

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>	AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

**CONVEYING PARTY DATA**

Name	Formerly	Execution Date	Entity Type
GROOT INDUSTRIES, INC.		06/30/2010	CORPORATION: DELAWARE
GROOT RECYCLING & WASTE SERVICES, INC.		06/30/2010	CORPORATION: ILLINOIS
GROOT, INC.	FORMERLY CROWN RECYCLING & WASTE SERVICES, INC.	06/30/2010	CORPORATION: ILLINOIS
KODIAK ENVIRONMENTAL SERVICES, LLC		06/30/2010	LIMITED LIABILITY COMPANY: ILLINOIS

**RECEIVING PARTY DATA**

<b>Name:</b>	JPMORGAN CHASE BANK, N.A.
<b>Street Address:</b>	10 S. Dearborn
<b>Internal Address:</b>	34th Floor
<b>City:</b>	Chicago
<b>State/Country:</b>	ILLINOIS
<b>Postal Code:</b>	60603
<b>Entity Type:</b>	National Banking Association: UNITED STATES

**PROPERTY NUMBERS Total: 1**

Property Type	Number	Word Mark
<b>Serial Number:</b>	77708276	EARTH DAY EVERY DAY

**CORRESPONDENCE DATA**

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*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*  
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**900166320**

**TRADEMARK  
 REEL: 004237 FRAME: 0442**

**CH \$40.00 77708276**

Address Line 4: Chicago, ILLINOIS 60601-1732

ATTORNEY DOCKET NUMBER:	049848.01400
NAME OF SUBMITTER:	Howard E. Silverman
Signature:	/Howard E. Silverman/
Date:	07/06/2010

**Total Attachments: 45**

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**AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT**

This AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT (as it may be amended or modified from time to time, this "Security Agreement") is entered into as of June 30, 2010, among GROOT INDUSTRIES, INC., a Delaware corporation ("Groot Industries"), GROOT RECYCLING & WASTE SERVICES, INC., an Illinois corporation ("Groot Recycling"), GROOT, INC. F/K/A CROWN RECYCLING & WASTE SERVICES, INC., an Illinois corporation ("Groot"), and KODIAK ENVIRONMENTAL SERVICES, LLC, an Illinois limited liability company ("Kodiak") (collectively, Groot Industries, Groot Recycling, Groot and Kodiak are referenced herein each a "Grantor", and collectively, the "Grantors"), and JPMorgan Chase Bank, N.A., in its capacity as administrative agent (the "Administrative Agent") for the lenders party to the Credit Agreement referred to below.

FACTUAL BACKGROUND

A. Groot Industries, Groot Recycling, and Groot (the "Original Grantors") and Administrative Agent's predecessor in interest entered into that certain Credit Agreement which has been amended numerous times (the "Original Credit Agreement") and Groot Industries and Administrative Agent's predecessor in interest entered into that certain Line of Credit Agreement which has been amended numerous times (the "Original Line of Credit Agreement") (collectively, the Original Credit Agreement and the Original Line of Credit Lender are referenced herein as the "Original Agreement"). In addition to the Original Agreement, various Grantors entered into various notes, mortgage, bond financings, interest rate swap and protection agreement and other agreements and financing agreements with Administrative Agent or its predecessor in interest.

B. The Grantors, Administrative Agent and the Lenders are entering into an Amended and Restated Credit Agreement dated as of even date herewith (as it may be amended or modified from time to time, the "Credit Agreement"). Each Grantor is entering into this Security Agreement in order to induce the Lenders to make (and to continue to make) financial accommodations to the Grantors all as provided under the Credit Agreement and to secure the Secured Obligations.

C. The Original Grantors and Administrative Agent's predecessor in interest entered into that certain Security Agreement dated October 30, 2002 (as the same has been amended, restated, supplemented or modified from time to time the "Original Security Agreement"). Pursuant to the Grantor's request, the parties hereto desire to amend and restate the Original Security Agreement with this Security Agreement to reaffirm the assignment, pledge and transfer of the security interest and lien granted in the Original Security Agreement.

NOW, THEREFORE, for and in consideration of any loan or advance (including any loan or advance by renewal or extension) heretofore or hereafter made to the Grantors or to their successors or assigns by the Administrative Agent and the Lenders, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantors and the Administrative Agent, on behalf of the Lenders, amend and restate the Original Security Agreement and agree as follows:

**ARTICLE I**  
**DEFINITIONS**

1.1. Terms Defined in Credit Agreement. All capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Credit Agreement.

1.2. Terms Defined in UCC. Terms defined in the UCC which are not otherwise defined in this Security Agreement are used herein as defined in the UCC.

1.3. Definitions of Certain Terms Used Herein. As used in this Security Agreement, in addition to the terms defined in the Preliminary Statement, the following terms shall have the following meanings:

“Accounts” shall have the meaning set forth in Article 9 of the UCC.

“Article” means a numbered article of this Security Agreement, unless another document is specifically referenced.

“Certificate of Title” shall have the meaning set forth in Article 9 of the UCC.

“Chattel Paper” shall have the meaning set forth in Article 9 of the UCC.

“Closing Date” means the date of the Credit Agreement.

“Collateral” shall have the meaning set forth in Article II.

“Collateral Access Agreement” means any landlord waiver or other agreement, in form and substance satisfactory to the Administrative Agent, between the Administrative Agent and any third party (including any bailee, consignee, customs broker, or other similar Person) in possession of any Collateral or any landlord of any Loan Party for any real property where any Collateral is located, as such landlord waiver or other agreement may be amended, restated, or otherwise modified from time to time.

“Collateral Deposit Account” shall have the meaning set forth in Section 7.1(a).

“Collateral Report” means any certificate, report or other document delivered by any Grantor to the Administrative Agent or any Lender with respect to the Collateral pursuant to any Loan Document.

“Collection Account” shall have the meaning set forth in Section 7.1(b).

“Commercial Tort Claims” shall have the meaning set forth in Article 9 of the UCC.

“Control” shall have the meaning set forth in Article 8 or, if applicable, in Section 9-104, 9-105, 9-106 or 9-107 of Article 9 of the UCC.

“Copyrights” means, with respect to any Person, all of such Person’s right, title, and interest in and to the following: (a) all copyrights, rights and interests in copyrights, works protectable by copyright, copyright registrations, and copyright applications; (b) all renewals of any of the foregoing; (c) all income, royalties, damages, and payments now or hereafter due and/or payable under any of the foregoing, including, without limitation, damages or payments for past or future infringements for any of the foregoing; (d) the right to sue for past, present, and future infringements of any of the foregoing; and (e) all rights corresponding to any of the foregoing throughout the world.

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Deposit Account Control Agreement” means an agreement, in form and substance satisfactory to the Administrative Agent, among any Loan Party, a banking institution holding such Loan Party’s funds,

and the Administrative Agent with respect to collection and control of all deposits and balances held in a deposit account maintained by any Loan Party with such banking institution.

“Deposit Accounts” shall have the meaning set forth in Article 9 of the UCC.

“Documents” shall have the meaning set forth in Article 9 of the UCC.

“Equipment” shall have the meaning set forth in Article 9 of the UCC.

“Event of Default” means an event described in Section 5.1.

“Excluded Assets” means the McCook Property, the Republic Stock and the Waste Management Stock.

“Exhibit” refers to a specific exhibit to this Security Agreement, unless another document is specifically referenced.

“Fixtures” shall have the meaning set forth in Article 9 of the UCC.

“Garbage Trucks” means those certain trucks, tractors, trailers, containers, dump trucks, roll-off trucks, front loaders, rear loaders, side loaders, recyclers and other similar vehicles owned by Grantors.

“General Intangibles” shall have the meaning set forth in Article 9 of the UCC.

“Goods” shall have the meaning set forth in Article 9 of the UCC.

“Instruments” shall have the meaning set forth in Article 9 of the UCC.

“Inventory” shall have the meaning set forth in Article 9 of the UCC.

“Investment Property” shall have the meaning set forth in Article 9 of the UCC.

“Larry Groot Note” means that certain promissory note made by Larry Groot for the benefit of Groot Industries in the principal amount of \$250,000.

“Lenders” means the lenders party to the Credit Agreement and their successors and assigns.

“Letter-of-Credit Rights” shall have the meaning set forth in Article 9 of the UCC.

“Licenses” means, with respect to any Person, all of such Person’s right, title, and interest in and to (a) any and all licensing agreements or similar arrangements in and to its Patents, Copyrights, or Trademarks, (b) all income, royalties, damages, claims, and payments now or hereafter due or payable under and with respect thereto, including, without limitation, damages and payments for past and future breaches thereof, and (c) all rights to sue for past, present, and future breaches thereof.

“Lock Boxes” shall have the meaning set forth in Section 7.1(a).

“Lock Box Agreements” shall have the meaning set forth in Section 7.1(a).

“McCook Property” means that certain real property and improvements thereon located at 8475 W. 53rd Street, McCook, Illinois 60525.

“Patents” means, with respect to any Person, all of such Person’s right, title, and interest in and to: (a) any and all patents and patent applications; (b) all inventions and improvements described and claimed therein; (c) all reissues, divisions, continuations, renewals, extensions, and continuations-in-part thereof; (d) all income, royalties, damages, claims, and payments now or hereafter due or payable under and with respect thereto, including, without limitation, damages and payments for past and future infringements thereof; (e) all rights to sue for past, present, and future infringements thereof; and (f) all rights corresponding to any of the foregoing throughout the world.

