

MRD
6-15-98



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

<p>1. Name of conveying Party(ies):</p> <p>ALRC, Inc.</p> <p><input type="checkbox"/> Individual(s) <input type="checkbox"/> Association <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Corporation-State <input type="checkbox"/> Other _____</p> <p>Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>2. Name and address of receiving party(ies):</p> <p>Name: <u>CANADIAN IMPERIAL BANK OF COMMERCE, as SECURITY AGENT</u></p> <p>Internal Address: <u>7th FLOOR</u></p> <p>Street Address: <u>Commerce Court West</u></p> <p>City: <u>Toronto</u> State: <u>Ontario</u> ZIP: <u>M5L 1A2</u> Canada</p> <p><input type="checkbox"/> Individual(s) citizenship _____ <input type="checkbox"/> Association _____ <input type="checkbox"/> General Partnership _____ <input type="checkbox"/> Limited Partnership _____ <input type="checkbox"/> Corporation-State _____ <input checked="" type="checkbox"/> Other <u>Canadian Chartered Bank</u></p> <p>If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(Designations must be a separate document from Assignment) Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>3. Nature of conveyance:</p> <p><input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Other _____</p> <p>Execution Date: <u>March 16, 1998</u></p>	

<p>4. Application number(s) or registration number(s):</p> <p>A. Trademark Application No.(s) 75/057,152 75/101,455 75/101,456 75/319,395 75/319,394 75/319,396</p>	<p>B. Trademark Registration No.(s) 1,541,886 1,549,498 1,714,748 2,016,990</p>
<p>Additional numbers attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	

<p>5. Name and address of party to whom correspondence concerning document should be mailed:</p> <p>Name: <u>Janice Przystal</u></p> <p>Internal Address: _____</p> <p><u>Blake, Cassels & Graydon</u></p> <p>Street Address: <u>Box 25, Commerce Court West</u></p> <p>City: <u>Toronto</u> State: <u>Ontario</u> ZIP: <u>M5L 1A9</u></p>	<p>6. Total number of applications and registrations involved: 10</p> <p>7. Total fee (37 CFR 3.41):..... \$ <u>265.00</u></p> <p><input checked="" type="checkbox"/> Enclosed</p> <p><input type="checkbox"/> Authorized to be charged to deposit account</p> <p>8. Deposit account number: _____</p> <p>(Attach duplicate copy of this page if paying by deposit account)</p>
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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.

JANICE PRZYSTAL Janice Przystal June 12, 1998
Name of Person Signing Signature Date

Total number of pages comprising cover sheet: 1

DMB No. 0651-0011 (exp. 4/94)

Do not detach this portion

Mail documents to be recorded with required cover sheet information to:

Box ASSIGNMENTS
FEE
Assistant Commissioner for Trademarks
2900 Crystal Drive
Arlington, VA 22202-3513
U.S.A.

RECORDAZ.FOM

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01 FC:481 40.00 OP
02 FC:482 225.00 OP

**ANNEX D to
U.S. SECURITY AGREEMENT
FROM SUBSIDIARIES OF PHILIP SERVICES CORP.
LIST OF MARKS**

UNITED STATES

Name of Chargor	Trademark	Appln. No.	Regn. No.	Regn Date
Plasma Processing Corporation	PPC		1,905,997	Jul. 18/95
Plasma Processing Corporation	PCC & Design		1,915,498	Aug. 29/95
Plasma Processing Corporation	PLASMAL		1,999,706	Sept. 10/96
Fenwick Laboratories Limited	RCap		1,862,857	Nov. 15/94
Connell Limited Partnership (Luria)	CLIPRESS		1,442,758	Jun. 16/87
Cousins Waste Control Corporation	PINE SAP EMULSION	74/729,317		
Cousins Waste Control Corporation	COUSINS PINE SAP EMULSION PRODUCT		2,064,524	
Cousins Waste Control Corporation	COUSINS CHEM TARP		1,997,201	Aug. 27/96
Cousins Waste Control Corporation	CHEM TARP		1,997,202	Aug. 27/96
Cousins Waste Control Corporation	CUSCAN		1,616,968	Oct. 2/90
ALRC, Inc.	ALLWASTE		1,541,886	May 30/89
ALRC, Inc.	ALLWASTE & DESIGN		1,549,498	Jul. 25/89

Name of Chargor	Trademark	Appln. No.	Regn. No.	Regn Date
ALRC, Inc.	DEDICATED TO ENVIRONMENTAL EXCELLENCE		1,714,748	Sept. 8/92
ALRC, Inc.	ALLIES		2,016,990	Nov. 19/96
ALRC, Inc.	ALLTEQ	75/101,457		
ALRC, Inc.	ALLWASTE, INC.	75/057,152		
ALRC, Inc.	ALLQUEST	75/101,455		
ALRC, Inc.	INTELLIGENT PIPELINE	75/101,456		
ALRC, Inc.	HYDROCARBON SHEARING	75/319,395		
ALRC, Inc.	COSOURCING	75/319,394		
ALRC, Inc.	PROTEQ	75/319,396		
Philip ST, Inc.	FAST CLEAN		1,846,982	Jul. 26/94
Philip ST, Inc.	FAST DRAW		1,416,207	Nov. 4/86
Philip ST, Inc.	FAST DRAW & DESIGN		1,415,287	Oct. 28/86
Philip ST, Inc.	LIFE GUARD		1,883,110	Mar. 7/95
Philip ST, Inc.	WELDSMART		1,994,140	Aug. 13/96
Philip ST, Inc.	PERFORMANCE PRICING	74/680,500		
Philip ST, Inc.	FUELSMART		1,981,159	Jun. 18/96
Philip ST, Inc.	FUELSMART	74/704,948		
Chemisolv, Inc.	MASTIFF	75/034,635		
Chemisolv, Inc.	NUTRISOLV	75/034,537		
Rho-Chem Corporation	RHO-TRI		1,097,802	Aug. 1/78
Rho-Chem Corporation	RHO-TRON TPC		1,187,306	Jan. 26/82
Rho-Chem Corporation	RHO-CHEM		1,194,949	

Name of Chargor	Trademark	Appln. No.	Regn. No.	Regn Date
Rho-Chem Corporation	RHO-SOLV 703		1,196,575	Jun. 1/82
Rho-Chem Corporation	RHO-PERC		1,211,169	
Nortru, Inc.	EPOC		1,825,675	Mar. 8/94
(Licensed from) Zenon Environmental Inc.	ZENON		1,467,004	Dec. 1/87
(Licensed from) Zenon Environmental Inc.	ZENON Design		1,574,426	Jan. 2/90

CANADA

Name of Chargor	Trade-mark	Appln. No.	Regn. No.	Regn. Date
Plasma Processing Corporation	PPC		432,275	Aug. 26/94
Plasma Processing Corporation	PPC & DESIGN		445,915	Aug. 11/95
Connell Limited Partnership (Luria)	CLIPRESS		389,951	Nov. 8/91
Philip Industrial Services Group, Inc.	ALLWASTE & Design		379,195	Feb. 1/91
(Licensed from) Zenon Environmental Inc.	ZENON		293,134	Jul. 2/84
(Licensed from) Zenon Environmental Inc.	ZENON Logo		291,234	May 25/84

**ANNEX E to
U.S. SECURITY AGREEMENT
FROM SUBSIDIARIES OF PHILIP SERVICES CORP.**

LIST OF PATENTS AND APPLICATIONS

UNITED STATES

Name of Chargor	Patent	Appln. No.	Patent No.	Issue Date
Plasma Processing Corporation	Process For Recovery of Free Aluminum from Aluminum Dross or Aluminum Scrap using Plasma Energy		4,877,448	Oct. 31/89
Plasma Processing Corporation	Recovery of Free Aluminum from Aluminum Dross Using Plasma Energy Without Use of a Salt Flux		4,997,476	Mar. 5/91
Plasma Processing Corporation	Furnace-Plasma Arc Torch-Supervisory Control System For Recovery of Free Aluminum from Aluminum Dross		5,030,273	Jul. 9/91
Plasma Processing Corporation	Process For Recovery of Free Aluminum from Aluminum Dross or Aluminum Scrap Using Plasma Energy at High Enthalpy		5,203,908	Apr. 20/93
Plasma Processing Corporation	Process for Recovery of Free Aluminum from Aluminum Dross or Aluminum Scrap Using Plasma Energy With Oxygen Second Stage Treatment		5,308,375	May 3/94
Plasma Processing Corporation	Process for Recovery of Free Aluminum From Aluminum Dross or Aluminum Scrap Using Plasma Energy with Second Stage Treatment		5,447,548	Sept. 5/95

Name of Chargor	Patent	Appln. No.	Patent No.	Issue Date
Plasma Processing Corporation	Reactive Non-Metallic Product Recovered From Dross	07/902,025		
Plasma Processing Corporation	Process for Treatment of Reactive Fines	08/436,618		
Potters Industries, Inc. & Philip Metals (New York), Inc.	Method of Hazardous Waste Removal and Neutralization		5,022,897	Jun. 11/91
Connell Limited Partnership (Luria)	Process and Apparatus For Flattering Sheet Gauge Metal Scrap		4,739,641	Apr. 26/88
Nortru, Inc.	Composition for the Treatment of Overspray in Paint Spray Booths		5,200,104	Apr. 6/93
Nortru, Inc.	Composition for the Treatment of Overspray in Paint Spray Booths Containing Secondary Alcohol Esters and Surficants		5,198,143	Mar. 30/93
Nortru, Inc.	Process for Reclamation and Treatment of Paint Overspray Treatment Compositions		5,254,256	Oct. 19/93
Nortru, Inc.	Composition for the Treatment of Overspray in Paint Spray Booths Containing Secondary Alcohol Esters		5,397,496	Mar. 14/95
Nortru, Inc.	Improved Composition for the Paint Spray Treatment Using Secondary Alcohol Esters in Water	08/130,106		

