate names, company names, business names, fictitious business names, trade styles, elements of package or trade dress, and other source and product or service identifiers, used or associated with or appurtenant to the products, services and businesses of an Assignor, that (i) are set forth on Schedule A hereto, or (ii) have been adopted, acquired, owned, held or used by such Assignor or are now owned, held or used by such Assignor, in such Assignor's business, or with such Assignor's products and services, or in which such Assignor has any right, title or interest, or (iii) are in the future adopted, acquired, owned, held and used by such Assignor in such Assignor's business or with such Assignor's products and services, or in which such Assignor in the future acquires any right, title or interest.

Use. With respect to any Trademark, all uses of such Trademark by, for or in connection with the applicable Assignor or its business or for the direct or indirect benefit of the applicable Assignor or its business, including all such uses by such Assignor itself, by any of the affiliates of such Assignor, or by any franchisee, licensee or contractor of such Assignor.

## 2. GRANT OF SECURITY INTEREST.

2.1. Security Interest; Assignment of Marks. As collateral security for the payment and performance in full of the obligations owed to the Purchaser, its successors and assigns, under the Transaction Documents (collectively, the "Obligations"), each Assignor hereby unconditionally grants to the Collateral Agent, for the benefit of the Purchaser, its successors and assigns, a continuing security interest in and lien on such Assignor's Pledged Trademarks, and pledges and mortgages (but does not transfer title to) such Pledged Trademarks to the Collateral Agent for the benefit of the Purchaser, its successors and assigns. In addition, each Assignor has

executed in blank and delivered to the Collateral Agent an assignment of federally-registered trademarks in substantially the form of Exhibits 1 and 2, as the case may be, hereto (the "Assignment of Marks"). No Assignment of Marks shall be effective until fully executed by the Assignee in accordance with the provisions of Section 2.2 and the terms of Exhibits 1 through 2 as prescribed therein. Each Assignor hereby authorizes the Collateral Agent to complete as assignee and record with the PTO its Assignment of Marks upon the occurrence and during the continuance of an Event of Default and the proper exercise of the Collateral Agent's remedies under this Agreement and the Security Agreement.

2.2. Conditional Assignment. In addition to, and not by way of limitation of, the grant, pledge and mortgage of the Pledged Trademarks provided in Section 2.1, each Assignor grants, assigns, transfers, conveys and sets over to the Collateral Agent, for the benefit of the Purchaser, its successors and assigns, such Assignor's entire right, title and interest in and to the such Assignor's Pledged Trademarks; provided that such grant, assignment, transfer and conveyance shall be and become of force and effect only (i) upon or after the occurrence and during the continuance of an Event of Default, and (ii) in connection with the exercise by the Collateral Agent and/or the Purchaser of their respective remedies under the Security Agreement and the other Transaction Documents, and (iii) either (A) upon the written demand of the Collateral Agent at any time during such continuance or (B) immediately and automatically (without notice or action of any kind by the Collateral Agent) upon an Event of Default for which acceleration of the principal balances due under the Notes is automatic under the Note Purchase Agreement or upon the sale or other disposition of or foreclosure upon the Collateral pursuant to the Security Agreement and applicable law (including the transfer or other disposition of the Collateral by such Assignor to the Collateral Agent or its nominee in lieu of foreclosure).

2.3. Supplemental to Security Agreement. Pursuant to the Security Agreement, each Assignor has granted to the Collateral Agent, for the benefit of the Purchaser, its successors and assigns, a continuing security interest in and lien on the Collateral owned by it (including the Pledged Trademarks). The Security Agreement, and all rights and interests of the Collateral Agent in and to the Collateral (including the Pledged Trademarks) thereunder, are hereby ratified and confirmed in all respects. In no event shall this Agreement, the grant, assignment, transfer and conveyance of the Pledged Trademarks hereunder, or the recordation of this Agreement (or any document hereunder) with the PTO adversely affect or impair, in any way or to any extent, the Security Agreement, the security interest of the Collateral Agent in the Collateral (including the Pledged Trademarks) pursuant to this Agreement and the Security Agreement, the attachment and perfection of such security interest under the Uniform Commercial Code (including the security interest in the Pledged Marks), or any present or future rights and interests of the Collateral Agent in and to the Collateral under or in connection with the Security Agreement, this Agreement or the Uniform Commercial Code. Any and all rights and interests of the Collateral Agent in and to the Pledged Trademarks (and any and all obligations of an Assignor with respect to the Pledged Trademarks) provided herein, or arising hereunder or in connection herewith, shall only supplement and be cumulative and in addition to the rights and interests of the Collateral Agent (and the obligations of an Assignor) in, to or with respect to the Collateral (including the Pledged Trademarks) provided in or arising under or in connection with the Security Agreement, and shall not be in derogation thereof.