“Pledged Collateral” means all Instruments, Securities and other Investment Property of the Grantors, excluding the Larry Groot Note, the Excluded Assets and any Equity Interests in the Grantors, whether or not physically delivered to the Administrative Agent pursuant to this Security Agreement.

“Pledged Titled Equipment” means that certain Titled Equipment in which Administrative Agent has a security interest.

“Receivables” means the Accounts, Chattel Paper, Documents, Investment Property, Instruments and any other rights or claims to receive money which are General Intangibles or which are otherwise included as Collateral.

“Required Secured Parties” means (a) prior to an acceleration of the Obligations under the Credit Agreement, the Required Lenders, (b) after an acceleration of the Obligations under the Credit Agreement but prior to the date upon which the Credit Agreement has terminated by its terms and all of the obligations thereunder have been paid in full, Lenders holding in the aggregate at least a majority of the total of the Aggregate Credit Exposure, and (c) after the Credit Agreement has terminated by its terms and all of the Obligations thereunder have been paid in full (whether or not the Obligations under the Credit Agreement were ever accelerated), Lenders holding in the aggregate at least a majority of the aggregate net early termination payments and all other amounts then due and unpaid from any Grantor to the Lenders under Swap Agreement, as determined by the Administrative Agent in its reasonable discretion.

“Republic Stock” means those certain 14,056 shares of stock in Republic Services, Inc. owned by Groot Industries and including any proceeds, dividends or distributions from such stock.

“Section” means a numbered section of this Security Agreement, unless another document is specifically referenced.

“Security” has the meaning set forth in Article 8 of the UCC.

“Stock Rights” means all dividends, instruments or other distributions and any other right or property which the Grantors shall receive or shall become entitled to receive for any reason whatsoever with respect to, in substitution for or in exchange for any Equity Interest constituting Collateral, any right to receive an Equity Interest and any right to receive earnings, in which the Grantors now have or hereafter acquire any right, issued by an issuer of such Equity Interest.

“Supporting Obligations” shall have the meaning set forth in Article 9 of the UCC.

“Titled Equipment” means all Equipment owned by Grantors covered by a Certificate of Title.

“Trademarks” means, with respect to any Person, all of such Person’s right, title, and interest in and to the following: (a) all trademarks (including service marks), trade names, trade dress, and trade styles and the registrations and applications for registration thereof and the goodwill of the business symbolized by the foregoing; (b) all licenses of the foregoing, whether as licensee or licensor; (c) all

renewals of the foregoing; (d) all income, royalties, damages, and payments now or hereafter due or payable with respect thereto, including, without limitation, damages, claims, and payments for past and future infringements thereof; (e) all rights to sue for past, present, and future infringements of the foregoing, including the right to settle suits involving claims and demands for royalties owing; and (f) all rights corresponding to any of the foregoing throughout the world.

“UCC” means the Uniform Commercial Code, as in effect from time to time, of the State of Illinois or of any other state the laws of which are required as a result thereof to be applied in connection with the attachment, perfection or priority of, or remedies with respect to, Administrative Agent’s or any Lender’s Lien on any Collateral.

“Waste Management Stock” means those certain 209,887 shares of stock in Waste Management, Inc. owned by Groot Industries and including any proceeds, dividends or distributions from such stock.

The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms.

## **ARTICLE II**

### **GRANT OF SECURITY INTEREST**

Each Grantor hereby pledges, assigns and grants to the Administrative Agent, on behalf of and for the ratable benefit of the Lenders, a security interest in all of its right, title and interest in, to and under all personal property and other assets, whether now owned by or owing to, or hereafter acquired by or arising in favor of such Grantor (including under any trade name or derivations thereof), and whether owned or consigned by or to, or leased from or to, such Grantor, and regardless of where located, except for the Excluded Assets (all of which will be collectively referred to as the “Collateral”), including:

- (i) all Accounts;
- (ii) all Chattel Paper;
- (iii) all Copyrights, Patents and Trademarks;
- (iv) all Documents;
- (v) all Equipment;
- (vi) all Fixtures;
- (vii) all General Intangibles;
- (viii) all Goods;
- (ix) all Instruments;
- (x) all Inventory;
- (xi) all Investment Property;
- (xii) all cash or cash equivalents;
- (xiii) all letters of credit, Letter-of-Credit Rights and Supporting Obligations;



- (xiv) all Deposit Accounts with any bank or other financial institution;
- (xv) all Commercial Tort Claims; and
- (xvi) all accessions to, substitutions for and replacements, proceeds (including Stock Rights), insurance proceeds and products of the foregoing, together with all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records related thereto and any General Intangibles at any time evidencing or relating to any of the foregoing;

to secure the prompt and complete payment and performance of the Secured Obligations.

### **ARTICLE III** **REPRESENTATIONS AND WARRANTIES**

Each Grantor represents and warrants to the Administrative Agent and the Lenders that:

3.1. Title, Perfection and Priority. Such Grantor has good and valid rights in or the power to transfer the Collateral and title to the Collateral with respect to which it has purported to grant a security interest hereunder, free and clear of all Liens except for Liens permitted under Section 4.1(e), and has full power and authority to grant to the Administrative Agent the security interest in such Collateral pursuant hereto. When financing statements have been filed in the appropriate offices against such Grantor in the locations listed on Exhibit H, the Administrative Agent will have a fully perfected first priority security interest in that Collateral of the Grantor in which a security interest may be perfected by filing, subject only to Liens permitted under Section 4.1(e).

3.2. Type and Jurisdiction of Organization, Organizational and Identification Numbers . The type of entity of such Grantor, its state of organization, the organizational number issued to it by its state of organization and its federal employer identification number are set forth on Exhibit A.

3.3. Principal Location. Such Grantor's mailing address and the location of its place of business or its chief executive office (if it has more than one place of business), are disclosed in Exhibit A; such Grantor has no other places of business except those set forth in Exhibit A.

3.4. Collateral Locations. All of such Grantor's locations where Collateral is located are listed on Exhibit A. All of said locations are owned by such Grantor except for locations (i) which are leased by the Grantor as lessee and designated in Part VII(b) of Exhibit A and (ii) at which Inventory is held in a public warehouse or is otherwise held by a bailee or on consignment as designated in Part VII(c) of Exhibit A.

3.5. Deposit Accounts. All of such Grantor's Deposit Accounts held or maintained by parties who are not Lenders are listed on Exhibit B.

3.6. Exact Names. Such Grantor's name in which it has executed this Security Agreement is the exact name as it appears in such Grantor's organizational documents, as amended, as filed with such Grantor's jurisdiction of organization. With the exception of "Accurate Document Destruction", such Grantor has not, during the past five years, been known by or used any other corporate or fictitious name, or been a party to any merger or consolidation, or been a party to any acquisition (except as has been disclosed in writing to Administrative Agent).

3.7. Letter-of-Credit Rights and Chattel Paper. Exhibit C lists all Letter-of-Credit Rights and Chattel Paper of such Grantor. All action by such Grantor necessary or desirable to protect and perfect the Administrative Agent's Lien on each item listed on Exhibit C (including the delivery of all originals and the placement of a legend on all Chattel Paper as required hereunder) has been duly taken. The Administrative Agent will have a fully perfected first priority security interest in the Collateral listed on Exhibit C, subject only to Liens permitted under Section 4.1(e).

3.8. Accounts and Chattel Paper.

(a) The names of the obligors, amounts owing, due dates and other information with respect to its Accounts and Chattel Paper are and will be correctly stated in all records of such Grantor relating thereto and in all invoices and Collateral Reports with respect thereto furnished to the Administrative Agent by such Grantor from time to time. As of the time when each Account or each item of Chattel Paper arises, such Grantor shall be deemed to have represented and warranted that such Account or Chattel Paper, as the case may be, and all records relating thereto, are genuine and in all respects what they purport to be.

(b) With respect to its Accounts, (i) all Accounts represent bona fide sales of Inventory or rendering of services to Account Debtors in the ordinary course of such Grantor's business and are not evidenced by a judgment, Instrument or Chattel Paper; (ii) there are no material setoffs, claims or disputes existing or asserted with respect thereto and such Grantor has not made any agreement with any Account Debtor for any extension of time for the payment thereof, any compromise or settlement for less than the full amount thereof, any release of any Account Debtor from liability therefor, or any deduction therefrom except a discount or allowance allowed by such Grantor in the ordinary course of its business for prompt payment and disclosed to the Administrative Agent; (iii) to such Grantor's knowledge, there are no facts, events or occurrences which in any way impair the validity or enforceability thereof or could reasonably be expected to reduce the amount payable thereunder as shown on such Grantor's books and records and any invoices, statements and Collateral Reports with respect thereto; (iv) such Grantor has not received any notice of proceedings or actions which are threatened or pending against any Account Debtor which might result in any material adverse change in such Account Debtor's financial condition; and (v) such Grantor has no knowledge that any Account Debtor is unable generally to pay its debts as they become due.