Name of Chargor	Patent	Appln. No.	Patent No.	Issue Date
Nortru, Inc.	Method for Disposing of Hazardous Waste Material While Producing a Reusable By-Product		4,964,914	Oct. 23/90
Nortru, Inc.	Transportable Processing Unit Capable of Receiving Various Chemical Materials to Produce an Essentially Homogeneous Admixture Thereof		5,328,105	Jul 12/94
Nortru, Inc.	Method for Recovering a Volatile Organic Component of Solvent-in-Water Emulsion Derived from Paint Overspray Treatment and Capture Systems	08/648,589		
Nortru, Inc.	Method for Recovering A Volatile Organic Material Consisting Essentially of Carbonyl Compunds from Solvent-in-Water Emulsion Derived from Paint Overspray Treatment and Capture Systems	08/648,588		
Recra Environmental, Inc.	Computer System and Method for Waste Accounting, Reduction and Evaluation		5,532,928	Jul. 2/96
APLC, Inc.	Method For Removing Accumulated Ash From Precipitators		5,187,903	Feb. 23/93
APLC, Inc.	Encapsulation Method For The Containment of Waste and Salvageable Products		5,183,086	Feb. 2/93
APLC, Inc.	Vehicle For Cleaning Intermediate Bulk Containers		5,137,043	Aug. 11/92

Name of Chargor	Patent	Appln. No.	Patent No.	Issue Date
APLC, Inc.	Air Logic Controller and Metering Pump Unit For an Apparatus for Transferring, Pumping and Metering Liquid Chemicals		4,475,665	Oct. 9/84
APLC, Inc.	Method For Cleaning Intermediate Bulk Containers on a Mobile Vehicle		5,286,302	Feb. 15/94
APLC, Inc.	Liquid Filter System and Apparatus	08/280,365		
APLC, Inc.	Improved Truck Grounding System	(filed Apr.8/97)		
APLC, Inc.	System and Process for in Tank Treatment of Crude oil Sludges to Recover Hydrocarbons and Aid in Materials Separation	08/885,108		
(Licensed from) Envirocorp	Antifreeze Purification		5,474,684	
Philip ST, Inc.	Aerial Bundle Puller		4,869,638	Sept. 26/89
Philip ST, Inc.	Multi-Lance Tube Bundle Cleaner		4,856,545	Aug. 15/89
Philip ST, Inc.	Tank Cleaning, Water Washing Robot		4,817,653	Apr. 4/89
Philip ST, Inc.	Mobile Articlatable Tube Bundle Cleaner		4,805,653	Feb. 21/89
Philip ST, Inc.	Tube Bundle Pulling Apparatus		4,666,365	May 19/87
Philip ST, Inc.	Truck Mounted Tube Bundle Pulling Apparatus		4,575,305	Mar. 11/86

Name of Chargor	Patent	Appln. No.	Patent No.	Issue Date
Philip ST, Inc.	Apparatus and Method for Computerized Interactive Control, Measurement and Documentation of Arc Welding	476,780		
Philip ST, Inc.	Method for Removing Hazardous Gases from Enclosed Structures	584,619		
Philip ST, Inc.	Mobile Apparatus for Removing Hazardous Gases from Enclosed Structures	584,891		
Philip ST, Inc.	Method for Dispersion of Sludge and for Preparing a Circulator for Dispensing Sludge		5,542,984	Aug. 6/96
Philip ST, Inc.	Remotely Controlled Chopping Machine for Tank Cleaning		5,485,966	Jan. 23/96
Philip ST, Inc.	Apparatus for Dispension of Sludge in a Crude Oil Stoarage Tank		5,460,331	Oct. 24/95
Philip ST, Inc.	Method for Quick Turnaround of Hydrocarbon Processing Units		5,425,814	Jun. 20/95
Philip ST, Inc.	Street Legal, Mobile Truck Mounted Tube Bundle Pulling Apparatus		5,403,145	Apr. 4/95
Philip ST, Inc.	Decontamination of Hydrocarbon Process Equipment		5,389,156	Feb. 14/95
Philip ST, Inc.	Process for Vessel Decontamination		5,356,482	Oct. 12/94
Philip ST, Inc.	Vertical Tube Bundle Cleaner		5,261,600	Nov. 16/93

Name of Chargor	Patent	Appln. No.	Patent No.	Issue Date
Philip ST, Inc.	Method and Apparatus for In-Line Blending of Aqueous Emulsion		5,173,007	Dec. 22/92
Philip ST, Inc.	Method for Dispensing Sediment Contained in a Storage Tank		5,091,016	Feb. 25/92
Philip ST, Inc.	Aerial Bundle Puller		5,032,054	Jul. 16/91
Philip ST, Inc.	Hydrocarbon Reclaimer System		4,954,267	Sept. 4/90
Philip ST, Inc.	Liquid Circulator Useful for Dispensing Sediment Contained in a Storage Tank		4,945,933	Aug. 7/90
Burlington Environmental Inc.	Methods and Compositions for Removing Polychlorinated Biphenyls From a Contaminated Surface		5,122,194	Jun. 16/92
Burlington Environmental Inc.	Compositions for Removing Polychlorinated Biphenyls From a Contaminated Surface		5,269,968	Dec. 14/93
Chemisolv, Inc.	Improvements in or Relating to Deinking Paper	08/535,206		
Chemisolv, Inc.	Improvements in or Relating to Deinking Paper	08/548,543		

CANADA

Name of Chargor	Patent	Appln. No.	Patent No.	Issue Date
Plasma Processing Corporation	Process for Recovery of Free Aluminum from Aluminum Dress or Aluminum Scrap Using Plasma Energy		1,310,498	Nov. 24/92

Name of Chargor	Patent	Appln. No.	Patent No.	Issue Date
Plasma Processing Corporation	Recovery of Free Aluminum from Aluminum Dross Using Plasma Energy Without Use of a Salt Flux	614,998		
Plasma Processing Corporation	Furnace-Plasma Arc Torch-Supervisory Control System For Recovery of Free Aluminum from Aluminum Dross	614,997		
Plasma Processing Corporation	Process For Recovery of Free Aluminum from Aluminum Dross or Aluminum Scrap Using Plasma Energy at High Enthalpy	2,090,575		
Plasma Processing Corporation	Process For Recovery of Free Aluminum from Aluminum Dross or Aluminum Scrap Using Plasma Energy With Oxygen Second Stage Treatment	2,098,695		
Plasma Processing Corporation	Reactive Non-Metallic Product Recovered From Dross	2,098,776		
Plasma Processing Corporation	Process for Treatment of Reactive Fines	2,175,624		
Connell Limited Partnership (Luria)	Process and Apparatus For Flattening Sheet Gauge Metal Scrap		1,274,415	Sept. 25/90
Nortru, Inc.	Transportable Processing Unit	2,072,333		
Nortru, Inc.	Composition for the Treatment of Overspray in Paint Spray Booths	2,082,377		

Name of Chargor	Patent	Appln. No.	Patent No.	Issue Date
Recra Environmental, Inc.	Computer System and Method for Waste Accounting, Reduction and Evaluation	2,143,906		
Allwaste Tank Cleaning, Inc.	Vehicle For Cleaning Intermediate Bulk Containers	2,061,961		

U.S. SECURITY AGREEMENT

FROM SUBSIDIARIES OF PHILIP SERVICES CORP.

THIS SECURITY AGREEMENT is made as of March 16, 1998 by each of the Chargors (this term and other capitalized terms used in this Agreement having the respective meanings specified in Article IX) in favour of **CANADIAN IMPERIAL BANK OF COMMERCE**, as Security Agent.

- A. One of the conditions to the lenders under the Existing Credit Agreement consenting to a request by Philip to exclude certain charges from the calculation of net income under the Existing Credit Agreement for certain financial covenant purposes under such agreement was that Philip and its Subsidiaries provide security to the Security Agent for the benefit of the Secured Party Beneficiaries.
- B. Each of the Chargors has guaranteed certain obligations and liabilities of Philip and Philip U.S. to the Secured Party Beneficiaries.
- C. In order to induce the Secured Party Beneficiaries to make or to continue to make certain financial accommodation to Philip and Philip U.S., the Chargors are willing to execute and deliver this Agreement.
- D. Each Chargor will obtain benefits from financial accommodation being made, or continuing to be made, to Philip and Philip U.S. by the Secured Party Beneficiaries and, accordingly, each Chargor desires to execute this Agreement to satisfy the condition described in the preceding paragraph.

NOW, THEREFORE, in consideration of the benefits accruing to each Chargor, the receipt and sufficiency of which are hereby acknowledged, each Chargor hereby makes the following representations and warranties to the Security Agent and hereby covenants and agrees with the Security Agent.

ARTICLE I

SECURITY INTERESTS

1.1. Grant of Security Interests. (a) As security for the prompt and complete payment and performance when due of all of the Liabilities of such Chargor

(including the payment of any such Liabilities that would become due but for any automatic stay under the provisions of the Bankruptcy and Insolvency Act (Canada), the United States Bankruptcy Code or any analogous provisions of any other applicable law in Canada, the United States of America or any other jurisdiction), each Chargor does hereby assign and transfer unto the Security Agent, and does hereby pledge and grant to the Security Agent a continuing security interest of first priority in, all of the right, title and interest of such Chargor in, to and under all of the following, whether now existing or hereafter from time to time acquired: (i) each and every Receivable, (ii) all Contracts, together with all Contract Rights arising thereunder, (iii) all Inventory, (iv) all Equipment including, without limitation, all Vehicles (and the certificates of title and all registrations relating thereto), (v) all Marks, together with the registrations and right to all renewals thereof, and the goodwill of the business of such Chargor symbolized by the Marks, (vi) all Patents, (vii) all Copyrights, (viii) all computer programs of such Chargor and all intellectual property rights therein and all Proprietary Information and Trade Secrets of such Chargor, (ix) all other Goods, General Intangibles, Chattel Paper, Documents, Investment Property and Instruments, and (x) all Proceeds and products of any and all of the foregoing (all of the above, collectively, the "Collateral").

(b) The security interest of the Security Agent under this Agreement extends to all Collateral of the kind which is the subject of this Agreement which any Chargor may acquire at any time during the continuation of this Agreement.

1.2. Power of Attorney. Each Chargor hereby constitutes and appoints the Security Agent its true and lawful attorney, irrevocably, with full power after the occurrence of and during the continuance of a Default (in the name of such Chargor or otherwise) to act, require, demand, receive, compound and give acquittance for any and all monies and claims for monies due or to become due to such Chargor under or arising out of the Collateral, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Security Agent may deem to be necessary or advisable to protect the interests of the Secured Party Beneficiaries, which appointment as attorney is coupled with an interest.