### 3. REPRESENTATIONS, WARRANTIES AND COVENANTS.

Each Assignor represents, warrants and covenants that: (i) Schedule A sets forth a true and complete list of all Trademarks and Trademark Registrations now owned, licensed, controlled or used by such Assignor; (ii) to the best of its knowledge, all Trademarks and Trademark Registrations listed on Schedule A are subsisting and have not been adjudged invalid or unenforceable, in whole or in part, and there is no litigation or proceeding pending concerning the validity or enforceability of such Trademarks or Trademark Registrations; (iii) to the best of its knowledge, each of the Trademarks and Trademark Registrations is valid and enforceable; (iv) to the best of its knowledge, there is no infringement by others of the Trademarks, Trademark Registrations or Trademark Rights; (v) to the best of its knowledge, no claim has been made that the use of any of such Assignor's Trademarks does or may violate the rights of any third person, and to the best of its knowledge, there is no infringement by it of the trademark rights of others; (vi) it is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to all such Assignor's Trademarks listed on Schedule A (other than ownership and other rights reserved by third party owners with respect to Trademarks that such Assignor is licensed to use), free and clear of any liens, charges, encumbrances and adverse claims, including pledges, assignments, licenses, registered user agreements and covenants by such Assignor not to sue third persons, other than the security interest and assignment created by the Security Agreement, this Agreement and the Intellectual Property Security Agreement; (vii) it has the unqualified right to enter into this Agreement and to perform its terms; (viii) it has used, and will continue to use, proper statutory and other appropriate proprietary notices in connection with its use of its Trademarks; (ix) it has used, and will continue to use for the duration of this Agreement, consistent standards of quality in its manufacture and provision of products and services sold or provided under its Trademarks; (x) this Agreement, together with the Security Agreement, will create in favor of the Collateral Agent a valid and perfected security interest in the Pledged Trademarks of such Assignor that are registered in the United States upon making the filings referred to in clause (xi) of this Section 3, subject and subordinate only to the interests of the Agent in such Collateral; and (xi) except for the filing of financing statements under the Uniform Commercial Code and the recording of this Agreement with the PTO, no authorization, approval or other action by, and no notice to or filing with, any governmental or regulatory authority, agency or office is required either (A) for the grant by such Assignor or the effectiveness of the security interest and assignment granted hereby or for the execution, delivery and performance of this Agreement by such Assignor, or (B) for the perfection of or the exercise by the Collateral Agent of any of its rights and remedies hereunder.

### 4. INSPECTION RIGHTS.

Each Assignor hereby grants to the Collateral Agent, the Purchaser and their respective members, officers, directors, employees and agents, the right to visit such Assignor's plants and facilities that manufacture, inspect or store products sold under any of its Trademarks, and to inspect, at their sole cost and expense (assuming no Event of Default shall have occurred and be continuing and if such Event of Default exists, at the sole cost and expense of such Assignor), the products and quality control records relating thereto at all such reasonable times and intervals as the Collateral Agent, the Purchaser and/or their designated representatives may reasonably request and upon reasonable notice.

## 5. NO TRANSFER OR INCONSISTENT AGREEMENTS.

Without the Collateral Agent's prior written consent and except for licenses of the Pledged Trademarks in the ordinary course of an Assignor's business consistent with its past practices, an Assignor will not (i) mortgage, pledge, assign, encumber, grant a security interest in, transfer, license or alienate any of the Pledged Trademarks, or (ii) enter into any agreement (for example, a license agreement) that is inconsistent with such Assignor's obligations under this Agreement or the Security Agreement.

## 6. AFTER-ACQUIRED TRADEMARKS, ETC.

6.1. After-acquired Trademarks. If, before the Obligations shall have been finally paid and satisfied in full, an Assignor shall obtain any right, title or interest in or to any other or new Trademarks, Trademark Registrations or Trademark Rights, the provisions of this Agreement shall automatically apply thereto and such Assignor shall promptly provide to the Collateral Agent notice thereof in writing and execute and deliver to the Collateral Agent such documents or instruments as the Collateral Agent may reasonably request further to implement, preserve or evidence the Collateral Agent's interest therein.

6.2. Amendment to Schedule. The Assignors authorize the Collateral Agent to modify this Agreement and the Assignment of Marks, without the necessity of their further approval or signature, by amending Exhibit A hereto and the Annex to the Assignment of Marks to include any future or other Trademarks, Trademark Registrations or Trademark Rights under Section 2 or Section 6.

## 7. TRADEMARK PROSECUTION.

7.1. Assignor Responsible. Each Assignor shall assume full and complete responsibility for the prosecution, defense, enforcement or any other necessary or desirable actions in connection with such Assignor's Pledged Trademarks, and shall hold the Collateral Agent, the Purchaser and their respective successors and assigns, harmless from any and all costs, damages, liabilities and reasonable and invoiced expenses which may be incurred by them in connection with the Collateral Agent's interest in such Pledged Trademarks or any other action or failure to act in connection with this Agreement or the transactions contemplated hereby; provided, however, that the Assignor shall not have any liability for costs, damages, liabilities and expenses resulting from the gross negligence or willful misconduct of the Collateral Agent. In respect of such responsibility, such Assignor shall retain trademark counsel reasonably acceptable to the Collateral Agent.

7.2. Assignor's Duties, etc. Each Assignor shall have the right and the duty, through trademark counsel reasonably acceptable to the Collateral Agent, to use commercially reasonable efforts to prosecute diligently any trademark registration applications of such Assignor's Trademarks pending as of the date of this Agreement or thereafter, to preserve and maintain all rights in such Assignor's Trademarks and Trademark Registrations, including the filing of appropriate renewal applications and other instruments to maintain in effect such Trademark Registrations and the payment when due of all registration renewal fees and other fees, taxes and other expenses that shall be incurred or that shall accrue with respect to any of such Trademarks



or Trademark Registrations. Any expenses incurred in connection with such applications and actions shall be borne by such Assignor. No Assignor will abandon any filed trademark registration application, or any Trademark Registration or Trademark without the prior written consent of the Collateral Agent, which consent shall not be unreasonably withheld; provided that an Assignor may abandon a filed trademark registration application or a Trademark Registration or Trademark without the prior written consent of the Collateral Agent if (and only if) such abandonment is, in the reasonable judgment of such Assignor, in the best interest of such Assignor and such abandonment will not have a material adverse effect on the business of such Assignor.