(c) In addition, with respect to all of its Accounts, (i) the amounts shown on all invoices, statements and Collateral Reports with respect thereto are actually and absolutely owing to such Grantor as indicated thereon and are not in any way contingent; (ii) no payments have been or shall be made thereon except payments immediately delivered to a Lock Box or a Collateral Deposit Account as required pursuant to Section 7.1; and (iii) to such Grantor's knowledge, all Account Debtors have the capacity to contract.

3.9. Inventory. With respect to any of its Inventory scheduled or listed on the most recent Collateral Report, (a) such Inventory (other than Inventory in transit) is located at one of such Grantor's locations set forth on Exhibit A, (b) no Inventory (other than Inventory in transit) is now, or shall at any time or times hereafter be stored at any other location except as permitted by Section 4.1(g), (c) such Grantor has good, indefeasible and merchantable title to such Inventory and such Inventory is not subject to any Lien or security interest or document whatsoever except for the Lien granted to the Administrative Agent, for the benefit of the Administrative Agent and Lenders, and except for Permitted Encumbrances, (d) except as specifically disclosed in the most recent Collateral Report, such Inventory is of good and merchantable quality, free from any defects, (e) such Inventory is not subject to any licensing, patent, royalty, trademark, trade name or copyright agreements with any third parties which would require any consent of any third party upon sale or disposition of that Inventory or the payment of any monies to any

third party upon such sale or other disposition, (f) such Inventory has been produced in accordance with the Federal Fair Labor Standards Act of 1938, as amended, and all rules, regulations and orders thereunder and (g) the completion of manufacture, sale or other disposition of such Inventory by the Administrative Agent following an Event of Default shall not require the consent of any Person and shall not constitute a breach or default under any contract or agreement to which such Grantor is a party or to which such property is subject.

3.10. Intellectual Property. Such Grantor does not have any interest in, or title to, any registered Patent, Trademark or Copyright except as set forth in Exhibit D. This Security Agreement is effective to create a valid and continuing Lien and, upon filing of appropriate financing statements in the offices listed on Exhibit H and this Security Agreement with the United States Copyright Office and the United States Patent and Trademark Office, fully perfected first priority security interests in favor of the Administrative Agent on such Grantor's registered Trademarks, such perfected security interests are enforceable as such as against any and all creditors of and purchasers from such Grantor; and all action necessary or desirable to protect and perfect the Administrative Agent's Lien on such Grantor's registered Trademarks shall have been duly taken.

3.11. Filing Requirements. Within 30 days following the Closing Date, each Grantor shall: (a) deliver or cause to be delivered to Administrative Agent all titles to the Titled Equipment identified on Exhibit E; (b) take any and all steps necessary, when and as requested by Administrative Agent and at the sole cost and expense of Grantors, to ensure that Administrative Agent has a first priority perfected security interest subject to no other Liens in the Titled Equipment identified on Exhibit E, all in form and substance acceptable to Administrative Agent. Grantors further pledge, assign and grant to Administrative Agent a Lien on all other Titled Equipment of Grantors (not identified on Exhibit E, now owned by Grantors or hereafter acquired) and Grantors agree that when and as requested by Administrative Agent and at the sole cost and expense of Grantors, to promptly take any and all steps necessary or requested by Administrative Agent to ensure that Administrative Agent has a first priority perfected security interest subject to no other Liens in such Titled Equipment.

None of the Collateral owned by it is of a type for which security interests or liens may be perfected by filing under any federal statute except for (i) the vehicles described in Part II of Exhibit E and (ii) Patents, Trademarks and Copyrights held by such Grantor and described in Exhibit D. A list of each property on which any Fixtures are located is set forth in Exhibit F.

3.12. No Financing Statements, Security Agreements. No financing statement or security agreement describing all or any portion of the Collateral which has not lapsed or which is being or which has been terminated naming such Grantor as debtor has been filed or is of record in any jurisdiction except (a) for financing statements or security agreements naming the Administrative Agent on behalf of the Lenders as the secured party and (b) as permitted by Section 4.1(e).

3.13. Pledged Collateral.

(a) Exhibit G sets forth a complete and accurate list of all Pledged Collateral owned by such Grantor. Such Grantor is the direct, sole beneficial owner and sole holder of record of the Pledged Collateral listed on Exhibit G as being owned by it, free and clear of any Liens, except for the security interest granted to the Administrative Agent for the benefit of the Lenders hereunder. Such Grantor further represents and warrants that (i) all Pledged Collateral owned by it constituting an Equity Interest has been (to the extent such concepts are relevant with respect to such Pledged Collateral) duly authorized, validly issued, are fully paid and non-assessable, (ii) no certificates have been delivered to the Administrative Agent representing an Equity Interest, (iii) all such Pledged Collateral held by a securities intermediary is covered by a control agreement among such Grantor, the securities intermediary and the

Administrative Agent pursuant to which the Administrative Agent has Control and (iv) all Pledged Collateral which represents Indebtedness owed to such Grantor has been duly authorized, authenticated or issued and delivered by the issuer of such Indebtedness, is the legal, valid and binding obligation of such issuer and such issuer is not in default thereunder.

(b) In addition, (i) none of the Pledged Collateral owned by it has been issued or transferred in violation of the securities registration, securities disclosure or similar laws of any jurisdiction to which such issuance or transfer may be subject, (ii) there are existing no options, warrants, calls or commitments of any character whatsoever relating to such Pledged Collateral or which obligate the issuer of any Equity Interest included in the Pledged Collateral to issue additional Equity Interests, and (iii) no consent, approval, authorization, or other action by, and no giving of notice, filing with, any governmental authority or any other Person is required for the pledge by such Grantor of such Pledged Collateral pursuant to this Security Agreement or for the execution, delivery and performance of this Security Agreement by such Grantor, or for the exercise by the Administrative Agent of the voting or other rights provided for in this Security Agreement or for the remedies in respect of the Pledged Collateral pursuant to this Security Agreement, except as may be required in connection with such disposition by laws affecting the offering and sale of securities generally.

(c) Except as set forth in Exhibit G, such Grantor owns 100% of the issued and outstanding Equity Interests which constitute Pledged Collateral owned by it and none of the Pledged Collateral which represents Indebtedness owed to such Grantor is subordinated in right of payment to other Indebtedness or subject to the terms of an indenture.

#### **ARTICLE IV** **COVENANTS**

From the date of this Security Agreement, and thereafter until this Security Agreement is terminated, each Grantor agrees that:

##### 4.1. General.

(a) Collateral Records. Such Grantor will maintain complete and accurate books and records with respect to the Collateral owned by it, and furnish to the Administrative Agent, with sufficient copies for each of the Lenders, such reports relating to such Collateral as the Administrative Agent shall from time to time request.

(b) Authorization to File Financing Statements; Ratification. Such Grantor hereby authorizes the Administrative Agent to file, and if requested will deliver to the Administrative Agent, all financing statements and other documents and take such other actions as may from time to time be requested by the Administrative Agent in order to maintain a first perfected security interest in and, if applicable, Control of, the Collateral owned by such Grantor. Any financing statement filed by the Administrative Agent may be filed in any filing office in any UCC jurisdiction and may (i) indicate such Grantor's Collateral (1) as all assets of the Grantor or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the UCC or such jurisdiction, or (2) by any other description which reasonably approximates the description contained in this Security Agreement, and (ii) contain any other information required by part 5 of Article 9 of the UCC for the sufficiency or filing office acceptance of any financing statement or amendment, including (A) whether such Grantor is an organization, the type of organization and any organization identification number issued to such Grantor, and (B) in the case of a financing statement filed as a fixture filing or indicating such Grantor's Collateral as as-extracted collateral or timber to be cut, a sufficient description of real property to which the Collateral relates. Such Grantor also agrees to furnish any such information

to the Administrative Agent promptly upon request. Such Grantor also ratifies its authorization for the Administrative Agent to have filed in any UCC jurisdiction any initial financing statements or amendments thereto if filed prior to the date hereof.

(c) Further Assurances. Such Grantor will, if so requested by the Administrative Agent, furnish to the Administrative Agent, as often as the Administrative Agent reasonably requests, statements and schedules further identifying and describing the Collateral owned by it and such other reports and information in connection with its Collateral as the Administrative Agent may reasonably request, all in such detail as the Administrative Agent may specify. Such Grantor also agrees to take any and all actions necessary to defend title to the Collateral against all persons and to defend the security interest of the Administrative Agent in its Collateral and the priority thereof against any Lien not expressly permitted hereunder.

(d) Disposition of Collateral. Such Grantor will not sell, lease or otherwise dispose of the Collateral owned by it except for dispositions specifically permitted pursuant to Section 6.5 of the Credit Agreement.

(e) Liens. Such Grantor will not create, incur, or suffer to exist any Lien on the Collateral owned by it except (i) the security interest created by this Security Agreement, and (ii) other Permitted Encumbrances.

(f) Other Financing Statements. Such Grantor will not authorize the filing of any financing statement naming it as debtor covering all or any portion of the Collateral owned by it, except as permitted by Section 4.1(e). Such Grantor acknowledges that it is not authorized to file any financing statement or amendment or termination statement with respect to any financing statement without the prior written consent of the Administrative Agent, subject to such Grantor's rights under Section 9-509(d)(2) of the UCC.