ARTICLE II

GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS

Each Chargor represents, warrants and covenants, which representations, warranties and covenants shall survive execution and delivery of this Agreement, as follows:

2.1. Necessary Filings. (a) All filings, registrations and recordings necessary or appropriate to create, preserve and perfect the security interest granted by such Chargor to the Security Agent hereby in respect of the Collateral have been (or within 10 days after the date hereof will be) accomplished and the security interest granted to the Security Agent pursuant to this Agreement in and to the Collateral constitutes a perfected security interest therein prior to the rights of all other Persons therein and subject to no other Liens (other than as expressly permitted under the Security Agency Agreement) and is entitled to all the rights, priorities and benefits afforded by the Uniform Commercial Code or other relevant law as enacted in any relevant jurisdiction to perfected security interests, in each case to the extent that the Collateral consists of the type of property in which a security interest may be perfected by filing a financial statement under the Uniform Commercial Code as enacted in the relevant jurisdiction or in the United States Patent and Trademark Office or United States Copyright Office.

(b) (i) All certificates of title evidencing such Chargor's ownership of the Vehicles of such Chargor have been duly endorsed in favor of, and delivered to, the Security Agent and (ii) all other filings, registrations or recordings necessary or appropriate, to create, preserve, protect and perfect the security interest granted by such Chargor to the Security Agent hereby in respect of the Vehicles have been accomplished, except, in the case of both clauses (i) and (ii), to the extent arrangements have been made to make such endorsements and deliveries, filings, registrations and recordings which arrangements are satisfactory to the Security Agent in its sole discretion and, upon the completion of such endorsements and deliveries, filings, registrations and recordings, the security interest granted to the Security Agent pursuant to this Agreement in and to the Vehicles of such Chargor will constitute a first priority perfected security interest therein superior and prior to the rights of all other Persons therein and subject to no other Liens and is entitled to all the rights, priorities and benefits afforded by the Uniform Commercial Code or other relevant law as enacted in any relevant jurisdiction to perfected security interests. Notwithstanding the foregoing, such Chargor shall only be required to deliver to the Security Agent copies of such endorsed certificates of title, provided that upon the occurrence and during the continuance of a Default relative to such Chargor and at the request of the Security Agent, such Chargor shall promptly deliver to the Security Agent the originals of all such endorsed certificates of title.

2.2. No Liens. Such Chargor is, and as to Collateral acquired by it from time to time after the date hereof such Chargor will be, the owner of all Collateral pledged by it hereunder free from any Lien, security interest, encumbrance or other right, title or interest of any Person (other than as expressly permitted under the Security Agency Agreement), and such Chargor shall defend the Collateral against all claims and demands of all Persons at any time claiming the same or any interest therein (other than in connection with Liens as expressly permitted under the Security Agency Agreement) adverse to the Security Agent.

2.3. Other Financing Statements. As of the date hereof, there is no financing statement (or similar statement or instrument of registration under the law of any jurisdiction) covering or purporting to cover any interest of any kind in the Collateral (other than financing statements filed in respect of Liens as expressly permitted under the Security Agreement), and such Chargor will not execute or authorize to be filed in any public office any financing statement (or similar statement or instrument of registration under the law of any jurisdiction) or statements relating to the Collateral, except financing statements filed or to be filed in respect of and covering the security interests granted hereby by such Chargor or in connection with Permitted Liens.

2.4. Chief Executive Office; Records. As of the date hereof, the chief executive office of such Chargor is located at the address indicated on Annex A hereto for such Chargor. Such Chargor will not move its chief executive office except to such new location as such Chargor may establish in accordance with the last sentence of this Section 2.4. A complete set of books of account and records of such Chargor relating to the Receivables and the Contract Rights are, and will continue to be, kept at such chief executive office, at one or more of the other record locations set forth on Annex A hereto for such Chargor or at such new locations as such Chargor may establish in accordance with the last sentence of this Section 2.4. All Receivables and Contract Rights of such Chargor are, and will continue to be, maintained at, and controlled and directed (including, without limitation, for general accounting purposes) from, the office locations described above or such new location established in accordance with the last sentence of this Section 2.4. No Chargor shall establish new locations for such offices until (i) it shall have given to the Security Agent not less than 30 days' prior written notice of its intention to do so, clearly describing such new location and providing such other information in connection therewith as the Security Agent may reasonably request and (ii) with respect to such new location, it shall have taken all action, reasonably satisfactory to the Security Agent, to maintain the security interest of the Security Agent in the Collateral intended to be granted hereby at all times fully perfected and in full force and effect.

2.5. Location of Inventory and Equipment. All Inventory and Equipment held on the date hereof by each Chargor is located at one of the locations shown on Annex B hereto for such Chargor. Each Chargor agrees that all Inventory and Equipment now held or subsequently acquired by it shall be kept at (or shall be in transport to) any one of the locations shown on Annex B hereto, or such new location as such Chargor may establish in accordance with the last sentence of this Section 2.5. Any Chargor may establish a new location for Inventory and Equipment only if (i) it shall have given to the Security Agent not less than 30 days' prior written notice of its intention so to do, clearly describing such new location and providing such other information in connection therewith as the Security Agent may reasonably request and (ii) with respect to such new location, it shall have taken all action reasonably satisfactory to the Security Agent to maintain the security interest of the

Security Agent in the Collateral intended to be granted hereby at all times fully perfected and in full force and effect.

2.6. Recourse. This Agreement is made with full recourse to each Chargor and pursuant to and upon all the warranties, representations, covenants and agreements on the part of such Chargor contained herein and otherwise in writing in connection herewith.

2.7. Trade Names; Change of Name. As of the date hereof, no Chargor has or operates in any jurisdiction under, or in the preceding 12 months has had or has operated in any jurisdiction under, any trade names, fictitious names or other names except its legal name and such other trade or fictitious names as are listed on Annex C hereto for such Chargor. No Chargor shall change its legal name or assume or operate in any jurisdiction under any trade, fictitious or other name except those names listed on Annex C hereto for such Chargor and new names established in accordance with the last sentence of this Section 2.7. No Chargor shall assume or operate in any jurisdiction under any new trade, fictitious or other name until (i) it shall have given to the Security Agent not less than 30 days' prior written notice of its intention so to do, clearly describing such new name and the jurisdictions in which such new name shall be used and providing such other information in connection therewith as the Security Agent may reasonably request and (ii) with respect to such new name, it shall have taken all action reasonably requested by the Security Agent, to maintain the security interest of the Security Agent in the Collateral intended to be granted hereby at all times fully perfected and in full force and effect.

2.8. Location of Vehicles. All Vehicles owned on the date hereof by any Chargor are of the type and quantity, bear the vehicle identification numbers and are registered in the jurisdictions advised to the Security Agent (the "Vehicles"). Each Chargor agrees that not more than sixty (60) days after acquiring any vehicle subsequent to the date hereof, it shall (i) give the Security Agent written notice of such acquisition and provide the type(s), quantity, certificate of title number(s) and jurisdiction(s) of registration of each such Vehicle and provide such other information in connection therewith as the Security Agent may reasonably request and (ii) with respect to each subsequently acquired Vehicle, take all action reasonably satisfactory to the Security Agent to create, preserve, protect and perfect the security interest of the Collateral Agent in such Vehicle intended to be granted hereby. Each Chargor further agrees that it shall (i) not remove any Vehicle now owned or hereafter acquired from (x) with respect to Vehicles held on the date hereof, the jurisdiction in which it is registered on the date hereof or (y) with respect to Vehicles acquired after the date hereof, the jurisdiction in which such Vehicle is registered at the time of this acquisition, if the removal of such Vehicle from such jurisdiction would require the Security Agent to take any action whatsoever with respect to such Vehicle in order to maintain the security interest of the Security Agent in the Vehicle so removed at all times fully perfected and in full force and effect, unless such Chargor shall have given not less than 30 days' prior written notice to

the Security Agent of the requirement to take any such action and (ii) take all action reasonably satisfactory to the Security Agent to maintain the security interest of the Security Agent in the Vehicle so removed at all times fully perfected and in full force and effect.

ARTICLE III

SPECIAL PROVISIONS CONCERNING RECEIVABLES; CONTRACT RIGHTS; INSTRUMENTS

3.1. Additional Representations and Warranties. As of the time when each of its Receivables arises, each Chargor shall be deemed to have represented and warranted that such Receivable, and all records, papers and documents relating thereto (if any) are what they purport to be and that all papers and documents (if any) relating thereto (i) will represent the genuine, legal, valid and binding obligation of the account debtor evidencing indebtedness unpaid and owed by the respective account debtor arising out of the performance of labor or services or the sale or lease and delivery of the merchandise listed therein, or both, (ii) will be the only original writings evidencing and embodying such obligation of the account debtor named therein (other than copies created for general accounting purposes), (iii) will evidence true and valid obligations of the account debtor, enforceable in accordance with their respective terms and (iv) will be in compliance and will conform in all material respects with all applicable federal, state and local laws and applicable laws of any relevant foreign jurisdiction, except where the failure to so comply and confirm could not reasonably be expected to have a material adverse effect on the validity or enforceability of any such Receivables.

3.2. Maintenance of Records. Each Chargor will keep and maintain at its own cost and expense, records of its Receivables and Contracts and such Chargor will make the same available on such Chargor's premises to the Security Agent for inspection, at such Chargor's own cost and expense, at any and all reasonable times upon reasonable prior notice to such Chargor. Upon the occurrence and during the continuance of a Default relative to any Chargor, and at the reasonable request of the Security Agent, such Chargor shall, at its own cost and expense, deliver all tangible evidence of its Receivables and Contract Rights (including, without limitation, all documents evidencing the Receivables and all Contracts) and such books and records to the Security Agent or to its representatives (copies of which evidence and books and records may be retained by such Chargor). If the Security Agent so directs, upon the occurrence and during the continuance of a Default relative to any Chargor, such Chargor shall legend, in form and manner reasonably satisfactory to the Security Agent, the Receivables and the Contracts, as well as books, records and documents of such Chargor evidencing or pertaining to such Receivables and Contracts with an appropriate reference to the fact that such Receivables and Contracts have

been assigned to the Security Agent and that the Security Agent has a security interest therein.