7.3. Assignor's Enforcement Rights. Each Assignor shall have the right and the duty to bring suit or other action in such Assignor's own name to maintain and enforce such Assignor's Trademarks, Trademark Registrations and its Trademark Rights. Such Assignor may require the Collateral Agent to join in such suit or action as necessary to assure such Assignor's ability to bring and maintain any such suit or action in any proper forum if (but only if) the Collateral Agent is completely satisfied that such joinder will not subject the Collateral Agent or any Purchaser to any risk of liability. Such Assignor shall promptly, upon demand, reimburse and indemnify the Collateral Agent for all reasonable and invoiced damages, costs and expenses, including legal fees, incurred by the Collateral Agent pursuant to this Section 7.3.

7.4. Protection of Trademarks, etc. In general, each Assignor shall take any and all such commercially reasonable actions (including institution and maintenance of suits, proceedings or actions) as may be necessary or appropriate to properly maintain, protect, preserve, care for and enforce such Assignor's Pledged Trademarks. No Assignor shall take or fail to take any action, or permit any commercially reasonable action to be taken or not taken by others under its control, that would adversely affect the validity, grant or enforcement of such Assignor's Pledged Trademarks except as otherwise permitted under Section 7.2.

7.5. Notification by Assignor. Promptly upon obtaining knowledge thereof, an Assignor will notify the Collateral Agent in writing of the institution of, or any final adverse determination in, any proceeding in the PTO or any similar office or agency of the United States or any other foreign country, or any court, regarding the validity of any of such Assignor's Trademarks or Trademark Registrations or such Assignors' rights, title or interests in and to such Assignor's Pledged Trademarks, and of any event that does or reasonably could be expected to materially adversely affect the value of any such Pledged Trademarks, the ability of such Assignor or the Collateral Agent to dispose of any such Pledged Trademarks or the rights and remedies of the Collateral Agent in relation thereto (including but not limited to the levy of any legal process against any such Pledged Trademarks).

## 8. REMEDIES.

Upon the occurrence and during the continuance of an Event of Default, the Collateral Agent shall have, in addition to all other rights and remedies given it by this Agreement (including, without limitation, those set forth in Section 2.2, the Note Purchase Agreement, the Security Agreement and the other Transaction Documents, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in the State of Maryland and, without limiting the generality of the foregoing, the Collateral Agent may

immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to the Assignors, all of which are hereby expressly waived, sell or license at public or private sale or otherwise realize upon the whole or from time to time any part of the Pledged Trademarks, or any interest that the Assignors may have therein, and after deducting from the proceeds of sale or other disposition of the Pledged Trademarks all reasonable and invoiced expenses incurred by the Collateral Agent in attempting to enforce this Agreement (including all reasonable and invoiced expenses for broker's fees and legal services), shall apply the residue of such proceeds toward the payment of the Obligations as set forth herein or by reference in the Security Agreement. Notice of any sale, license or other disposition of the Pledged Trademarks shall be given to the Assignors at least ten (10) days before the time that any intended public sale or other public disposition of the Pledged Trademarks is to be made or after which any private sale or other private disposition of the Pledged Trademarks may be made, which the Assignors hereby agree shall be reasonable notice of such public or private sale or other disposition. At any such sale or other disposition, the Collateral Agent may, to the extent permitted under applicable law, purchase or license the whole or any part of the Pledged Trademarks or interests therein sold, licensed or otherwise disposed of.

#### 9. COLLATERAL PROTECTION.

If any Assignor shall fail to do any act that it has covenanted to do hereunder, or if any representation or warranty of such Assignor shall be breached, the Collateral Agent, in its own name or that of such Assignor (in the sole discretion of the Collateral Agent), may (but shall not be obligated to) do such act or remedy such breach (or cause such act to be done or such breach to be remedied), and such Assignor agrees promptly to reimburse the Collateral Agent for any reasonable and invoiced cost or expense incurred by the Collateral Agent in so doing.

#### 10. POWER OF ATTORNEY.

If any Event of Default shall have occurred and be continuing, each Assignor does hereby make, constitute and appoint the Collateral Agent (and any member, officer or agent of the Collateral Agent as the Collateral Agent may select in its exclusive discretion) as its true and lawful attorney-in-fact, with full power of substitution and with the power to endorse such Assignor's name on all applications, documents, papers and instruments necessary for the Collateral Agent to use the Pledged Trademarks, or to grant or issue any exclusive or non-exclusive license of any of the Pledged Trademarks to any third person, or to take any and all actions necessary for the Collateral Agent to assign, pledge, convey or otherwise transfer title in or dispose of any of the Pledged Trademarks or any interest of such Assignor therein to any third person, and, in general, to execute and deliver any instruments or documents and do all other acts that such Assignor is obligated to execute and do hereunder. Each Assignor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof and releases the Collateral Agent, its members, officers and agents from any claims, liabilities, causes of action or demands arising out of or in connection with any action taken or omitted to be taken by the Collateral Agent under this power of attorney (except for the Collateral Agent's gross negligence or willful misconduct). This power of attorney is coupled with an interest and shall be irrevocable for the duration of this Agreement.