(g) Locations. Such Grantor will not (i) maintain any Collateral owned by it at any location other than those locations listed on Exhibit A, (ii) otherwise change, or add to, such locations without the Administrative Agent's prior written consent as required by the Credit Agreement (and if the Administrative Agent gives such consent, such Grantor will concurrently therewith obtain a Collateral Access Agreement for each such location to the extent required by the Credit Agreement), or (iii) change its principal place of business or chief executive office from the location identified on Exhibit A, other than as permitted by the Credit Agreement.

(h) Compliance with Terms. Such Grantor will perform and comply with all obligations in respect of the Collateral owned by it and all agreements to which it is a party or by which it is bound relating to such Collateral.

#### 4.2. Receivables.

(a) Certain Agreements on Receivables. Such Grantor will not make or agree to make any discount, credit, rebate or other reduction in the original amount owing on a Receivable or accept in satisfaction of a Receivable less than the original amount thereof, except that, prior to the occurrence of an Event of Default, such Grantor may reduce the amount of Accounts arising from the sale of Inventory or services in accordance with its present policies and in the ordinary course of business.

(b) Collection of Receivables. Except as otherwise provided in this Security Agreement, such Grantor will collect and enforce, at such Grantor's sole expense, all amounts due or hereafter due to such Grantor under the Receivables owned by it.

(c) Delivery of Invoices. Such Grantor will deliver to the Administrative Agent immediately upon its request after the occurrence of an Event of Default duplicate invoices with respect to each Account owned by it bearing such language of assignment as the Administrative Agent shall specify.

(d) Disclosure of Counterclaims on Receivables. If (i) any discount, credit or agreement to make a rebate or to otherwise reduce the amount owing on any Receivable owned by such Grantor exists or (ii) to the knowledge of such Grantor, any dispute, setoff, claim, counterclaim or defense exists or has been asserted or threatened with respect to any such Receivable, such Grantor will disclose such fact to the Administrative Agent in writing: (A) in connection with the inspection by Administrative Agent of any record of such Grantor relating to such Receivable and (B) in connection with any invoice or report furnished by such Grantor to the Administrative Agent relating to such Receivable. If, to the knowledge of such Grantor, any dispute, setoff, claim, counterclaim or defense exists or has been asserted or threatened with respect to any such Receivable which has or which could have a Material Adverse Effect, such Grantor will promptly disclose such fact to the Administrative Agent in writing.

(e) Electronic Chattel Paper. Upon Administrative Agent's request, such Grantor shall take all steps necessary to grant the Administrative Agent Control of all electronic chattel paper in accordance with the UCC and all "transferable records" as defined in each of the Uniform Electronic Transactions Act and the Electronic Signatures in Global and National Commerce Act.

#### 4.3. Inventory and Equipment.

(a) Maintenance of Goods. Such Grantor will do all things necessary to maintain, preserve, protect and keep its Inventory and the Equipment in good repair and working and saleable condition, except for damaged or defective goods arising in the ordinary course of such Grantor's business and except for ordinary wear and tear in respect of the Equipment.

(b) Equipment. Such Grantor shall promptly inform the Administrative Agent of any additions to or deletions from its Equipment which individually exceed \$100,000. Such Grantor shall not permit any Equipment to become a fixture with respect to real property or to become an accession with respect to other personal property with respect to which real or personal property the Administrative Agent does not have a Lien. Such Grantor will not, without the Administrative Agent's prior written consent, alter or remove any identifying symbol or number on any of such Grantor's Equipment constituting Collateral.

(c) Titled Vehicles. Such Grantor will provide the Administrative Agent with notice of its acquisition of any vehicle covered by a Certificate of Title and will immediately, upon its receipt thereof, deliver to the Administrative Agent the original Certificate of Title to all such Equipment and provide and/or file all other documents or instruments necessary or desirable, in the Administrative Agent's sole discretion, to perfect and to maintain the perfection and priority of the Administrative Agent's security interest in any such Equipment, including, without limitation, having its Lien noted on any such certificate or with the appropriate state office. Administrative Agent shall have a perfected first priority lien on all Garbage Trucks hereafter acquired by such Grantor on a trailing five (5) year basis. Grantor may seek to have Administrative Agent's remove the notation on the Certificate of Title that it is a secured party with regard to such Garbage Trucks which have been purchased by Grantor more than five (5) years prior to the Closing Date on a trailing five (5) year basis provided that no Event of Default has occurred or is continuing and Grantor certifies to Administrative Agent that no Event of Default has occurred or is continuing. Grantor shall provide written notice to Administrative Agent which notice indicates which Garbage Trucks Grantor seeks to have so released, provided that such Garbage Trucks have been acquired by Grantor more than five (5) years prior to the proposed release date. In such case,

Administrative Agent shall cause the notation on the Certificate of Title indicating that Administrative Agent is a secured party removed and such Garbage Trucks shall be so released and Administrative Agent shall cooperate with Grantors, at Grantors' sole cost and expense, to cause such release. Thereafter, Grantors may take such action with respect to the released Collateral as is permitted pursuant to the terms of the Credit Agreement. For clarity, if such Grantor purchases a garbage truck on December 31, 2010, Administrative Agent shall have a perfected first priority Lien on such garbage truck until December 31, 2015. On or after January 1, 2016, such Grantor may request that Administrative Agent remove the notation on the Certificate of Title that it is a secured party (provided however that Administrative Agent shall continue to have a Lien on such garbage truck subject at all times to the provisions of Section 3.11 hereof). Any failure of Grantors to deliver such Certificates of Title or otherwise comply with the provisions of this Section 4.3(a) shall constitute an Event of Default.

4.4. Delivery of Instruments, Securities, Chattel Paper and Documents. Such Grantor will (a) deliver to the Administrative Agent immediately upon execution of this Security Agreement the originals of all Chattel Paper, Securities and Instruments (excluding the Larry Groot Note) constituting Collateral owned by it (if any then exist), (b) hold in trust for the Administrative Agent upon receipt and immediately thereafter deliver to the Administrative Agent any such Chattel Paper, Securities and Instruments constituting Collateral, (c) upon the Administrative Agent's request, after the occurrence and during the continuance of an Event of Default, deliver to the Administrative Agent (and thereafter hold in trust for the Administrative Agent upon receipt and immediately deliver to the Administrative Agent) any Document evidencing or constituting Collateral and (d) upon the Administrative Agent's request, deliver to the Administrative Agent a duly executed amendment to this Security Agreement, in the form of Exhibit I hereto (the "Amendment"), pursuant to which such Grantor will pledge such additional Collateral (but excluding the Excluded Assets). Such Grantor hereby authorizes the Administrative Agent to attach each Amendment to this Security Agreement and agrees that all additional Collateral owned by it set forth in such Amendments shall be considered to be part of the Collateral.

4.5. Uncertificated Pledged Collateral. Such Grantor will permit the Administrative Agent from time to time to cause the appropriate issuers (and, if held with a securities intermediary, such securities intermediary) of uncertificated securities or other types of Pledged Collateral owned by it not represented by certificates to mark their books and records with the numbers and face amounts of all such uncertificated securities or other types of Pledged Collateral not represented by certificates and all rollovers and replacements therefor to reflect the Lien of the Administrative Agent granted pursuant to this Security Agreement. With respect to any Pledged Collateral owned by it, such Grantor will take any actions necessary to cause (a) the issuers of uncertificated securities which are Pledged Collateral and (b) any securities intermediary which is the holder of any such Pledged Collateral, to cause the Administrative Agent to have and retain Control over such Pledged Collateral. Without limiting the foregoing, such Grantor will, with respect to any such Pledged Collateral held with a securities intermediary, cause such securities intermediary to enter into a control agreement with the Administrative Agent, in form and substance satisfactory to the Administrative Agent, giving the Administrative Agent Control.

4.6. Pledged Collateral.

(a) Changes in Capital Structure of Issuers. Such Grantor will not (i) permit or suffer any issuer of an Equity Interest constituting Pledged Collateral (excluding any publicly traded security) owned by it to dissolve, merge, liquidate, retire any of its Equity Interests or other Instruments or Securities evidencing ownership, reduce its capital, sell or encumber all or substantially all of its assets (except for Permitted Encumbrances and sales of assets permitted pursuant to Section 4.1(d)) or merge or consolidate with any other entity, or (ii) vote any such Pledged Collateral in favor of any of the foregoing.

(b) Issuance of Additional Securities. Such Grantor will not permit or suffer the issuer of an Equity Interest constituting Pledged Collateral (excluding any publicly traded security) owned by it to issue additional Equity Interests, any right to receive the same or any right to receive earnings, except to such Grantor and except with respect to the Waste Management Stock and the Republic Stock.

(c) Registration of Pledged Collateral. Such Grantor will permit any registerable Pledged Collateral owned by it to be registered in the name of the Administrative Agent or its nominee at any time at the option of the Required Secured Parties.

(d) Exercise of Rights in Pledged Collateral.

(i) Without in any way limiting the foregoing and subject to clause (ii) below, such Grantor shall have the right to exercise all voting rights or other rights relating to the Pledged Collateral owned by it for all purposes not inconsistent with this Security Agreement, the Credit Agreement or any other Loan Document; *provided however, that* no vote or other right shall be exercised or action taken which would have the effect of impairing the rights of the Administrative Agent in respect of such Pledged Collateral.