3.3. Direction to Account Debtors; Contracting Parties; etc. Upon the occurrence and during the continuance of a Default relative to any Chargor, and if the Security Agent so directs such Chargor, such Chargor agrees (x) to cause all payments on account of the Receivables and Contracts to be made directly to the Security Agent to be held as additional Collateral hereunder, (y) that the Security Agent may, at its option, directly notify the obligors with respect to any Receivables and/or under any Contracts to make payments with respect thereto as provided in preceding clause (x) and (z) that the Security Agent may enforce collection of any such Receivables and Contracts and may adjust, settle or compromise the amount of payment thereof, in the same manner and to the same extent as such Chargor. Without notice to or assent by any Chargor, the Security Agent may apply any or all amounts so paid to the Security Agent in the manner provided in Section 7.4 of this Agreement. The reasonable costs and expenses (including reasonable attorneys' fees) of collection, whether incurred by the relevant Chargor or the Security Agent, shall be borne by the relevant Chargor. The Security Agent shall deliver a copy of each notice referred to in the preceding clause (y) to the relevant Chargor; provided, that the failure by the Security Agent to so notify such Chargor shall not affect the effectiveness of such notice or the other rights of the Security Agent created by this Section 3.3.

3.4. Modification of Terms; etc. No Chargor shall rescind or cancel any indebtedness evidenced by any Receivable or under any Contract, or modify any term thereof or make any adjustment with respect thereto, or extend or renew the same, or compromise or settle any material dispute, claim, suit or legal proceeding relating thereto, or sell any Receivable or Contract, or interest therein, without the prior written consent of the Security Agent, except as permitted by Section 3.5 hereof. Each Chargor will duly fulfill all obligations on its part to be fulfilled under or in connection with the Receivables and Contracts and will do nothing to impair the rights of the Security Agent in the Receivables or Contracts.

3.5. Collection. Each Chargor shall endeavor in accordance with reasonable business practices to cause to be collected from the account debtor named in each of its Receivables or obligor under any Contract, as and when due (including, without limitation, amounts which are delinquent, such amounts to be collected in accordance with generally accepted lawful collection procedures) any and all amounts owing under or on account of such Receivable or Contract, and apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Receivable or under such Contract, except that, prior to the occurrence of a Default, any Chargor may allow in the ordinary course of business as adjustments to amounts owing under its Receivables and Contracts (i) an extension or renewal of the time or times of payment, or settlement for less than the total

unpaid balance, which such Chargor finds appropriate in accordance with reasonable business judgment and (ii) a refund or credit due as a result of returned or damaged merchandise or improperly performed services or for other reasons which such Chargor finds appropriate in accordance with reasonable business judgment. The reasonable costs and expenses (including, without limitation, reasonable attorneys' fees) of collection, whether incurred by a Chargor or the Security Agent, shall be borne by the relevant Chargor.

3.6. Instruments. If any Chargor owns or acquires any Instrument constituting Collateral, such Chargor will within 10 Business Days notify the Security Agent thereof, and upon request by the Security Agent will promptly deliver such Instrument to the Security Agent appropriately endorsed to the order of the Security Agent as further security hereunder.

3.7. Further Actions. Each Chargor will, at its own expense, make, execute, endorse, acknowledge, file and/or deliver to the Security Agent from time to time such vouchers, invoices, schedules, confirmatory assignments, conveyances, financing statements, transfer endorsements, powers of attorney, certificates, reports and other assurances or instruments and take such further steps relating to its Receivables, Contracts, Instruments and other property or rights covered by the security interest hereby granted, as the Security Agent may reasonably require.

ARTICLE IV

SPECIAL PROVISIONS CONCERNING TRADEMARKS

4.1. Additional Representations and Warranties. Each Chargor represents and warrants that, as of the date hereof, it is the true and lawful owner of all right, title and interest to, or otherwise has the right to use the registered Marks listed in Annex D hereto for such Chargor and that said listed Marks constitute all the marks and applications for marks registered in the United States Patent and Trademark Office that such Chargor presently owns or uses in connection with its business. Each Chargor represents and warrants that it owns, is licensed to use or otherwise has the right to use all material Marks that it uses. Each Chargor further warrants that it has no actual knowledge of any third party claim that any aspect of such Chargor's present or contemplated business operations infringes or will infringe any trademark, service mark or trade name. Each Chargor represents and warrants that it is the beneficial and record owner of all trademark registrations and applications listed in Annex D hereto for such Chargor and that said registrations are valid and subsisting, and that such Chargor is not aware of any third-party claim that any of said registrations in respect of any Mark is invalid or unenforceable. Each Chargor hereby grants to the Security Agent an absolute power of attorney to sign, upon the

occurrence and during the continuance of a Default relative to such Chargor, any document which may be required by the United States Patent and Trademark Office in order to effect an absolute assignment of all right, title and interest of such Chargor in each Mark, and record the same.

4.2. Infringements. Each Chargor agrees, promptly upon learning thereof, to notify the Security Agent in writing of the name and address of, and to furnish such pertinent information that may be available with respect to, any party who such Chargor believes is infringing or diluting or otherwise violating in any material respect any of such Chargor's rights in and to any Mark, or with respect to any party, which such Chargor has actual knowledge, claiming that such Chargor's use of any Mark violates in any material respect any property right of that party. Each Chargor further agrees, unless otherwise agreed by the Security Agent, to prosecute any Person infringing any Mark in accordance with reasonable business practices.

4.3. Preservation of Marks. Each Chargor agrees to use its Marks in interstate commerce during the time in which this Agreement is in effect, sufficiently to preserve such Marks as trademarks or service marks under the laws of the United States and any other applicable law; provided, that no Chargor shall be obligated to preserve any Mark in the event such Chargor determines, in its reasonable business judgment, that the preservation of such Mark is no longer desirable in the conduct of its business.

4.4. Maintenance of Registration. Each Chargor shall, at its own expense, diligently process all documents required by the Trademark Act of 1946, 15 U.S.C. §§ 1051 et seq. to maintain trademark registrations, including but not limited to affidavits of use and applications for renewals of registration in the United States Patent and Trademark Office for all of its registered Marks pursuant to 15 U.S.C. §§ 1058(a), 1059 and 1065, and shall pay all fees and disbursements in connection therewith and shall not abandon any such filing of affidavit of use or any such application of renewal prior to the exhaustion of all administrative and judicial remedies without prior written consent of the Security Agent; provided, that no Chargor shall be obligated to maintain any Mark in the event that such Chargor determines, in its reasonable business judgment, that the maintenance of such Mark is no longer necessary or desirable in the conduct of its business.

4.5. Future Registered Marks. If any Mark registration issues hereafter to any Chargor as a result of any application now or hereafter pending before the United States Patent and Trademark Office, within 60 Business Days of receipt of such certificate, such Chargor shall deliver to the Security Agent a copy of such certificate, and an assignment for security in such Mark, to the Security Agent and at the expense of such Chargor, confirming the assignment for security in such Mark to the Security Agent hereunder, the form of such

security to be substantially the same as the form hereof or in such other form as may be reasonably satisfactory to the Security Agent.

4.6. Remedies. If a Default relative to any Chargor shall occur and be continuing, the Security Agent may take any or all of the following actions: (i) declare the entire right, title and interest of such Chargor in and to each of the Marks, together with all trademark rights and rights of protection to the same, vested in the Security Agent, in which event such rights, title and interest shall immediately vest, in the Security Agent, and the Security Agent shall be entitled to exercise the power of attorney referred to in Section 4.1 hereof to execute, cause to be acknowledged and notarized and record said absolute assignment with the applicable agency; (ii) take and use or sell the Marks and the goodwill of such Chargor's business symbolized by the Marks and the right to carry on the business and use the assets of such Chargor in connection with which the Marks have been used; and (iii) direct such Chargor to refrain, in which event such Chargor shall refrain, from using the Marks in any manner whatsoever, directly or indirectly, and, if requested by the Security Agent, change such Chargor's corporate name to eliminate therefrom any use of any Mark and execute such other and further documents that the Security Agent may request to further confirm this and to transfer ownership of the Marks and registrations and any pending trademark application in the United States Patent and Trademark Office to the Security Agent.

ARTICLE V

SPECIAL PROVISIONS CONCERNING PATENTS, COPYRIGHTS AND TRADE SECRETS

5.1. Additional Representations and Warranties. Each Chargor represents and warrants that it is the true and lawful owner of all rights in (i) all Trade Secrets and Proprietary Information necessary to operate the business of such Chargor, (ii) the Patents listed in Annex E hereto for such Chargor and that said Patents constitute all the patents and applications for patents that such Chargor owns and (iii) the Copyrights listed in Annex F hereto for such Chargor and that said Copyrights constitute all registrations of copyrights and applications for copyright registrations that such Chargor owns. Each Chargor further warrants that it has no actual knowledge of any third party claim that any aspect of such Chargor's present or contemplated business operations infringes or will infringe any patent or any copyright or that such Chargor has misappropriated any Trade Secret or Proprietary Information. Each Chargor hereby grants to the Security Agent an absolute power of attorney to sign, upon the occurrence and during the continuance of a Default relative to such Chargor, any document which may be required by the United States Patent and Trademark Office or the United States Copyright Office in order to effect an absolute assignment of all

right, title and interest of such Chargor in each Patent and Copyright, and to record the same.

5.2. Infringements. Each Chargor agrees, promptly upon learning thereof, to furnish the Security Agent in writing with all pertinent information available to such Chargor with respect to any infringement, contributing infringement or active inducement to infringe in any material respect any Patent or Copyright or to any claim that the practice of any Patent or the use of any Copyright violates in any material respect any property right of a third party, or with respect to any misappropriation of any Trade Secret Right or any claim that practice of any Trade Secret Right violates in any material respect any property right of a third party. Each Chargor further agrees, to the extent consistent with reasonable business practices, to prosecute any Person infringing any Patent or Copyright or any Person misappropriating any Trade Secret Right.