## 11. FURTHER ASSURANCES.

The Assignors shall, at any time and from time to time, and at their sole cost and expense, make, execute, acknowledge and deliver, and file and record as reasonably necessary or appropriate with governmental or regulatory authorities, agencies or offices, such agreements, assignments, documents and instruments, and do such other and further acts and things (including, without limitation, obtaining consents of third parties), as the Collateral Agent may reasonably request or as may be reasonably necessary or appropriate in order to implement and effect fully the intentions, purposes and provisions of this Agreement, or to assure and confirm to the Collateral Agent the grant, perfection and priority of the Collateral Agent's security interest in the Pledged Trademarks.

## 12. TERMINATION.

At such time as all of the Obligations have been finally paid and satisfied in full, this Agreement shall terminate and the Collateral Agent shall, upon the written request and at the expense of the Assignors, execute and deliver to the Assignors all deeds, assignments and other instruments as may be necessary or proper to reassign and reconvey to and re-vest in the Assignors the entire right, title and interest to the Pledged Trademarks previously granted, assigned, transferred and conveyed to the Collateral Agent by the Assignors pursuant to this Agreement, as fully as if this Agreement had not been made, subject to any disposition of all or any part thereof that may have been made by the Collateral Agent pursuant hereto or the Security Agreement.

## 13. COURSE OF DEALING.

No course of dealing among the Assignors, the Collateral Agent and the Purchaser, nor any failure to exercise, nor any delay in exercising, on the part of the Collateral Agent, any right, power or privilege hereunder or under the Security Agreement or any other agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

## 14. EXPENSES.

Any and all reasonable and invoiced fees, costs and expenses, of whatever kind or nature, including reasonable and invoiced attorneys' fees and expenses incurred by the Collateral Agent in connection with the preparation of this Agreement and all other documents relating hereto, the consummation of the transactions contemplated hereby or the enforcement hereof, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable and invoiced counsel fees, maintenance or renewal fees, encumbrances, or otherwise protecting, maintaining or preserving the Pledged Trademarks, or in defending or prosecuting any actions or proceedings arising out of or related to the Pledged Trademarks, shall be borne and paid by the Assignors.

## 15. OVERDUE AMOUNTS.

Until paid, all amounts due and payable by the Assignors hereunder shall be a debt secured by the Pledged Trademarks and the other Collateral and shall bear, whether before or after judgment, interest at the rate of interest for overdue principal set forth in the Note Purchase Agreement.

## 16. NO ASSUMPTION OF LIABILITY; INDEMNIFICATION.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, NEITHER THE COLLATERAL AGENT NOR THE PURCHASER ASSUMES ANY LIABILITIES OF ANY ASSIGNOR WITH RESPECT TO ANY CLAIM OR CLAIMS REGARDING SUCH ASSIGNOR'S OWNERSHIP OR PURPORTED OWNERSHIP OF, OR RIGHTS OR PURPORTED RIGHTS ARISING FROM, ANY OF THE PLEDGED TRADEMARKS OR ANY USE, LICENSE OR SUBLICENSE THEREOF, WHETHER ARISING OUT OF ANY PAST, CURRENT OR FUTURE EVENT, CIRCUMSTANCE, ACT OR OMISSION OR OTHERWISE. ALL OF SUCH LIABILITIES SHALL BE EXCLUSIVELY THE RESPONSIBILITY OF THE ASSIGNORS, AND THE ASSIGNORS SHALL INDEMNIFY THE COLLATERAL AGENT AND THE PURCHASER FOR ANY AND ALL REASONABLE AND INVOICED COSTS, EXPENSES, DAMAGES AND CLAIMS, INCLUDING REASONABLE AND INVOICED LEGAL FEES, INCURRED BY THE COLLATERAL AGENT OR THE PURCHASER WITH RESPECT TO SUCH LIABILITIES, BUT EXCLUDING ANY COSTS, EXPENSES, DAMAGES OR CLAIMS RESULTING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE COLLATERAL AGENT OR THE PURCHASER.

## 17. NOTICES.

All notices and other communications made or required to be given pursuant to this Agreement shall be in writing and shall be delivered in hand, mailed by United States registered or certified first-class mail, postage prepaid, or sent by telegraph, telecopy or telex and confirmed by delivery via courier or postal service, addressed as follows:

(a) if to the Assignors, c/o NexCycle, Inc. at Williams Square - East Tower, 5221 North O'Connor Road, Suite 850, Irving, Texas 75039, Attention: President, or at such other address for notice as each Assignor shall last have furnished in writing to the person giving the notice; and

(b) if to the Collateral Agent, at 7301 Parkway Drive, 5th Floor, Hanover, Maryland 21076, Attention: Christopher Pope, with a copy to Ober, Kaler, Grimes & Shriver, A Professional Corporation, at 120 E. Baltimore Street, 9th Floor, Baltimore, Maryland 21202, Attention: Patrick K. Cameron, Esq. or at such other address for notice as the Collateral Agent shall last have furnished in writing to the person giving the notice.

Any such notice or demand shall be deemed to have been duly given or made and to have become effective (i) if delivered by hand or overnight courier to a responsible officer of the party to which it is directed, at the time of the receipt thereof by such officer, (ii) if sent by registered or certified first-class mail, postage prepaid, on the third Business Day after the posting thereof,

and (iii) if sent by telegraph, telecopy, or telex, at the time of the dispatch thereof, if during normal business hours in the country of receipt, or otherwise at the opening of business on the following Business Day.