(ii) Such Grantor will permit the Administrative Agent or its nominee at any time after the occurrence of an Event of Default, without notice, to exercise all voting rights or other rights relating to the Pledged Collateral owned by it, including, without limitation, exchange, subscription or any other rights, privileges, or options pertaining to any Equity Interest or Investment Property constituting such Pledged Collateral as if it were the absolute owner thereof.

(iii) Such Grantor shall be entitled to collect and receive for its own use all cash dividends and interest paid in respect of the Pledged Collateral owned by it to the extent not in violation of the Credit Agreement other than any of the following distributions and payments (collectively referred to as the "Excluded Payments"): (A) dividends and interest paid or payable other than in cash in respect of such Pledged Collateral, and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for, any Pledged Collateral; (B) dividends and other distributions paid or payable in cash in respect of such Pledged Collateral in connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in capital of an issuer; and (C) cash paid, payable or otherwise distributed, in respect of principal of, or in redemption of, or in exchange for, such Pledged Collateral; *provided however, that* until actually paid, all rights to such distributions shall remain subject to the Lien created by this Security Agreement. All Excluded Payments and all other distributions in respect of any of the Pledged Collateral owned by such Grantor, whenever paid or made, shall be delivered to the Administrative Agent to hold as Pledged Collateral and shall, if received by such Grantor, be received in trust for the benefit of the Administrative Agent, be segregated from the other property or funds of such Grantor, and be forthwith delivered to the Administrative Agent as Pledged Collateral in the same form as so received (with any necessary endorsement).

4.7. Intellectual Property.

(a) Such Grantor will use its best efforts to secure all consents and approvals necessary or appropriate for the assignment to or benefit of the Administrative Agent of any License held by such Grantor and to enforce the security interests granted hereunder.



(b) Such Grantor shall notify the Administrative Agent promptly if it knows or has reason to know that any application or registration relating to any Patent, Trademark or Copyright (now or hereafter existing) may become abandoned or dedicated, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court) regarding such Grantor's ownership of any Patent, Trademark or Copyright, its right to register the same, or to keep and maintain the same.

(c) In no event shall such Grantor, either directly or through any agent, employee, licensee or designee, file an application for the registration of any Patent, Trademark or Copyright with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency without giving the Administrative Agent prior written notice thereof, and, upon request of the Administrative Agent, such Grantor shall execute and deliver any and all security agreements as the Administrative Agent may request to evidence the Administrative Agent's first priority security interest on such Patent, Trademark or Copyright, and the General Intangibles of such Grantor relating thereto or represented thereby.

4.8. Commercial Tort Claims. Such Grantor shall promptly after the same is acquired by it, notify the Administrative Agent of any commercial tort claim (as defined in the UCC) acquired by it and, unless the Administrative Agent otherwise consents, such Grantor shall enter into an amendment to this Security Agreement, in the form of Exhibit I hereto, granting to Administrative Agent a first priority security interest in such commercial tort claim.

4.9. Letter-of-Credit Rights. If any Grantor at any time is a beneficiary of a letter of credit now or hereafter issued in favor of such Grantor, it shall promptly notify the Administrative Agent thereof and at the request and option of Administrative Agent, such Grantor shall, pursuant to an agreement in form and substance satisfactory to Administrative Agent either: (i) arrange for the issuer and/or any confirmer of such letter of credit to consent to an assignment to the Administrative Agent of the proceeds of any drawing under the letter of credit or (ii) arrange for Administrative Agent to become the transferee beneficiary of the letter of credit, with Administrative Agent agreeing, in each case, that the proceeds of any drawing under the letter of credit are to be applied as provided in this Security Agreement.

4.10. Federal, State or Municipal Claims. Such Grantor will promptly notify the Administrative Agent of any Collateral which constitutes a claim against the United States government or any state or local government or any instrumentality or agency thereof, the assignment of which claim is restricted by federal, state or municipal law.

4.11. No Interference. Such Grantor agrees that it will not interfere with any right, power and remedy of the Administrative Agent provided for in this Security Agreement or now or hereafter existing at law or in equity or by statute or otherwise, or the exercise or beginning of the exercise by the Administrative Agent of any one or more of such rights, powers or remedies.

4.12. Insurance.

(a) In the event any Collateral is located in any area that has been designated by the Federal Emergency Management Agency as a "Special Flood Hazard Area", such Grantor shall purchase and maintain flood insurance on such Collateral (including any personal property which is located on any real property leased by such Loan Party within a "Special Flood Hazard Area"). The amount of flood insurance required by this Section shall at a minimum comply with applicable law, including the Flood Disaster Protection Act of 1973, as amended.

(b) All insurance policies required hereunder and under Section 5.9 of the Credit Agreement shall name the Administrative Agent (for the benefit of the Administrative Agent and the Lenders) as an additional insured or as loss payee, as applicable, and shall contain loss payable clauses or mortgagee clauses, through endorsements in form and substance satisfactory to the Administrative Agent, which provide that: (i) all proceeds thereunder with respect to any Collateral shall be payable to the Administrative Agent; (ii) no such insurance shall be affected by any act or neglect of the insured or owner of the property described in such policy; and (iii) such policy and loss payable or mortgagee clauses may be canceled, amended, or terminated only upon at least thirty days prior written notice given to the Administrative Agent.

(c) All premiums on any such insurance shall be paid when due by such Grantor, and copies of the policies delivered to the Administrative Agent. Unless a Grantor provides the Administrative Agent with evidence of the insurance coverage required by this Security Agreement, the Administrative Agent may purchase insurance at such Grantor's expense to protect the Administrative Agent's and the Lenders' interests in the Collateral. This insurance may, but need not, protect such Grantor's interests. The coverage that the Administrative Agent purchases may not pay any claim that such Grantor makes or any claim that is made against such Grantor in connection with the Collateral. Such Grantor may later cancel any insurance purchased by the Administrative Agent, but only after providing the Administrative Agent with evidence that such Grantor has obtained insurance as required by this Security Agreement. If the Administrative Agent purchases insurance for the Collateral, such Grantor and the will be responsible for the costs of that insurance, including interest and any other charges the Administrative Agent may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the Borrower's or such Grantor's total outstanding balance or obligation. The costs of the insurance may be more than the cost of insurance such Grantor may be able to obtain on its own. By purchasing such insurance, the Administrative Agent shall not be deemed to have waived any Default arising from the Grantor's failure to maintain such insurance or pay any premiums therefor.

4.13. Collateral Access Agreements. Upon Administrative Agent's request, such Grantor shall use commercially reasonable efforts to obtain a Collateral Access Agreement, from the lessor of each leased property, mortgagee of owned property or bailee or consignee with respect to any warehouse, processor or converter facility or other location where Collateral is stored or located, which agreement or letter shall provide access rights, contain a waiver or subordination of all Liens or claims that the landlord, mortgagee, bailee or consignee may assert against the Collateral at that location, and shall otherwise be reasonably satisfactory in form and substance to the Administrative Agent.

4.14. Deposit Account Control Agreements. After the occurrence and during the continuance of an Event of Default or in the event that any Grantors shall have accounts with one or more financial institutions (other than Administrative Agent or any Lender) where Grantors have deposits, in the aggregate, in excess of \$500,000, Grantors will provide to the Administrative Agent upon the Administrative Agent's request, a Deposit Account Control Agreement duly executed on behalf of each financial institution holding a deposit account of such Grantor as set forth in this Security Agreement; *provided that*, the Administrative Agent may, in its discretion, defer delivery of any such Deposit Account Control Agreement, and require such Grantor to open and maintain a new deposit account with a financial institution subject to a Deposit Account Control Agreement and in such case Grantors shall not continue to have Grantors' fund deposited a such financial institutions not subject to a Deposit Account Control Agreement.

4.15. Change of Name or Location; Change of Fiscal Year. Such Grantor shall not (a) change its name as it appears in official filings in the state of its incorporation or organization, (b) change its chief executive office, principal place of business, mailing address, corporate offices or warehouses or locations

at which Collateral is held or stored, or the location of its records concerning the Collateral as set forth in the Security Agreement, (c) change the type of entity that it is, (d) change its organization identification number, if any, issued by its state of incorporation or other organization, or (e) change its state of incorporation or organization, in each case, unless the Administrative Agent shall have received at least thirty days prior written notice of such change and the Administrative Agent shall have acknowledged in writing that either (1) such change will not adversely affect the validity, perfection or priority of the Administrative Agent's security interest in the Collateral, or (2) any reasonable action requested by the Administrative Agent in connection therewith has been completed or taken (including any action to continue the perfection of any Liens in favor of the Administrative Agent, on behalf of Lenders, in any Collateral), *provided that*, any new location shall be in the continental U.S. Such Grantor shall not change its fiscal year which currently ends on December 31.

## **ARTICLE V**

### **EVENTS OF DEFAULT AND REMEDIES**

5.1. Events of Default. The occurrence of any one or more of the following events shall constitute an Event of Default hereunder:

(a) Any representation or warranty made by or on behalf of any Grantor under or in connection with this Security Agreement shall be materially false as of the date on which made.

(b) The breach by any Grantor of any of the terms or provisions of Article IV or Article VII.

(c) The breach by any Grantor (other than a breach which constitutes an Event of Default under any other Section of this Article V) of any of the terms or provisions of this Security Agreement which is not remedied within ten days after such breach.