5.3. Maintenance of Patents. At its own expense, each Chargor shall make timely payment of all post-issuance fees required pursuant to 35 U.S.C. § 41 to maintain in force rights under each Patent, absent prior written consent of the Security Agent; provided, that no Chargor shall be obligated to maintain any Patent in the event such Chargor determines, in its reasonable business judgment, that the maintenance of such Patent is no longer necessary or desirable in the conduct of its business.

5.4. Prosecution of Patent Application. At its own expense, each Chargor shall diligently prosecute all applications for Patents for such Chargor and shall not abandon any such application prior to exhaustion of all administrative and judicial remedies, absent written consent of the Security Agent; provided, that no Chargor shall be obligated to prosecute any application in the event such Chargor determines, in its reasonable business judgment, that the prosecuting of such application is no longer necessary or desirable in the conduct of its business.

5.5. Other Patents and Copyrights. Within 30 Business Days of the acquisition or issuance of a Patent, registration of a Copyright, or acquisition of a registered copyright, the relevant Chargor shall deliver to the Security Agent a copy of said Copyright or certificate or registration of said patents, as the case may be, with an assignment for security as to such Patent or Copyright, as the case may be, to the Security Agent and at the expense of such Chargor, confirming the assignment for security, the form of such assignment for security to be substantially the same as the form of Annex G or Annex H hereof or in such other form as may be reasonably satisfactory to the Security Agent.

5.6. Remedies. If a Default relative to any Chargor shall occur and be continuing, the Security Agent may take any or all of the following actions: (i) declare the entire right, title, and interest of such Chargor in each of the Patents and Copyrights vested

in the Security Agent, in which event such right, title, and interest shall immediately vest in the Security Agent, in which case the Security Agent shall be entitled to exercise the power of attorney referred to in Section 5.1 hereof to execute, cause to be acknowledged and notarized and to record said absolute assignment with the applicable agency; (ii) take and practice or sell the Patents and Copyrights; and (iii) direct such Chargor to refrain, in which event such Chargor shall refrain, from practising the Patents and using the Copyrights directly or indirectly, and such Chargor shall execute such other and further documents as the Security Agent may request further to confirm this and to transfer ownership of the Patents and Copyrights to the Security Agent.

ARTICLE VI

PROVISIONS CONCERNING ALL COLLATERAL

6.1. Protection of Security Agent's Security. Each Chargor will at all times keep its Inventory and Equipment insured in favor of the Security Agent, at such Chargor's own expense to the extent and in the manner provided in the Secured Credit Documents; all policies or certificates with respect to such insurance (and any other insurance maintained by such Chargor) (i) shall be endorsed to the Security Agent's reasonable satisfaction for the benefit of the Security Agent (including, without limitation, by naming the Security Agent as additional insured and loss payee) and (ii) shall state that such insurance policies shall not be cancelled without 30 days' prior written notice thereof by the insurer to the Security Agent; and certified copies of such policies or certificates with respect thereto shall be deposited with the Security Agent. If any Chargor shall fail to insure its Inventory and Equipment in accordance with the preceding sentence, or if any Chargor shall fail to so endorse and deposit all policies or certificates with respect thereto, the Security Agent shall have the right (but shall be under no obligation), upon prior written notice to such Chargor, to procure such insurance and such Chargor agrees to promptly reimburse the Security Agent for all reasonable costs and expenses of procuring such insurance. Each Chargor assumes all liability and responsibility in connection with the Collateral acquired by it and the liability of such Chargor to pay the Liabilities shall in no way be affected or diminished by reason of the fact that such Collateral may be lost, destroyed, stolen, damaged or for any reason whatsoever unavailable to such Chargor.

6.2. Further Actions. Each Chargor will, at its own expense, make, execute, endorse, acknowledge, file and/or deliver to the Security Agent from time to time such lists, descriptions and designations of its Collateral, warehouse receipts, receipts in the nature of warehouse receipts, bills of lading, documents of title, vouchers, invoices, schedules, confirmatory assignments, conveyances, financing statements, transfer endorsements, powers of attorney, certificates, reports and other assurances or instruments and take such further

steps relating to the Collateral and other property or rights covered by the security interest hereby granted, which the Security Agent deems reasonably appropriate or advisable to perfect, preserve or protect its security interest in the Collateral.

6.3. Financing Statements. Each Chargor agrees to execute and deliver to the Security Agent such financing statements, in form reasonably acceptable to the Security Agent, as the Security Agent may from time to time reasonably request or as are necessary or desirable in the reasonable opinion of the Security Agent to establish and maintain a valid, enforceable, first priority perfected security interest in the Collateral as provided herein and the other rights and security contemplated hereby all in accordance with the UCC as enacted in any and all relevant jurisdictions or any other relevant law. Each Chargor will pay any applicable filing fees, recordation taxes and related expenses relating to its Collateral. Each Chargor hereby authorizes the Security Agent to file any such financing statements without the signature of such Chargor where permitted by law.

ARTICLE VII

REMEDIES UPON OCCURRENCE OF DEFAULT

7.1. Remedies: Obtaining the Collateral Upon Default. Each Chargor agrees that, if a Default relative to such Chargor shall have occurred and be continuing, then and in every such case, the Security Agent, in addition to any rights now or hereafter existing under applicable law, shall have all rights as a secured creditor under the UCC in all relevant jurisdictions and may:

(i) personally, or by agents or attorneys, immediately take possession of the Collateral of such Chargor or any part thereof, from such Chargor or any other Person who then has possession of any part thereof with or without notice or process of law, and for that purpose may enter upon such Chargor's premises where any of the Collateral is located and remove the same and use in connection with such removal any and all services, supplies, aids and other facilities of such Chargor;

(ii) instruct the obligor or obligors on any agreement, instrument or other obligation (including, without limitation, the Receivables and the Contracts) constituting the Collateral of such Chargor to make any payment required by the terms of such agreement, instrument or other obligation directly to the Security Agent;

(iii) withdraw all monies, securities and instruments in any cash collateral account for application to the Liabilities of such Chargor in accordance with Section 7.4 hereof;

(iv) sell, assign or otherwise liquidate any or all of the Collateral of such Chargor or any part thereof in accordance with Section 7.2 hereof, or direct such Chargor to sell, assign or otherwise liquidate any or all of the Collateral of such Chargor or any part thereof, and, in each case, take possession of the proceeds of any such sale or liquidation;

(v) take possession of the Collateral of such Chargor or any part thereof, by directing such Chargor in writing to deliver the same to the Security Agent at any place or places designated by the Security Agent, in which event such Chargor shall at its own expense:

(x) forthwith cause the same to be moved to the place or places so designated by the Security Agent and there delivered to the Security Agent;

(y) store and keep any Collateral so delivered to the Security Agent at such place or places pending further action by the Security Agent as provided in Section 7.2 hereof; and

(z) while the Collateral shall be so stored and kept, provide such guards and maintenance services as shall be necessary to protect the same and to preserve and maintain them in good condition; and

(vi) license or sublicense, whether on an exclusive or nonexclusive basis, any Marks, Patents or Copyrights included in the Collateral for such term and on such conditions and in such manner as the Security Agent shall in its sole judgment determine;

it being understood that each Chargor's obligation so to deliver the Collateral is of the essence of this Agreement and that, accordingly, upon application to a court of equity having jurisdiction, the Security Agent shall be entitled to a decree requiring specific performance by such Chargor of said obligation. The Secured Party Beneficiaries agree that this Agreement may be enforced only by the action of the Security Agent and that no other Secured Party Beneficiary shall have any right individually to seek to enforce this Agreement or to realize upon the security to be granted hereby, it being understood and agreed that such rights and remedies may be exercised by the Security Agent for the benefit of the Secured Party Beneficiaries upon the terms of this Agreement.

7.2. Remedies; Disposition of the Collateral. Any Collateral repossessed by the Security Agent under or pursuant to Section 7.1 hereof and any other Collateral whether or not so repossessed by the Security Agent, may be sold, assigned, leased or otherwise disposed of under one or more contracts or as an entirety, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner, at such time or times, at such place or places and on such terms as the Security Agent may, in compliance with any mandatory requirements of applicable law, determine to be commercially reasonable. Any of the Collateral may be sold, leased or otherwise disposed of, in the condition in which the same existed when taken by the Security Agent or after any overhaul or repair at the expense of the relevant Chargor which the Security Agent shall determine to be commercially reasonable. Any such disposition which shall be pursuant to a private sale or other private proceedings permitted by such requirements shall be made upon not less than 10 Business Days' written notice to the relevant Chargor specifying the time at which such disposition is to be made and the intended sale price or other consideration therefor, and shall be subject, for the 10 Business Days after the giving of such notice, to the right of the relevant Chargor or any nominee of such Chargor to acquire the Collateral involved at a price or for such other consideration at least equal to the intended sale price or other consideration so specified. Any such disposition which shall be a public sale permitted by such requirements shall be made upon not less than 10 days' written notice to the relevant Chargor specifying the time and place of such sale and, in the absence of applicable requirements of law, shall be by public auction (which may, at the Security Agent's option, be subject to reserve), after publication of notice of such auction not less than 10 days prior thereto in two newspapers in general circulation in the City of New York. To the extent permitted by any such requirement of law, the Security Agent may bid for and become the purchaser of the Collateral or any item thereof, offered for sale in accordance with this Section without accountability to the relevant Chargor. If, under mandatory requirements of applicable law, the Security Agent shall be required to make disposition of the Collateral within a period of time which does not permit the giving of notice to the relevant Chargor as hereinabove specified, the Security Agent need give such Chargor only such notice of disposition as shall be reasonably practicable in view of such mandatory requirements of applicable law.