#### 18. AMENDMENT AND WAIVER.

This Agreement is subject to modification only by a writing signed by the Collateral Agent (with the consent of the Required Holders) and the Assignors, except as provided in Section 6.2. The Collateral Agent shall not be deemed to have waived any right hereunder unless such waiver shall be in writing and signed by the Collateral Agent and the Required Holders. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion.

#### 19. GOVERNING LAW; CONSENT TO JURISDICTION.

THIS AGREEMENT IS INTENDED TO TAKE EFFECT AS A SEALED INSTRUMENT AND SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF MARYLAND. The Assignors agree that any suit for the enforcement of this Agreement may be brought in the courts of the State of Maryland or any federal court sitting therein and consents to the non-exclusive jurisdiction of such court and to service of process in any such suit being made upon each Assignor by mail at the address specified in Section 17. The Assignors hereby waive any objection that they may now or hereafter have to the venue of any such suit or any such court or that such suit is brought in an inconvenient court.

#### 20. WAIVER OF JURY TRIAL.

EACH ASSIGNOR WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THE PERFORMANCE OF ANY SUCH RIGHTS OR OBLIGATIONS. Except as prohibited by law, each Assignor waives any right which it may have to claim or recover in any litigation referred to in the preceding sentence any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. Each Assignor (i) certifies that neither the Collateral Agent or the Purchaser nor any representative, agent or attorney of the Collateral Agent or the Purchaser has represented, expressly or otherwise, that the Collateral Agent or of the Purchaser would not, in the event of litigation, seek to enforce the foregoing waivers, and (ii) acknowledges that, in entering into the Note Purchase Agreement and the other Transaction Documents to which the Collateral Agent or the Purchaser is a party, the Collateral Agent and the Purchaser are relying upon, among other things, the waivers and certifications contained in this Section 20.

#### 21. MISCELLANEOUS.

The headings of each section of this Agreement are for convenience only and shall not define or limit the provisions thereof. This Agreement and all rights and obligations hereunder shall be binding upon the Assignors and their respective successors and assigns, and shall inure to the benefit of the Collateral Agent, the Purchaser and their respective successors and assigns.

In the event of any irreconcilable conflict between the provisions of this Agreement and the Note Purchase Agreement, or between this Agreement and the Security Agreement, the provisions of the Note Purchase Agreement or the Security Agreement, as the case may be, the provisions of this Agreement shall control. The provisions of Section 23 of the Security Agreement shall apply mutatis mutandis. If any term of this Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby, and this Agreement shall be construed and be enforceable as if such invalid, illegal or unenforceable term had not been included herein. Each Assignor acknowledges receipt of a copy of this Agreement.

(SIGNATURES ON NEXT PAGE)

IN WITNESS WHEREOF, this Trademark Collateral Security and Pledge Agreement has been executed, under seal, as of the day and year first above written.

WITNESS:

NEXCYCLE, INC.

Philip B. Bell

By: Kellie J Martin (SEAL)  
Name:  
Title:

NEXCYCLE, INC.

Philip B. Bell

By: Kellie J Martin (SEAL)  
Name:  
Title:

NU-PLAST INC.

Philip B. Bell

By: Kellie J Martin (SEAL)  
Name:  
Title:

NEXCYCLE RESOURCES, INC.

Philip B. Bell

By: Kellie J Martin (SEAL)  
Name:  
Title:

NEXCYCLE SYSTEMS, INC.

Philip B. Bell

By: Kellie J Martin (SEAL)  
Name:  
Title:

NEXCYCLE RECOVERY, INC.

Philip B. Bef

By: Kellie G Martin (SEAL)  
Name:  
Title:

CONTAIN-A-WAY, INC.

By: Kellie G Martin  
Name:  
Title:

20/20 RECYCLE CENTERS, INC.

Philip B. Bef

By: Kellie G Martin (SEAL)  
Name:  
Title:

RETURNABLE SERVICES, INC.

Philip B. Bef

By: Kellie G Martin (SEAL)  
Name:  
Title:

PARKWAY CAPITAL INVESTORS, LLC,  
as Collateral Agent

By: 5113 Capital Associates, LLC  
its Managing Member

\_\_\_\_\_

By: \_\_\_\_\_ (SEAL)  
Christopher Pope  
Principal



NEXCYCLE RECOVERY, INC.

By: \_\_\_\_\_ (SEAL)

Name:

Title:

CONTAIN-A-WAY, INC.

By: \_\_\_\_\_

Name:

Title:

20/20 RECYCLE CENTERS, INC.

By: \_\_\_\_\_ (SEAL)

Name:

Title:

RETURNABLE SERVICES, INC.

By: \_\_\_\_\_ (SEAL)

Name:

Title:

PARKWAY CAPITAL INVESTORS, LLC,  
as Collateral Agent

By: 5113 Capital Associates, LLC  
its Managing Member

By:  \_\_\_\_\_ (SEAL)

Christopher Pope  
Principal

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF TEXAS )  
 )  
COUNTY OF Dallas ) ss.

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this 11<sup>th</sup> day of February, 2002, personally appeared Kellie Martin to me known personally, and who, being by me duly sworn, deposes and says that she is the SECRETARY of NexCycle, Inc. and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said SECRETARY acknowledged said instrument to be the free act and deed of said corporation.