(d) The occurrence of any "Event of Default" under, and as defined in, the Credit Agreement.

(e) Any material portion of the Collateral shall be transferred or otherwise disposed of, either voluntarily or involuntarily, in any manner not permitted by Section 4.1(d) or Section 8.6 or shall be lost, stolen, damaged or destroyed, provided however it shall not be an Event of Default if insurance proceeds or other proceeds which are Excluded Collateral are available and are used by Grantors to promptly (in any event within 30 days) replace such lost, stolen, damaged or destroyed Collateral and such replacement Collateral is acceptable to Administrative Agent in its reasonable discretion.

5.2. Remedies.

(a) Upon the occurrence of an Event of Default, the Administrative Agent may exercise any or all of the following rights and remedies:

(i) Those rights and remedies provided in this Security Agreement, the Credit Agreement, or any other Loan Document; *provided that*, this Section 5.2(a) shall not be understood to limit any rights or remedies available to the Administrative Agent and the Lenders prior to an Event of Default.

(ii) Those rights and remedies available to a secured party under the UCC (whether or not the UCC applies to the affected Collateral) or under any other applicable law

(including, without limitation, any law governing the exercise of a bank's right of setoff or bankers' lien) when a debtor is in default under a security agreement.

(iii) Give notice of sole control or any other instruction under any Deposit Account Control Agreement or any other control agreement with any securities intermediary and take any action therein with respect to such Collateral.

(iv) Without notice (except as specifically provided in Section 8.1 or elsewhere herein), demand or advertisement of any kind to any Grantor or any other Person, enter the premises of any Grantor where any Collateral is located (through self-help and without judicial process) to collect, receive, assemble, process, appropriate, sell, lease, assign, grant an option or options to purchase or otherwise dispose of, deliver, or realize upon, the Collateral or any part thereof in one or more parcels at public or private sale or sales (which sales may be adjourned or continued from time to time with or without notice and may take place at any Grantor's premises or elsewhere), for cash, on credit or for future delivery without assumption of any credit risk, and upon such other terms as the Administrative Agent may deem commercially reasonable.

(v) Concurrently with written notice to the applicable Grantor, transfer and register in its name or in the name of its nominee the whole or any part of the Pledged Collateral, to exchange certificates or instruments representing or evidencing Pledged Collateral for certificates or instruments of smaller or larger denominations, to exercise the voting and all other rights as a holder with respect thereto, to collect and receive all cash dividends, interest, principal and other distributions made thereon and to otherwise act with respect to the Pledged Collateral as though the Administrative Agent was the outright owner thereof.

(b) The Administrative Agent, on behalf of the Lenders, may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.

(c) The Administrative Agent shall have the right upon any such public sale or sales and, to the extent permitted by law, upon any such private sale or sales, to purchase for the benefit of the Administrative Agent and the Lenders, the whole or any part of the Collateral so sold, free of any right of equity redemption, which equity redemption the Grantor hereby expressly releases.

(d) Until the Administrative Agent is able to effect a sale, lease, or other disposition of Collateral, the Administrative Agent shall have the right to hold or use Collateral, or any part thereof, to the extent that it deems appropriate for the purpose of preserving Collateral or its value or for any other purpose deemed appropriate by the Administrative Agent. The Administrative Agent may, if it so elects, seek the appointment of a receiver or keeper to take possession of Collateral and to enforce any of the Administrative Agent's remedies (for the benefit of the Administrative Agent and Lenders), with respect to such appointment without prior notice or hearing as to such appointment.

(e) If, after the Credit Agreement has terminated by its terms and all of the Obligations have been paid in full, there remain Swap Obligations outstanding, the Required Secured Parties may exercise the remedies provided in this Section 5.2 upon the occurrence of any event which would allow or require the termination or acceleration of any Swap Obligations pursuant to the terms of the Swap Agreement.

(f) Notwithstanding the foregoing, neither the Administrative Agent nor the Lenders shall be required to (i) make any demand upon, or pursue or exhaust any of their rights or remedies against, any Grantor, any other obligor, guarantor, pledgor or any other Person with respect to the payment of the Secured Obligations or to pursue or exhaust any of their rights or remedies with respect to any Collateral therefor or any direct or indirect guarantee thereof, (ii) marshal the Collateral or any guarantee of the Secured Obligations or to resort to the Collateral or any such guarantee in any particular order, or (iii) effect a public sale of any Collateral.

(g) Each Grantor recognizes that the Administrative Agent may be unable to effect a public sale of any or all the Pledged Collateral and may be compelled to resort to one or more private sales thereof in accordance with clause (a) above. Each Grantor also acknowledges that any private sale may result in prices and other terms less favorable to the seller than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner solely by virtue of such sale being private. The Administrative Agent shall be under no obligation to delay a sale of any of the Pledged Collateral for the period of time necessary to permit any Grantor or the issuer of the Pledged Collateral to register such securities for public sale under the Securities Act of 1933, as amended, or under applicable state securities laws, even if the applicable Grantor and the issuer would agree to do so.

5.3. Grantor's Obligations Upon Default. Upon the request of the Administrative Agent after the occurrence of an Event of Default, each Grantor will:

(a) Assemble and make available to the Administrative Agent the Collateral and all books and records relating thereto at any place or places specified by the Administrative Agent, whether at a Grantor's premises or elsewhere.

(b) Permit the Administrative Agent, by the Administrative Agent's representatives and agents, to enter, occupy and use any premises where all or any part of the Collateral, or the books and records relating thereto, or both, are located, to take possession of all or any part of the Collateral or the books and records relating thereto, or both, to remove all or any part of the Collateral or the books and records relating thereto, or both, and to conduct sales of the Collateral, without any obligation to pay the Grantor for such use and occupancy.

(c) Cause an issuer of Pledged Collateral to furnish to the Administrative Agent, any information regarding the Pledged Collateral in such detail as the Administrative Agent may specify.

(d) At its own expense, cause the independent certified public accountants then engaged by each Grantor to prepare and deliver to the Administrative Agent and each Lender, at any time, and from time to time, promptly upon the Administrative Agent's request, the following reports with respect to the applicable Grantor: (i) a reconciliation of all Accounts; (ii) an aging of all Accounts; (iii) trial balances; and (iv) a test verification of such Accounts.

5.4. Grant of Intellectual property License. For the purpose of enabling the Administrative Agent to exercise the rights and remedies under this Article V at such time as the Administrative Agent shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby (a) grants to the Administrative Agent, for the benefit of the Administrative Agent and the Lenders, an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to any Grantor) to use, license or sublicense any Intellectual property Rights now owned or hereafter acquired by such Grantor, and wherever the same may be located, and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof and (b) irrevocably agrees that the Administrative Agent may

sell any of such Grantor's Inventory directly to any person, including without limitation persons who have previously purchased the Grantor's Inventory from such Grantor and in connection with any such sale or other enforcement of the Administrative Agent's rights under this Security Agreement, may sell Inventory which bears any Trademark owned by or licensed to such Grantor and any Inventory that is covered by any Copyright owned by or licensed to such Grantor and the Administrative Agent may finish any work in process and affix any Trademark owned by or licensed to such Grantor and sell such Inventory as provided herein.

**ARTICLE VI**  
**ACCOUNT VERIFICATION; ATTORNEY IN FACT; PROXY**

6.1. Account Verification. Upon the occurrence and during the continuation of an Event of Default, the Administrative Agent may at any time, in the Administrative Agent's own name, in the name of a nominee of the Administrative Agent, or in the name of any Grantor communicate (by mail, telephone, facsimile or otherwise) with the Account Debtors of any such Grantor, parties to contracts with any such Grantor and obligors in respect of Instruments of any such Grantor to verify with such Persons, to the Administrative Agent's satisfaction, the existence, amount, terms of, and any other matter relating to, Accounts, Instruments, Chattel Paper, payment intangibles and/or other Receivables.

6.2. Authorization for Secured Party to Take Certain Action.

(a) Each Grantor irrevocably authorizes the Administrative Agent at any time and from time to time in the sole discretion of the Administrative Agent and appoints the Administrative Agent as its attorney in fact (i) to execute on behalf of such Grantor as debtor and to file financing statements necessary or desirable in the Administrative Agent's sole discretion to perfect and to maintain the perfection and priority of the Administrative Agent's security interest in the Collateral, (ii) to endorse and collect any cash proceeds of the Collateral, (iii) to file a carbon, photographic or other reproduction of this Security Agreement or any financing statement with respect to the Collateral as a financing statement and to file any other financing statement or amendment of a financing statement (which does not add new collateral or add a debtor) in such offices as the Administrative Agent in its sole discretion deems necessary or desirable to perfect and to maintain the perfection and priority of the Administrative Agent's security interest in the Collateral, (iv) to contact and enter into one or more agreements with the issuers of uncertificated securities which are Pledged Collateral or with securities intermediaries holding Pledged Collateral as may be necessary or advisable to give the Administrative Agent Control over such Pledged Collateral, (v) to apply the proceeds of any Collateral received by the Administrative Agent to the Secured Obligations as provided in Section 7.3, (vi) to discharge past due taxes, assessments, charges, fees or Liens on the Collateral (except for such Liens as are specifically permitted hereunder), (vii) to contact Account Debtors for any reason, (viii) to demand payment or enforce payment of the Receivables in the name of the Administrative Agent or such Grantor and to endorse any and all checks, drafts, and other instruments for the payment of money relating to the Receivables, (ix) to sign such Grantor's name on any invoice or bill of lading relating to the Receivables, drafts against any Account Debtor of the Grantor, assignments and verifications of Receivables, (x) to exercise all of such Grantor's rights and remedies with respect to the collection of the Receivables and any other Collateral, (xi) to settle, adjust, compromise, extend or renew the Receivables, (xii) to settle, adjust or compromise any legal proceedings brought to collect Receivables, (xiii) to prepare, file and sign such Grantor's name on a proof of claim in bankruptcy or similar document against any Account Debtor of such Grantor, (xiv) to prepare, file and sign such Grantor's name on any notice of Lien, assignment or satisfaction of Lien or similar document in connection with the Receivables, (xv) to change the address for delivery of mail addressed to such Grantor to such address as the Administrative Agent may designate and to receive, open and dispose of all mail addressed to such Grantor, and (xvi) to do all other acts and things necessary to carry out this Security Agreement; and such Grantor agrees to reimburse the Administrative Agent on demand for any

payment made or any expense incurred by the Administrative Agent in connection with any of the foregoing; *provided that*, this authorization shall not relieve such Grantor of any of its obligations under this Security Agreement or under the Credit Agreement.