7.3. Waiver of Claims. Except as otherwise provided in this Agreement, **EACH CHARGOR HEREBY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, NOTICE AND JUDICIAL HEARING IN CONNECTION WITH THE SECURITY AGENT'S TAKING POSSESSION OR THE SECURITY AGENT'S DISPOSITION OF ANY OF THE COLLATERAL, INCLUDING, WITHOUT LIMITATION, ANY AND ALL PRIOR NOTICE AND HEARING FOR ANY**

PREJUDGMENT REMEDY OR REMEDIES AND ANY SUCH RIGHT WHICH SUCH CHARGOR WOULD OTHERWISE HAVE UNDER THE CONSTITUTION OR ANY STATUTE OF THE UNITED STATES OR OF ANY STATE, and each Chargor hereby further waives, to the extent permitted by law:

(i) all damages occasioned by such taking of possession except any damages which are the direct result of the Security Agent's gross negligence or wilful misconduct;

(ii) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Security Agent's rights hereunder; and

(iii) all rights of redemption, appraisalment, valuation, stay, extension or moratorium now or hereafter in force under any applicable law in order to prevent or delay the enforcement of this Agreement or the absolute sale of the Collateral or any portion thereof, and each Chargor, for itself and all who may claim under it, insofar as it or they now or hereafter lawfully may, hereby waives the benefit of all such laws.

Any sale of, or the grant of options to purchase, or any other realization upon, any Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the relevant Chargor therein and thereto, and shall be a perpetual bar both at law and in equity against such Chargor and against any and all Persons claiming or attempting to claim the Collateral so sold, optioned or realized upon, or any part thereof, from, through and under such Chargor.

7.4. Application of Proceeds. (a) All Proceeds of Collateral of any Chargor received by the Security Agent may be applied to discharge or satisfy any expenses (including expenses of enforcing the Security Agent's rights against such Chargor under this Agreement), Liens over the Collateral of such Chargor in favour of Persons other than the Security Agent, borrowings, taxes and other outgoings affecting the Collateral of such Chargor or which are considered advisable by the Security Agent to protect, preserve, repair, process, maintain or enhance the Collateral of such Chargor or prepare it for sale, lease or other disposition, or to keep in good standing any Liens on the Collateral of such Chargor ranking in priority to any of the security interests from such Chargor, or to sell, lease or otherwise dispose of the Collateral of such Chargor. The balance of such Proceeds may, at the sole discretion of the Security Agent, be held as security for the Liabilities of such Chargor or be applied to such of the Liabilities of such Chargor (whether or not the same are

due and payable) in such manner and at such times as the Security Agent considers appropriate (including in such manner as may be required to comply with any priority, subordination or security sharing arrangements between any one or more of the Secured Party Beneficiaries) and thereafter will be accounted for as required by law.

(b) It is understood and agreed that the Chargors shall remain jointly and severally liable to the extent of any deficiency between the amount of the proceeds of the Collateral hereunder and the aggregate amount of the sums referred to in Section 7.4(a) hereof.

7.5. Remedies Cumulative. Each and every right, power and remedy hereby specifically given to the Security Agent shall be in addition to every other right, power and remedy specifically given under this Agreement, the Security Agency Agreement, the other Secured Credit Documents or now or hereafter existing at law, in equity or by statute and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time or simultaneously and as often and in such order as may be deemed expedient by the Security Agent. All such rights, powers and remedies shall be cumulative and the exercise or the beginning of the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Security Agent in the exercise of any such right, power or remedy and no renewal or extension of any of the Liabilities shall impair any such right, power or remedy or shall be construed to be a waiver of any Default or an acquiescence therein. No notice to or demand on any Chargor in any case shall entitle it to any other or further notice or demand in similar or other circumstances or constitute a waiver of any of the rights of the Security Agent to any other or further action in any circumstances without notice or demand. In the event that the Security Agent shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Security Agent may recover reasonable expenses, including reasonable attorneys' fees, and the amounts thereof shall be included in such judgment.

7.6. Discontinuance of Proceedings. In case the Security Agent shall have instituted any proceeding to enforce any right, power or remedy under this Agreement by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Security Agent, then and in every such case the relevant Chargor, the Security Agent and each holder of any of the Liabilities shall be restored to their former positions and rights hereunder with respect to the Collateral subject to the security interest created under this Agreement, and all rights, remedies and powers of the Security Agent shall continue as if no such proceeding had been instituted.

ARTICLE VIII

INDEMNITY

8.1. **Indemnity.** (a) Each Chargor jointly and severally agrees to indemnify, reimburse and hold the Security Agent, each other Secured Party Beneficiary and their respective successors, permitted assigns, employees, agents and servants (hereinafter in this Section 8.1 referred to individually as "**Indemnitee**", and collectively as "**Indemnitees**") harmless from any and all losses, liabilities, obligations, damages, injuries, penalties, claims, demands, actions, suits, judgments and any and all reasonable costs, expenses or disbursements (including reasonable attorneys' fees and expenses) (for the purposes of this Section 8.1 the foregoing are collectively called "**expenses**") of whatsoever kind and nature imposed on, asserted against or incurred by any of the Indemnitees in any way relating to or arising out of this Agreement, any other Secured Credit Document or any other document executed in connection herewith or therewith or in any other way connected with the administration of the transactions contemplated hereby or thereby or the enforcement of any of the terms of, or the preservation of any rights under any thereof, or in any way relating to or arising out of the manufacture, ownership, ordering, purchase, delivery, control, acceptance, lease, financing, possession, operation, condition, sale, return or other disposition, or use of the Collateral (including, without limitation, latent or other defects, whether or not discoverable), the violation of the laws of any country, state or other governmental body or unit, any tort (including, without limitation, claims arising or imposed under the doctrine of strict liability, or for or on account of injury to or the death of any Person (including any Indemnitee), or property damage), or contract claim; provided that no Indemnitee shall be indemnified pursuant to this Section 8.1(a) for losses, damages or liabilities to the extent caused by the gross negligence or wilful misconduct of such Indemnitee. Each Chargor agrees that upon written notice by any Indemnitee of the assertion of such a liability, obligation, damage, injury, penalty, claim, demand, action, suit or judgment, the relevant Chargor shall assume full responsibility for the defense thereof. Each Indemnitee agrees to use its best efforts to promptly notify the relevant Chargor of any such assertion of which such Indemnitee has knowledge.

(b) Without limiting the application of Section 8.1(a) hereof, each Chargor agrees, jointly and severally, to pay, or reimburse the Security Agent for any and all reasonable fees, costs and expenses of whatever kind or nature incurred in connection with the creation, preservation or protection of the Security Agent's Liens on, and security interest in, the Collateral, including, without limitation, all fees and taxes in connection with the recording or filing of instruments and documents in public offices, payment or discharge of any taxes or Liens upon or in respect of the Collateral, premiums for insurance with respect to the Collateral and all other reasonable fees, costs and expenses in connection with protecting, maintaining or preserving the Collateral and the Security Agent's interest therein.

whether through judicial proceedings or otherwise, or in defending or prosecuting any actions, suits or proceedings arising out of or relating to the Collateral.

(c) If and to the extent that the obligations of any Chargor under this Section 8.1 are unenforceable for any reason, such Chargor hereby agrees to make the maximum contribution to the payment and satisfaction of such obligations which is permissible under applicable law.

8.2. Indemnity Liabilities Secured by Collateral; Survival. Any amounts paid by any Indemnitee as to which such Indemnitee has the right to reimbursement shall constitute Liabilities secured by the Collateral. The indemnity obligations of each Chargor contained in this Article VIII shall continue in full force and effect notwithstanding the full payment of all of the other Liabilities and notwithstanding the discharge thereof.

ARTICLE IX

DEFINITIONS

Capitalized terms used in this Agreement and not otherwise defined shall have the respective meanings given to such terms in the Security Agency Agreement and the following terms shall have the meanings herein specified. Such definitions shall be equally applicable to the singular and plural forms of the terms defined.

"**Agreement**" shall mean this Security Agreement as the same may be modified, supplemented or amended from time to time in accordance with its terms.

"**Chattel Paper**" shall have the meaning provided in the Uniform Commercial Code as in effect on the date hereof in the State of New York.

"**Chargors**" shall mean the signatories to this Agreement other than the Security Agent together with each other Person which from time to time becomes a Chargor under this Agreement by executing and delivering to the Security Agent a Supplement to this Agreement as provided for in Section 10.11 of this Agreement, and "**Chargor**" shall mean any of the Chargors.

"**Collateral**" shall have the meaning provided in Section 1.1(a) of this Agreement.

"Contract Rights" shall mean all rights of any Chargor (including, without limitation, all rights to payment) under each Contract.

"Contracts" shall mean all contracts between any Chargor and one or more additional parties, but excluding any contract to the extent that the terms thereof prohibit the assignment of, or granting a security interest in, such contract (it being understood and agreed, however, that notwithstanding the foregoing, all rights to payment for money due or to become due pursuant to any such excluded Contract shall be subject to the security interests created pursuant to this Agreement).

"Copyrights" shall mean any United States or foreign copyright owned (or subject to the rights of ownership) by any Chargor, including any registrations of any copyright, in the United States Copyright Office or the equivalent thereof in any foreign country, as well as any application for a copyright registration now or hereafter made with the United States Copyright Office or the equivalent thereof in any foreign country by any Chargor.

"Default" shall mean, relative to any Chargor, a default by such Chargor in the payment or performance of any of such Chargor's Liabilities.

"Documents" shall have the meaning provided in the Uniform Commercial Code as in effect on the date hereof in the State of New York.

"Equipment" shall mean any "equipment," as such term is defined in the Uniform Commercial Code as in effect on the date hereof in the State of New York, now or hereafter owned by any Chargor and, in any event, shall include, but shall not be limited to, all machinery, equipment, furnishings, movable trade fixtures and vehicles now or hereafter owned by any Chargor and any and all additions, substitutions and replacements of any of the foregoing, wherever located, together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto.

"General Intangibles" shall have the meaning provided in the Uniform Commercial Code as in effect on the date hereof in the State of New York.

"Goods" shall have the meaning provided in the Uniform Commercial Code as in effect on the date hereof in the State of New York.

"Indennitee" shall have the meaning provided in Section 8.1 of this Agreement.

"Instrument" shall have the meaning provided in the Uniform Commercial Code as in effect on the date hereof in the State of New York.

"Inventory" shall mean merchandise, inventory and goods, and all additions, substitutions and replacements thereof, wherever located, together with all goods, supplies, incidentals, packaging materials, labels, materials and any other items used or usable in manufacturing, processing, packaging or shipping same, in all stages of production -- from raw materials through work-in-process to finished goods -- and all products and proceeds of whatever sort and wherever located and any portion thereof which may be returned, rejected, reclaimed or repossessed by the Security Agent from any Chargor's customers, and shall specifically include all "inventory" as such term is defined in the Uniform Commercial Code as in effect on the date hereof in the State of New York. now or hereafter owned by any Chargor.