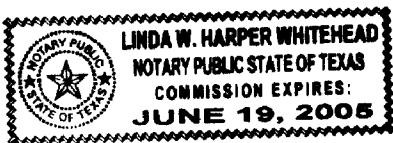


Linda Whitehead  
Notary Public

My commission expires: 06/19/05

STATE OF TEXAS )  
 )  
COUNTY OF Dallas ) ss.

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this 11<sup>th</sup> day of February, 2002, personally appeared Kellie Martin to me known personally, and who, being by me duly sworn, deposes and says that she is the SECRETARY of Nu-Plast Inc. and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said SECRETARY acknowledged said instrument to be the free act and deed of said corporation.

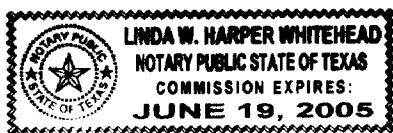


Linda Whitehead  
Notary Public

My commission expires: 06/19/05

STATE OF TEXAS )  
COUNTY OF Dallas ) ss.

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this 11th day of February, 2002, personally appeared Kellie Martin to me known personally, and who, being by me duly sworn, deposes and says that she is the SECRETARY of NexCycle Resources, Inc. and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said SECRETARY acknowledged said instrument to be the free act and deed of said corporation.

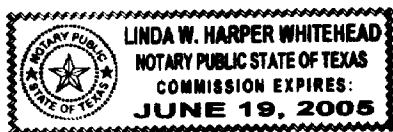


Linda Whitehead  
Notary Public

My commission expires: 6/19/05

STATE OF TEXAS )  
COUNTY OF Dallas ) ss.

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this 11<sup>th</sup> day of February, 2002, personally appeared Kellie Martin to me known personally, and who, being by me duly sworn, deposes and says that she is the SECRETARY of NexCycle Systems, Inc. and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said SECRETARY acknowledged said instrument to be the free act and deed of said corporation.



Linda Whitehead  
Notary Public

My commission expires: 06/19/05

STATE OF Texas )  
COUNTY OF Dallas ) ss.

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this \_\_\_ day of February, 2002, personally appeared Kellie Martin me known personally, and who, being by me duly sworn, deposes and says that he is the SECRETARY of NexCycle Recovery, Inc. and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said SECRETARY acknowledged said instrument to be the free act and deed of said corporation.

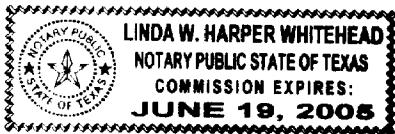


Linda Whitehead  
Notary Public

My commission expires: 06/19/05

STATE OF TEXAS )  
COUNTY OF Dallas ) ss.

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this 11th day of February, 2002, personally appeared Kellie Martin me known personally, and who, being by me duly sworn, deposes and says that she is the SECRETARY of Contain-A-Way, Inc., Inc. and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said SECRETARY acknowledged said instrument to be the free act and deed of said corporation.

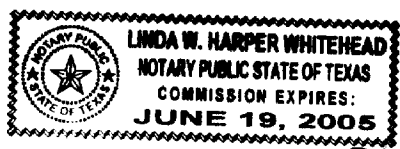


Linda Whitehead  
Notary Public

My commission expires: 06/19/05

STATE OF Texas )  
COUNTY OF Dallas ) ss.

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this \_\_\_ day of February, 2002, personally appeared Kellie Martin to me known personally, and who, being by me duly sworn, deposes and says that he is the SECRETARY of 20/20 Recycle Centers, Inc. and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said SECRETARY acknowledged said instrument to be the free act and deed of said corporation.

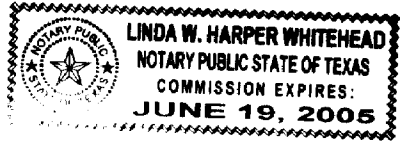


Linda W. Whitehead  
Notary Public

My commission expires: 06/19/05

STATE OF Texas )  
COUNTY OF Dallas ) ss.

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this 11th day of February, 2002, personally appeared Kellie Martin to me known personally, and who, being by me duly sworn, deposes and says that she is the SECRETARY of Returnable Services, Inc. and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said SECRETARY acknowledged said instrument to be the free act and deed of said corporation.

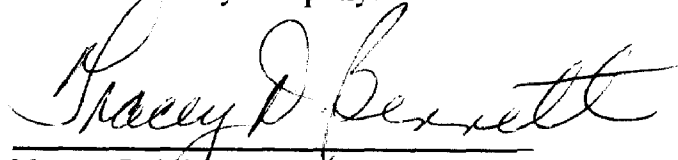


Linda W. Whitehead  
Notary Public

My commission expires: 06/19/05

STATE OF NEW YORK )  
 )  
COUNTY OF NEW YORK ) ss.

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this 11th day of February, 2002, personally appeared Christopher Pope to me known personally, and who, being by me duly sworn, deposes and says that he is the Managing Member of 5113 Capital Associates, LLC, the Managing Member of Parkway Capital Investors, LLC and that said instrument was signed and sealed on behalf of said limited liability company by authority granted to him by said limited liability company, and said individual acknowledged said instrument to be the free act and deed of said limited liability company.

  
\_\_\_\_\_  
Notary Public

My commission expires: 4/5/03

TRACEY D. BENNETT  
Notary Public, State of New York  
No. 01BE6022715  
Qualified in Queens County  
Commission Expires 4/5/2003

SCHEDULE A

U.S. TRADEMARKS OR SERVICE MARKS:

NEXCYCLE, INC.