(b) All acts of said attorney or designee are hereby ratified and approved. The powers conferred on the Administrative Agent, for the benefit of the Administrative Agent and Lenders, under this Section 6.2 are solely to protect the Administrative Agent's interests in the Collateral and shall not impose any duty upon the Administrative Agent or any Lender to exercise any such powers. The Administrative Agent agrees that, except for the powers granted in Sections 6.2(a)(i), (iii), (iv), (v), (vi) and (xvi), it shall not exercise any power or authority granted to it unless an Event of Default has occurred and is continuing.

6.3. Proxy. SUBJECT TO THE OCCURRENCE AND CONTINUATION OF AN EVENT OF DEFAULT, EACH GRANTOR HEREBY IRREVOCABLY CONSTITUTES AND APPOINTS THE ADMINISTRATIVE AGENT AS ITS PROXY AND ATTORNEY-IN-FACT (AS SET FORTH IN SECTION 6.2 ABOVE) WITH RESPECT TO ITS PLEDGED COLLATERAL, INCLUDING THE RIGHT TO VOTE SUCH PLEDGED COLLATERAL, WITH FULL POWER OF SUBSTITUTION TO DO SO. IN ADDITION TO THE RIGHT TO VOTE ANY SUCH PLEDGED COLLATERAL, THE FOREGOING APPOINTMENT OF THE ADMINISTRATIVE AGENT AS PROXY AND ATTORNEY-IN-FACT SHALL INCLUDE THE RIGHT TO EXERCISE ALL OTHER RIGHTS, POWERS, PRIVILEGES AND REMEDIES TO WHICH A HOLDER OF SUCH PLEDGED COLLATERAL WOULD BE ENTITLED (INCLUDING GIVING OR WITHHOLDING WRITTEN CONSENTS OF SHAREHOLDERS, CALLING SPECIAL MEETINGS OF SHAREHOLDERS AND VOTING AT SUCH MEETINGS). SUCH PROXY SHALL BE EFFECTIVE, AUTOMATICALLY AND WITHOUT THE NECESSITY OF ANY ACTION (INCLUDING ANY TRANSFER OF ANY SUCH PLEDGED COLLATERAL ON THE RECORD BOOKS OF THE ISSUER THEREOF) BY ANY PERSON (INCLUDING THE ISSUER OF SUCH PLEDGED COLLATERAL OR ANY OFFICER OR AGENT THEREOF), UPON THE OCCURRENCE OF AN EVENT OF DEFAULT.

6.4. Nature of Appointment; Limitation of Duty. THE APPOINTMENT OF THE ADMINISTRATIVE AGENT AS PROXY AND ATTORNEY-IN-FACT IN THIS ARTICLE VI IS COUPLED WITH AN INTEREST AND SHALL BE IRREVOCABLE UNTIL THE DATE ON WHICH THIS SECURITY AGREEMENT IS TERMINATED IN ACCORDANCE WITH SECTION 8.14. NOTWITHSTANDING ANYTHING CONTAINED HEREIN, NEITHER THE ADMINISTRATIVE AGENT, NOR ANY LENDER, NOR ANY OF THEIR RESPECTIVE AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES SHALL HAVE ANY DUTY TO EXERCISE ANY RIGHT OR POWER GRANTED HEREUNDER OR OTHERWISE OR TO PRESERVE THE SAME AND SHALL NOT BE LIABLE FOR ANY FAILURE TO DO SO OR FOR ANY DELAY IN DOING SO, EXCEPT IN RESPECT OF DAMAGES ATTRIBUTABLE SOLELY TO THEIR OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AS FINALLY DETERMINED BY A COURT OF COMPETENT JURISDICTION; PROVIDED THAT, IN NO EVENT SHALL THEY BE LIABLE FOR ANY PUNITIVE, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES.

## **ARTICLE VII**

### **COLLECTION AND APPLICATION OF COLLATERAL PROCEEDS; DEPOSIT ACCOUNTS**

#### 7.1. Collection of Receivables.

(a) Upon the occurrence and during the continuation of an Event of Default, each Grantor shall immediately upon Administrative Agent's request: (i) execute and deliver to the

Administrative Agent Deposit Account Control Agreements for each Deposit Account maintained by such Grantor into which all cash, checks or other similar payments relating to or constituting payments made in respect of Receivables will be deposited (a “Collateral Deposit Account”) and (ii) establish lock box service (the “Lock Boxes”) with the bank(s) maintaining such Collateral Deposit Accounts which lock boxes shall be subject to irrevocable lockbox agreements in the form provided by or otherwise acceptable to the Administrative Agent and shall be accompanied by an acknowledgment by the bank where the Lock Box is located of the Lien of the Administrative Agent granted hereunder and of irrevocable instructions to wire all amounts collected therein to the Collection Account (a “Lock Box Agreement”). After the Closing Date, each Grantor will comply with the terms of Section 7.2.

(b) Upon the occurrence and during the continuation of an Event of Default, each Grantor shall immediately upon Administrative Agent’s request direct all of its Account Debtors to forward payments directly to Lock Boxes subject to Lock Box Agreements. The Administrative Agent shall have sole access to the Lock Boxes at all times and each Grantor shall take all actions necessary to grant the Administrative Agent such sole access. Upon the occurrence and during the continuation of an Event of Default, no Grantor shall remove any item from a Lock Box or from a Collateral Deposit Account without the Administrative Agent’s prior written consent. If any Grantor should refuse or neglect to notify any Account Debtor to forward payments directly to a Lock Box subject to a Lock Box Agreement after notice from the Administrative Agent in accordance with this Section 7.1(b), the Administrative Agent shall be entitled to make such notification directly to Account Debtor. If notwithstanding the foregoing instructions, any Grantor receives any proceeds of any Receivables, upon the occurrence and during the continuation of an Event of Default, such Grantor shall receive such payments as the Administrative Agent’s trustee, and shall immediately deposit all cash, checks or other similar payments related to or constituting payments made in respect of Receivables received by it to a Collateral Deposit Account. All funds deposited into any Lock Box subject to a Lock Box Agreement or a Collateral Deposit Account will be swept on a daily basis into a collection account maintained by such Grantor with the Administrative Agent (the “Collection Account”). The Administrative Agent shall hold and apply funds received into the Collection Account as provided by the terms of Section 7.3.

7.2. Covenant Regarding New Deposit Accounts; Lock Boxes. Before opening or replacing any Collateral Deposit Account, other Deposit Account, or establishing a new Lock Box, upon the occurrence and during the continuation of an Event of Default, each Grantor shall (a) obtain the Administrative Agent’s consent in writing to the opening of such Deposit Account or Lock Box, and (b) cause each bank or financial institution in which it seeks to open (i) a Deposit Account, to enter into a Deposit Account Control Agreement with the Administrative Agent in order to give the Administrative Agent Control of such Deposit Account, or (ii) a Lock Box, to enter into a Lock Box Agreement with the Administrative Agent in order to give the Administrative Agent Control of the Lock Box. In the case of Deposit Accounts or Lock Boxes maintained with Lenders, the terms of such letter shall be subject to the provisions of the Credit Agreement regarding setoffs.

7.3. Application of Proceeds; Deficiency. All amounts deposited in the Collection Account shall be deemed received by the Administrative Agent in accordance with Section 2.18 of the Credit Agreement and shall, after having been credited to the Collection Account, be applied (and allocated) by Administrative Agent in accordance with Section 2.10(b) of the Credit Agreement and any additional proceeds will be used to pay Term Loans until all Obligations are paid. Upon the occurrence and during the continuation of an Event of Default, the Administrative Agent shall require all other cash proceeds of the Collateral, which are not required to be applied to the Obligations pursuant to Section 2.11 of the Credit Agreement, to be deposited in a special non-interest bearing cash collateral account with the Administrative Agent and held there as security for the Secured Obligations. No Grantor shall have any control whatsoever over said cash collateral account. Any such proceeds of the Collateral shall be applied in the order set forth in Section 2.18 of the Credit Agreement unless a court of competent jurisdiction



shall otherwise direct. The balance, if any, after all of the Secured Obligations have been satisfied, shall be deposited by the Administrative Agent into such Grantor's general operating account with the Administrative Agent or as such Grantor may otherwise direct in writing. The Grantors shall remain liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay all Secured Obligations, including any attorneys' fees and other expenses incurred by Administrative Agent or any Lender to collect such deficiency.