"Liabilities" shall mean, relative to any Chargor, all present and future indebtedness, liabilities and obligations of any kind, nature or description whatsoever (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured and, for greater certainty, including interest that, but for any filing made relative to such Chargor under the provisions of any applicable bankruptcy or insolvency statute, would accrue on any such indebtedness, liabilities and obligations) of such Chargor to each of the Security Agent and the other Secured Party Beneficiaries under, in connection with or with respect to each of the Philip Guarantee, this Agreement and any other security delivered by such Chargor to the Security Agent with respect to the Philip Guarantee, and any unpaid balance thereof.

"Liens" shall mean any security interest, mortgage, pledge, lien, claim, charge, encumbrance, title retention agreement, lessor's interest in a financing lease or analogous instrument, in, of, or on any Chargor's property.

"Marks" shall mean any United States or foreign trademarks, service marks and trade names now owned, subject to a right of ownership or hereafter acquired by any Chargor, including any registration of, or application for, any trademarks and service marks in the United States Patent and Trademark Office or the equivalent thereof in any foreign country, and any trade dress including logos and/or designs used by any Chargor in the United States or any foreign country.

"Patents" shall mean any United States or foreign patent owned, subject to a right of ownership by or hereafter acquired by any Chargor and any divisions, continuations, reissues, reexaminations, extensions or renewals thereof, as well as any application for a United States or foreign patent now or hereafter made by any Chargor or subject to a right of ownership in such Chargor.

"Philip" shall mean Philip Services Corp., together with its successors by amalgamation, merger or otherwise.

"Philip Guarantee" shall mean any or all of (a) the guarantee dated as of March 16, 1998 from certain Persons including the Chargors in favour of the Security Agent, under which such Persons have guaranteed to the Security Agent for the benefit of the Secured Party Beneficiaries the due payment and performance by each of Philip, Philip U.S. and the Confirmed Debtors (as defined in such guarantee) of all of the present and future indebtedness, obligations and liabilities of such Person more specifically referred to therein, as such guarantee may from time to time be supplemented, amended, restated, consolidated or replaced (including any supplement pursuant to which any additional Person has become a guarantor under such guarantee and any confirmation under which any additional Person has become a Secured Party Beneficiary under such guarantee or any additional Person has become a Confirmed Debtor under such guarantee or one or more additional documents have been guaranteed under such guarantee), and (b) each other Guarantee (as defined in the Security Agency Agreement).

"Philip U.S." shall mean Philip Services (Delaware), Inc., together with its successors by amalgamation, merger or otherwise.

"Proceeds" shall have the meaning provided in the Uniform Commercial Code as in effect in the State of New York on the date hereof or under other relevant law and, in any event, shall include, but not be limited to, (i) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to the Security Agent or any Chargor from time to time with respect to any of the Collateral, (ii) any and all payments (in any form whatsoever) made or due and payable to any Chargor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental authority (or any person acting under color of governmental authority) and (iii) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Proprietary Information" means all information and know-how worldwide, including, without limitation, technical data, manufacturing data, research and development data, manufacturing data, research and development data, data relating to compositions, processes and formulations, manufacturing and production know-how and experience, management know-how, training programs, manufacturing, engineering and other drawings, specifications, performance criteria, operating instructions, maintenance manuals, technology, technical information, software, engineering and computer data and databases, design and engineering specifications, catalogs, promotional literature and financial, business and marketing plans, inventions and invention disclosures.

"Receivables" shall mean any "account" as such term is defined in the Uniform Commercial Code as in effect on the date hereof in the State of New York, now or hereafter owned by any Chargor and, in any event, shall include, but shall not be limited to, all of such Chargor's rights to payment for goods sold or leased or services performed by such Chargor, whether now in existence or arising from time to time hereafter, including, without limitation, rights evidenced by an account, note, contract, security agreement, chattel paper or other evidence of indebtedness or security, together with (a) all security pledged, assigned, hypothecated or granted to or held by such Chargor to secure the foregoing, (b) all of any Chargor's right, title and interest in and to any goods, the sale of which gave rise thereto, (c) all guarantees, endorsements and indemnifications on, or of, any of the foregoing, (d) all powers of attorney for the execution of any evidence of indebtedness or security or other writing in connection therewith, (e) all books, records, ledger cards and invoices relating thereto, (f) all evidences of the filing of financing statements and other statements and the registration of other instruments in connection therewith and amendments thereto, notices to other creditors or secured parties, and certificates from filing or other registration officers, (g) all credit information, reports and memoranda relating thereto and (h) all other writings related in any way to the foregoing.

"Secured Credit Documents" shall have the meaning specified in the Philip Guarantee.

"Secured Party Beneficiaries" shall have the meaning specified in the Philip Guarantee.

"Security Agency Agreement" shall mean the security agency agreement dated as of March 16, 1998 between Philip, Philip U.S., the Security Agent and Canadian Imperial Bank of Commerce, as administrative agent for a syndicate of lenders to Philip and Philip U.S., as such agreement may from time to time be supplemented, amended, restated, consolidated or replaced.

"Supplement" shall have the meaning specified in Section 10.11 hereof.

"Trade Secrets" means any secretly held existing engineering and other data, information, production procedures and other know-how relating to the design, manufacture, assembly, installation, use, operation, marketing, sale and servicing of any products or business of any Chargor worldwide whether written or not written.

"Uniform Commercial Code" shall mean the Uniform Commercial Code as in effect in the State of New York.

"Vehicles" shall have the meaning specified in Section 2.8.

ARTICLE X

MISCELLANEOUS

10.1. Notices. Except as otherwise specified herein, all notices, requests, demands or other communications to or upon the respective parties hereto shall be deemed to have been duly given or made when delivered to the party to which such notice, request, demand or other communication is required or permitted to be given or made under this Agreement, addressed as follows:

- (a) if to any Chargor:

c/o Philip Services Corp.
100 King Street West
P.O. Box 2440, LCD 1
Hamilton, Ontario
L8N 4J6

Facsimile No.: (905) 521-9160

- (b) if to the Security Agent:

Canadian Imperial Bank of Commerce
Commerce Court West - 7
Toronto, Ontario
M5L 1A2

Facsimile No.: (416) 980-5151

or at such other address as shall have been furnished in writing by any Person described above to the party required to give notice hereunder.

10.2. Waiver; Amendment. No provision of this Agreement may be changed, discharged or terminated except with the written consent of each Chargor directly affected thereby and the written consent of the Security Agent. This Agreement shall be construed as a separate agreement with respect to each Chargor and, subject to the first sentence of this Section, may be amended, modified, supplemented, waived or released with respect to any Chargor, or any representations, agreements, contracts, indemnities, Liabilities or Collateral

of, or any security interests from, any Chargor, without the approval of any other Chargor and without affecting the liabilities or obligations of any other Chargor under this Agreement.

10.3. Liabilities Absolute. The obligations of each Chargor hereunder shall remain in full force and effect without regard to, and shall not be impaired by, (a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of such Chargor; (b) any exercise or non-exercise, or any waiver of, any right, remedy, power or privilege under or in respect of this Agreement or any other Secured Credit Document; or (c) any amendment to or modification of any Secured Credit Document or any security for any of the Liabilities; whether or not any Chargor shall have notice or knowledge of any of the foregoing.

10.4. Successors and Assigns. This Agreement shall be binding upon each Chargor and its successors and assigns and shall inure to the benefit of the Security Agent and the Secured Party Beneficiaries and their respective successors and assigns. All agreements, statements, representations and warranties made by each Chargor herein or in any certificate or other instrument delivered by such Chargor or on its behalf under this Agreement shall be considered to have been relied upon by the Secured Party Beneficiaries and shall survive the execution and delivery of this Agreement and the other Secured Credit Documents regardless of any investigation made by the Secured Party Beneficiaries or on their behalf.

10.5. Headings Descriptive. The headings of the several sections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

10.6. Governing Law. **THIS AGREEMENT AND THE RIGHTS AND LIABILITIES OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.**

10.7. Chargor's Duties. It is expressly agreed, anything herein contained to the contrary notwithstanding, that each Chargor shall remain liable to perform all of the obligations, if any, assumed by it with respect to the Collateral and the Security Agent shall not have any obligations or liabilities with respect to any Collateral by reason of or arising out of this Agreement, nor shall the Security Agent be required or obligated in any manner to perform or fulfill any of the obligations of any Chargor under or with respect to any Collateral.

10.8. Release of Chargors. Promptly following any release of any Chargor from all of its Liabilities (including any such release effected by the operation of an express provision of the Philip Guarantee providing for the release of such Liabilities in specified circumstances), the Security Agent, without affecting in any manner whatsoever any of the Liabilities of any other Chargor or any of the security interests created by this Agreement over the Collateral of any other Chargor, will release such Chargor and the Collateral of such Chargor then subject to the security interests created by this Agreement from this Agreement and from the security interests created by this Agreement. Upon such release, and at the request and expense of such Chargor, the Security Agent shall execute and deliver to such Chargor such releases and discharges as such Chargor may reasonably request.

10.9. Counterparts and Facsimile. This Agreement may be executed in counterparts. Each executed counterpart shall be deemed to be an original and all counterparts taken together shall constitute one and the same Agreement. Delivery of an executed signature page to this Agreement by any Chargor by facsimile transmission shall be as effective as delivery of a manually executed copy of this Agreement by such Chargor.

10.10. The Security Agent. The Security Agent will hold in accordance with this Agreement all items of the Collateral at any time received under this Agreement. It is expressly understood and agreed that the obligations of the Security Agent as holder of the Collateral and interests therein and with respect to the disposition thereof, and otherwise under this Agreement, are only those expressly set forth in this Agreement. The Security Agent shall act hereunder on the terms and conditions set forth in this Agreement.