<u>Trademark or Service Mark</u>	<u>Registrations – United States Patent and Trademark Office Registration No.</u>	<u>Registration Date</u>
NEXCYCLE in Class 40 for “recycling services”	2,143,443	3/20/98
NEXCYCLE in Class 37 for “collection of waste, including glass, plastic, metals, fiber and paper products, and used clothing, for recycling”	2,181,175	8/28/98

INTERNATIONAL TRADEMARKS OR SERVICE MARKS

NEXCYCLE, INC.

<u>Trademark or Service Mark</u>	<u>Country</u>	<u>Registration No.</u>
NEXCYCLE (covering “recycling services”)	Canada	TMA516125 (Registration Date: 9/09/99)

TRADE NAMES<sup>1</sup>:

The names under which the Borrowers are conducting business, or have conducted business within the *last five years* are as follows:

<b>Borrower</b>	<b>Name</b>	<b>Jurisdiction</b>
NexCycle, Inc.	NexCycle, Inc.	Texas
NexCycle Recovery, Inc.	NexCycle Recovery, Inc.	California, Maine
	Contain-A-Way, Inc.	California
	20/20 Recycle Centers, Inc.	California
	Returnable Services, Inc.	Maine
	Contain-A-Way Holdings, Inc.	California
	Bevcon Processors, Inc.	California
	Contain-A-Way Services, Inc.	California
	Maine Beverage Container Services	Maine
NexCycle Resources, Inc.	NexCycle Resources, Inc.	New York, Georgia (previously Texas)
NexCycle Plastics Inc.	NexCycle Plastics Inc.	Ontario
	NexCycle Plastics Ltd.	Ontario
	Polymont Plastics	Alberta
	Nu-Plast Polymers International	Ontario
	Polymont	Alberta
	Nu-Plast	Ontario
Nu-Plast Inc.	Nu-Plast Inc.	Ohio, California
NexCycle Industries Ltd.	NexCycle Industries Ltd.	Ontario

<sup>1</sup> These trade names are not formally registered with the U.S. Patent and Trademark Office.



EXHIBIT 1

ASSIGNMENT OF TRADEMARKS AND SERVICE MARKS

WHEREAS, NexCycle, Inc., a corporation organized and existing under the laws of the State of Delaware, having a place of business at Williams Square-East Tower, 5221 North O'Connor, Suite 850, Irving, Texas 75039-3756 (the "Assignor"), has adopted and used and is using the trademarks and service marks (the "Marks") identified on the Annex hereto, and is the owner of the registrations of and pending registration applications for such Marks in the United States Patent and Trademark Office identified on such Annex; and

WHEREAS, \_\_\_\_\_ a \_\_\_\_\_ organized and existing under the laws of the State of \_\_\_\_\_, having a place of business at \_\_\_\_\_ (the "Assignee"), is desirous of acquiring the Marks and the registrations thereof and registration applications therefor;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the Assignor does hereby assign, sell and transfer unto the Assignee all right, title and interest in and to the Marks, together with (i) the registrations of and registration applications for the Marks, (ii) the goodwill of the business symbolized by and associated with the Marks and the registrations thereof, and (iii) the right to sue and recover for, and the right to profits or damages due or accrued arising out of or in connection with, any and all past, present or future infringements or dilution of or damage or injury to the Marks or the registrations thereof or such associated goodwill.

This Assignment of Trademarks shall not be effective unless and until (i) the Assignee executes in writing this instrument by inserting its name in the second paragraph above, (ii) a duly authorized officer of the Assignee acknowledges acceptance of this Assignment below, and (iii) an Event of Default has occurred and is continuing and in connection therewith the exercise by the Collateral Agent and the Purchaser of their remedies under the Security Agreement and the other Transaction Documents and otherwise in accordance with the provisions of Section 2.2 of the Trademark Collateral Security and Pledge Agreement, dated as of February \_\_\_, 2002.



ANNEX TO EXHIBIT 1

NEXCYCLE, INC.

U.S. TRADEMARKS OR SERVICE MARKS

<u>Trademark or Service Mark</u>	<u>Registrations – United States Patent and Trademark Office Registration No.</u>	<u>Registration Date</u>
NEXCYCLE in Class 40 for “recycling services”	2,143,443	3/20/98
NEXCYCLE in Class 37 for “collection of waste, including glass, plastic, metals, fiber and paper products, and used clothing, for recycling”	2,181,175	8/28/98

INTERNATIONAL TRADEMARKS OR SERVICE MARKS

NEXCYCLE, INC.

<u>Trademark or Service Mark</u>	<u>Country</u>	<u>Registration No.</u>
NEXCYCLE (covering “recycling services”)	Canada	TMA516125 (Registration Date: 9/09/99)

TRADE NAMES<sup>2</sup>:

The names under which the Borrowers are conducting business, or have conducted business within the last five years are as follows:

<b>Borrower</b>	<b>Name</b>	<b>Jurisdiction</b>
NexCycle, Inc.	NexCycle, Inc.	Texas
NexCycle Recovery, Inc.	NexCycle Recovery, Inc.	California, Maine
	Contain-A-Way, Inc.	California
	20/20 Recycle Centers, Inc.	California
	Returnable Services, Inc.	Maine
	Contain-A-Way Holdings, Inc.	California
	Bevecon Processors, Inc.	California
	Contain-A-Way Services, Inc.	California
	Maine Beverage Container Services	Maine
NexCycle Resources, Inc.	NexCycle Resources, Inc.	New York, Georgia (previously Texas)
NexCycle Plastics Inc.	NexCycle Plastics Inc.	Ontario
	NexCycle Plastics Ltd.	Ontario
	Polymont Plastics	Alberta
	Nu-Plast Polymers International	Ontario
	Polymont	Alberta
	Nu-Plast	Ontario
Nu-Plast Inc.	Nu-Plast Inc.	Ohio, California
NexCycle Industries Ltd.	NexCycle Industries Ltd.	Ontario

<sup>2</sup> These trade names are not formally registered with the U.S. Patent and Trademark Office.

EXHIBIT 2

ASSIGNMENT OF TRADEMARKS AND SERVICE MARKS

WHEREAS, \_\_\_\_\_, a corporation organized and existing under the laws of the State of \_\_\_\_\_, having a place of business at \_\_\_\_\_ (the "Assignor"), has adopted and used and is using the trademarks and service marks (the "Marks") identified on the Annex hereto, and is the owner of the registrations of and pending registration applications for such Marks in the United States Patent and Trademark Office identified on such Annex; and

WHEREAS, \_\_\_\_\_, a \_\_\_\_\_ organized and existing under the laws of the State of \_\_\_\_\_, having a place of business at \_\_\_\_\_ (the "Assignee"), is desirous of acquiring the Marks and the registrations thereof and registration applications therefor;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the Assignor does hereby assign, sell and transfer unto the Assignee all right, title and interest in and to the Marks, together with (i) the registrations of and registration applications for the Marks, (ii) the goodwill of the business symbolized by and associated with the Marks and the registrations thereof, and (iii) the right to sue and recover for, and the right to profits or damages due or accrued arising out of or in connection with, any and all past, present or future infringements or dilution of or damage or injury to the Marks or the registrations thereof or such associated goodwill.

This Assignment of Trademarks shall not be effective unless and until (i) the Assignee executes in writing this instrument by inserting its name in the second paragraph above, (ii) a duly authorized officer of the Assignee acknowledges acceptance of this Assignment below, and (iii) an Event of Default has occurred and is continuing and in connection therewith the exercise by the Collateral Agent and the Purchaser of their remedies under the Security Agreement and the other Transaction Documents and otherwise in accordance with the provisions of Section 2.2 of the Trademark Collateral Security and Pledge Agreement, dated as of February \_\_, 2002.

IN WITNESS WHEREOF, the Assignor, by its duly authorized officer, has executed this assignment, as an instrument under seal, on this \_\_ day of \_\_\_\_\_, 200\_\_.

By: \_\_\_\_\_

Name:

Title:

The foregoing assignment of the Marks and the registrations thereof and registration applications therefor by the Assignor to the Assignee is hereby accepted as of the \_\_ day of \_\_\_\_\_, 200\_\_.

By: \_\_\_\_\_

Name:

Title:

STATE OF \_\_\_\_\_ )

) ss.

COUNTY OF \_\_\_\_\_ )

On this the \_\_ day of \_\_\_\_\_, 200\_\_, before me appeared \_\_\_\_\_, the person who signed this instrument, who acknowledged that (s)he is the \_\_\_\_\_ of \_\_\_\_\_ and that being duly authorized (s)he signed such instrument as a free act on behalf of \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_.

ANNEX TO EXHIBIT 2

**NEXCYCLE, INC.**

U.S. TRADEMARKS OR SERVICE MARKS

<u>Trademark or Service Mark</u>	<u>Registrations – United States Patent and Trademark Office Registration No.</u>	<u>Registration Date</u>
NEXCYCLE in Class 40 for “recycling services”	2,143,443	3/20/98
NEXCYCLE in Class 37 for “collection of waste, including glass, plastic, metals, fiber and paper products, and used clothing, for recycling”	2,181,175	8/28/98

INTERNATIONAL TRADEMARKS OR SERVICE MARKS:

<u>Trademark or Service Mark</u>	<u>Country</u>	<u>Registration No.</u>
NEXCYCLE (covering “recycling services”)	Canada	TMA516125 (Registration Date: 9/09/99)

TRADE NAMES<sup>3</sup>:

The names under which the Borrowers are conducting business, or have conducted business within the last five years are as follows:

<b>Borrower</b>	<b>Name</b>	<b>Jurisdiction</b>
NexCycle, Inc.	NexCycle, Inc.	Texas
NexCycle Recovery, Inc.	NexCycle Recovery, Inc.	California, Maine
	Contain-A-Way, Inc.	California
	20/20 Recycle Centers, Inc.	California
	Returnable Services, Inc.	Maine
	Contain-A-Way Holdings, Inc.	California
	Bevcon Processors, Inc.	California
	Contain-A-Way Services, Inc.	California
	Maine Beverage Container Services	Maine
NexCycle Resources, Inc.	NexCycle Resources, Inc.	New York, Georgia (previously Texas)
NexCycle Plastics Inc.	NexCycle Plastics Inc.	Ontario
	NexCycle Plastics Ltd.	Ontario
	Polymont Plastics	Alberta
	Nu-Plast Polymers International	Ontario
	Polymont	Alberta
	Nu-Plast	Ontario
Nu-Plast Inc.	Nu-Plast Inc.	Ohio, California
NexCycle Industries Ltd.	NexCycle Industries Ltd.	Ontario

<sup>3</sup> These trade names are not formally registered with the U.S. Patent and Trademark Office.