10.11. Additional Chargors. Additional Persons who have become guarantors under the Philip Guarantee in accordance with the terms of such guarantee may from time to time after the date of this Agreement become Chargors under this Agreement by executing and delivering to the Security Agent a supplemental agreement (a "**Supplement**") to this Agreement in substantially the form attached as Annex I to this Agreement. Effective from and after the date of the execution and delivery by any Person to the Security Agent of a Supplement:

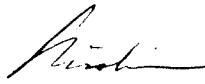
- (a) such Person shall be, and shall be deemed for all purposes to be, a Chargor under this Agreement with the same force and effect, and subject to the same agreements, representations, indemnities, liabilities, obligations and security interests, as if such Person had been an original signatory to this Agreement as a Chargor; and
- (b) all Collateral of such Person shall be, and shall be deemed for all purposes to be, "Collateral" of such Person for the purposes of this Agreement and subject

to security interests from such Person in accordance with the provisions of this Agreement as security for the due payment and performance of the "Liabilities" of such Person in accordance with the provisions of this Agreement.

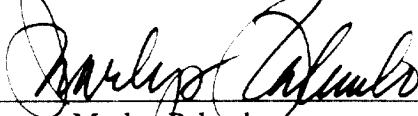
The execution and delivery of a Supplement by any additional Person shall not require the consent of any Chargor and all of the liabilities and obligations of each Chargor under this Agreement, and all security interests of each Chargor, shall remain in full force and effect notwithstanding the addition of any new Chargor to this Agreement.


IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their duly authorized officers as of the date first above written.

**CANADIAN IMPERIAL BANK OF
COMMERCE, as Security Agent**

by: 
name:
title:

PHILIP SERVICES (DELAWARE), L.L.C.

by: 
name: Marlys Palumbo
title: Authorized Signatory

by: 
name: Suzanne Fails
title: Authorized Signatory

(signatures continued on the next following page)

(signatures continued from the preceding page)

LUNTZ CORPORATION

**LUNTZ ACQUISITION (DELAWARE)
CORPORATION**

**21ST CENTURY ENVIRONMENTAL
MANAGEMENT, INC.**

**21ST CENTURY ENVIRONMENTAL
MANAGEMENT, INC. OF NEVADA**

**21ST CENTURY ENVIRONMENTAL
MANAGEMENT, INC. OF PUERTO RICO**

**21ST CENTURY ENVIRONMENTAL
MANAGEMENT OF RHODE ISLAND**

**CHEMICAL POLLUTION CONTROL, INC.
OF FLORIDA - A 21ST CENTURY
ENVIRONMENTAL MANAGEMENT
COMPANY**

**CHEMICAL POLLUTION CONTROL, INC.
OF NEW YORK - A 21ST CENTURY
ENVIRONMENTAL MANAGEMENT
COMPANY**

NORTHLAND ENVIRONMENTAL, INC.

**RESI ACQUISITION (DELAWARE)
CORPORATION**

CHEM-FREIGHT, INC.

**REPUBLIC ENVIRONMENTAL
RECYCLING (NEW JERSEY), INC.**

(signatures continued on the next following page)

(signatures continued from the preceding page)

**REPUBLIC ENVIRONMENTAL SYSTEMS
(PENNSYLVANIA), INC.**

**REPUBLIC ENVIRONMENTAL SYSTEMS
(TECHNICAL SERVICES GROUP), INC.**

**REPUBLIC ENVIRONMENTAL SYSTEMS
(TRANSPORTATION GROUP), INC.**

**COUSINS WASTE CONTROL
CORPORATION**

D & L, INC.

INTERMETCO U.S., INC.

BUTCO, INC.

ALLTIFT, INC.

INTERMETCO U.S.A. LTD.

GEORGIA TUBULAR PRODUCTS, INC.

NORTRU, INC.

ALLWORTH, INC.

**CHEMICAL RECLAMATION SERVICES,
INC.**

MEKLO, INCORPORATED

**SOUTHEAST ENVIRONMENTAL SERVICES
COMPANY, INC.**

(signatures continued on the next following page)

(signatures continued from the preceding page)

CYANOKEM INC.

RHO-CHEM CORPORATION

THERMALKEM INC.

PEN METALS (DELAWARE), INC.

**PHILIP ENVIRONMENTAL OF IDAHO
CORPORATION**

**PHILIP ENVIRONMENTAL (WASHINGTON)
INC.**

**BURLINGTON ENVIRONMENTAL INC.
(Delaware)**

**BURLINGTON ENVIRONMENTAL INC.
(Washington)**

RESOURCE RECOVERY CORPORATION

TERMCO CORPORATION

**GASOLINE TANK SERVICE COMPANY,
INC.**

UNITED DRAIN OIL SERVICE, INC.

**PHILIP ENVIRONMENTAL SERVICES
CORPORATION**

SOLVENT RECOVERY CORPORATION

(signatures continued on the next following page)

(signatures continued from the preceding page)

**PHILIP INDUSTRIAL SERVICES (USA),
INC.**

**PHILIP INDUSTRIAL SERVICES GROUP,
INC.**

ALRC, INC.

APLC, INC.

**ALLWASTE ASBESTOS ABATEMENT
HOLDINGS, INC.**

ALLWASTE ASBESTOS ABATEMENT, INC.

**ALLWASTE ASBESTOS ABATEMENT OF
NEW ENGLAND, INC.**

ONEIDA ASBESTOS REMOVAL , INC.

ONEIDA ASBESTOS ABATEMENT INC.

**PHILIP ENVIRONMENTAL SERVICES,
INC.**

**ACE/ALLWASTE ENVIRONMENTAL
SERVICES OF INDIANA, INC.**

ALL SAFETY AND SUPPLY, INC.

PHILIP SCAFFOLD CORPORATION

ALLSCAFF, INC.

**ALLWASTE ENVIRONMENTAL
SERVICES/NORTH CENTRAL, INC.**

(signatures continued on the next following page)

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PHILIP SERVICES/OHIO, INC.

**PHILIP WEST INDUSTRIAL SERVICES,
INC.**

**PHILIP TRANSPORTATION AND
REMEDICATION, INC.**

PHILIP SERVICES/SOUTH CENTRAL, INC.

PHILIP SERVICES/SOUTHWEST, INC.

PHILIP SERVICES HAWAII, LTD.

**ALLWASTE SERVICES OF CHARLOTTE,
INC.**

ALLWASTE TEXQUISITION, INC.

CALIGO LTD.

**INDUSTRIAL CONSTRUCTION SERVICES
COMPANY, INC.**

J.D. MEAGHER/ALLWASTE, INC.

JAMES & LUTHER SERVICES, INC.

JESCO INDUSTRIAL SERVICES, INC.

PHILIP OIL RECYCLING, INC.

**PHILIP INDUSTRIAL SERVICES OF
TEXAS, INC.**

PHILIP SERVICES/LOUISIANA, INC.

(signatures continued on the next following page)

(signatures continued from the preceding page)

PHILIP MID-ATLANTIC, INC.

PHILIP SERVICES/MISSOURI, INC.

PHILIP SERVICES/MOBILE, INC.

**PHILIP SERVICES/NORTH ATLANTIC,
INC.**

PHILIP SERVICES/NORTH CENTRAL, INC.

PHILIP SERVICES/OKLAHOMA, INC.

PHILIP PLANT SERVICES, INC.

PHILIP SERVICES/ATLANTA, INC.

PHILIP/BEC, INC.

PHILIP/WHITING, INC.

ALLWASTE TANK CLEANING, INC.

ALLWASTE RAILCAR CLEANING, INC.

ALLWASTE RECOVERY SYSTEMS, INC.

PSC ENTERPRISES, INC.

ALLIES STAFFING, INC.

ALLQUEST CAPITAL, INC.

PHILIP METALS (DELAWARE), INC.

INTSEL SOUTHWEST LIMITED PARTNERSHIP

(signatures continued on the next following page)

(signatures continued from the preceding page)

PHILIP METALS INC.

PHILIP METALS RECOVERY (USA) INC.

PHILIP SERVICES (PENNSYLVANIA), INC.

PHILIP METALS (NEW YORK), INC.

PHILIP ST, INC.

PHILIP CHEMISOLV HOLDINGS, INC.

PHILIP CHEMI-SOLV, INC.

DM ACQUISITION CORPORATION

DELTA MAINTENANCE, INC.

**PHILIP REFRACTORY & CORROSION
CORPORATION**

HARNTEY CORPORATION

PHILIP REFRACTORY SERVICES, INC.

TOTAL REFRACTORY SYSTEMS, INC.

**PHILIP REFRACTORY & CORROSION
SERVICES, INC.**

UNITED INDUSTRIAL MATERIALS, INC.

**INDUSTRIAL SERVICES TECHNOLOGIES,
INC.**

ADVANCED ENVIRONMENTAL SYSTEMS, INC.

(signatures continued on the next following page)

(signatures continued from the preceding page)

ADVANCED ENERGY CORPORATION

INTERNATIONAL CATALYST, INC.

IST HOLDING CORP.

CHEM-FAB, INC.

PIPING HOLDINGS CORP.

PIPING COMPANIES, INC.

PIPING MECHANICAL CORPORATION

HYDRO-ENGINEERING & SERVICE, INC.

MAC-TECH, INC.

**PHILIP ENTERPRISE SERVICE
CORPORATION**

**PHILIP MECHANICAL SERVICES OF
LOUISIANA, INC.**

PHILIP ST PIPING, INC.

PHILIP TECHNICAL SERVICES, INC.

PHILIP/SECO INDUSTRIES, INC.

TIPCO ACQUISITION CORP.

PRS HOLDING, INC.

**PHILIP PETRO RECOVERY SYSTEMS,
INC.**

(signatures continued on the next following page)

(signatures continued from the preceding page)

SERV-TECH EPC, INC.

**SERV-TECH CONSTRUCTION AND
MAINTENANCE, INC.**

SERV-TECH ENGINEERS, INC.

PHILIP F.C. SCHAFFER, INC.

**SERV-TECH INTERNATIONAL SALES,
INC.**

SERV-TECH OF NEW MEXICO, INC.

SERV-TECH SERVICES, INC.

TERMINAL TECHNOLOGIES, INC.

RMF GLOBAL, INC.

RMF INDUSTRIAL CONTRACTING, INC.

RMF ENVIRONMENTAL, INC.

PHILIP METALS (USA), INC.

in each case by:



Colin Soule
Authorized Signatory