## **ARTICLE VIII** **GENERAL PROVISIONS**

8.1. Waivers. Each Grantor hereby waives notice of the time and place of any public sale or the time after which any private sale or other disposition of all or any part of the Collateral may be made. To the extent such notice may not be waived under applicable law, any notice made shall be deemed reasonable if sent to the Grantors, addressed as set forth below, at least ten days prior to (i) the date of any such public sale or (ii) the time after which any such private sale or other disposition may be made. To the maximum extent permitted by applicable law, each Grantor waives all claims, damages, and demands against the Administrative Agent or any Lender arising out of the repossession, retention or sale of the Collateral, except such as arise solely out of the gross negligence or willful misconduct of the Administrative Agent or such Lender as finally determined by a court of competent jurisdiction. To the extent it may lawfully do so, each Grantor absolutely and irrevocably waives and relinquishes the benefit and advantage of, and covenants not to assert against the Administrative Agent or any Lender, any valuation, stay, appraisal, extension, moratorium, redemption or similar laws and any and all rights or defenses it may have as a surety now or hereafter existing which, but for this provision, might be applicable to the sale of any Collateral made under the judgment, order or decree of any court, or privately under the power of sale conferred by this Security Agreement, or otherwise. Except as otherwise specifically provided herein, each Grantor hereby waives presentment, demand, protest or any notice (to the maximum extent permitted by applicable law) of any kind in connection with this Security Agreement or any Collateral.

8.2. Limitation on Administrative Agent's and Lenders' Duty with Respect to the Collateral. The Administrative Agent shall have no obligation to clean-up or otherwise prepare the Collateral for sale. The Administrative Agent and each Lender shall use reasonable care with respect to the Collateral in its possession or under its control. Neither the Administrative Agent nor any Lender shall have any other duty as to any Collateral in its possession or control or in the possession or control of any agent or nominee of the Administrative Agent or such Lender, or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto. To the extent that applicable law imposes duties on the Administrative Agent to exercise remedies in a commercially reasonable manner, each Grantor acknowledges and agrees that it is commercially reasonable for the Administrative Agent (i) to fail to incur expenses deemed significant by the Administrative Agent to prepare Collateral for disposition or otherwise to transform raw material or work in process into finished goods or other finished products for disposition, (ii) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (iii) to fail to exercise collection remedies against Account Debtors or other Persons obligated on Collateral or to remove Liens on or any adverse claims against Collateral, (iv) to exercise collection remedies against Account Debtors and other Persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (v) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (vi) to contact other Persons, whether or not in the same business as such Grantor, for expressions of interest in acquiring all or any portion of such Collateral, (vii) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the Collateral is of a specialized nature, (viii) to dispose of Collateral by utilizing internet

sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets, (ix) to dispose of assets in wholesale rather than retail markets, (x) to disclaim disposition warranties, such as title, possession or quiet enjoyment, (xi) to purchase insurance or credit enhancements to insure the Administrative Agent against risks of loss, collection or disposition of Collateral or to provide to the Administrative Agent a guaranteed return from the collection or disposition of Collateral, or (xii) to the extent deemed appropriate by the Administrative Agent, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Administrative Agent in the collection or disposition of any of the Collateral. Each Grantor acknowledges that the purpose of this Section 8.2 is to provide non-exhaustive indications of what actions or omissions by the Administrative Agent would be commercially reasonable in the Administrative Agent's exercise of remedies against the Collateral and that other actions or omissions by the Administrative Agent shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 8.2. Without limitation upon the foregoing, nothing contained in this Section 8.2 shall be construed to grant any rights to any Grantor or to impose any duties on the Administrative Agent that would not have been granted or imposed by this Security Agreement or by applicable law in the absence of this Section 8.2.

8.3. Compromises and Collection of Collateral. The Grantors and the Administrative Agent recognize that setoffs, counterclaims, defenses and other claims may be asserted by obligors with respect to certain of the Receivables, that certain of the Receivables may be or become uncollectible in whole or in part and that the expense and probability of success in litigating a disputed Receivable may exceed the amount that reasonably may be expected to be recovered with respect to a Receivable. In view of the foregoing, each Grantor agrees that the Administrative Agent may at any time and from time to time, if an Event of Default has occurred and is continuing, compromise with the obligor on any Receivable, accept in full payment of any Receivable such amount as the Administrative Agent in its sole discretion shall determine or abandon any Receivable, and any such action by the Administrative Agent shall be commercially reasonable so long as the Administrative Agent acts in good faith based on information known to it at the time it takes any such action.

8.4. Secured Party Performance of Debtor Obligations. Without having any obligation to do so, the Administrative Agent may perform or pay any obligation which any Grantor has agreed to perform or pay in this Security Agreement and the Grantors shall reimburse the Administrative Agent for any amounts paid by the Administrative Agent pursuant to this Section 8.4. The Grantors' obligation to reimburse the Administrative Agent pursuant to the preceding sentence shall be a Secured Obligation payable on demand.

8.5. Specific Performance of Certain Covenants. Each Grantor acknowledges and agrees that a breach of any of the covenants contained in Sections 4.1(d), 4.1(e), 4.4, 4.12, 4.13, 4.14, 4.15, 5.3, or 8.7 or in Article VII will cause irreparable injury to the Administrative Agent and the Lenders, that the Administrative Agent and Lenders have no adequate remedy at law in respect of such breaches and therefore agrees, without limiting the right of the Administrative Agent or the Lenders to seek and obtain specific performance of other obligations of the Grantors contained in this Security Agreement, that the covenants of the Grantors contained in the Sections referred to in this Section 8.5 shall be specifically enforceable against the Grantors.

8.6. Dispositions Not Authorized. No Grantor is authorized to sell or otherwise dispose of the Collateral except as set forth in Section 4.1(d) and notwithstanding any course of dealing between any Grantor and the Administrative Agent or other conduct of the Administrative Agent, no authorization to sell or otherwise dispose of the Collateral (except as set forth in Section 4.1(d)) shall be binding upon the Administrative Agent or the Lenders unless such authorization is in writing signed by the Administrative Agent with the consent or at the direction of the Required Secured Parties.

8.7. No Waiver; Amendments; Cumulative Remedies. No delay or omission of the Administrative Agent or any Lender to exercise any right or remedy granted under this Security Agreement shall impair such right or remedy or be construed to be a waiver of any Event of Default or an acquiescence therein, and any single or partial exercise of any such right or remedy shall not preclude any other or further exercise thereof or the exercise of any other right or remedy. No waiver, amendment or other variation of the terms, conditions or provisions of this Security Agreement whatsoever shall be valid unless in writing signed by the Administrative Agent with the concurrence or at the direction of the Lenders required under Section 9.2 of the Credit Agreement and then only to the extent in such writing specifically set forth. All rights and remedies contained in this Security Agreement or by law afforded shall be cumulative and all shall be available to the Administrative Agent and the Lenders until the Secured Obligations have been paid in full.

8.8. Limitation by Law; Severability of Provisions. All rights, remedies and powers provided in this Security Agreement may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Security Agreement are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they shall not render this Security Agreement invalid, unenforceable or not entitled to be recorded or registered, in whole or in part. Any provision in any this Security Agreement that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other jurisdiction, and to this end the provisions of this Security Agreement are declared to be severable.

8.9. Reinstatement. This Security Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against any Grantor for liquidation or reorganization, should any Grantor become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of any Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

8.10. Benefit of Agreement. The terms and provisions of this Security Agreement shall be binding upon and inure to the benefit of the Grantors, the Administrative Agent and the Lenders and their respective successors and assigns (including all persons who become bound as a debtor to this Security Agreement), except that no Grantor shall have the right to assign its rights or delegate its obligations under this Security Agreement or any interest herein, without the prior written consent of the Administrative Agent. No sales of participations, assignments, transfers, or other dispositions of any agreement governing the Secured Obligations or any portion thereof or interest therein shall in any manner impair the Lien granted to the Administrative Agent, for the benefit of the Administrative Agent and the Lenders, hereunder.

8.11. Survival of Representations. All representations and warranties of the Grantors contained in this Security Agreement shall survive the execution and delivery of this Security Agreement.

8.12. Taxes and Expenses. Any taxes (including income taxes) payable or ruled payable by Federal or State authority in respect of this Security Agreement shall be paid by the Grantors, together with interest and penalties, if any. The Grantors shall reimburse the Administrative Agent for any and all

out-of-pocket expenses and internal charges (including reasonable attorneys', auditors' and accountants' fees and reasonable time charges of attorneys, paralegals, auditors and accountants who may be employees of the Administrative Agent) paid or incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, collection and enforcement of this Security Agreement and in the audit, analysis, administration, collection, preservation or sale of the Collateral (including the expenses and charges associated with any periodic or special audit of the Collateral). Any and all costs and expenses incurred by the Grantors in the performance of actions required pursuant to the terms hereof shall be borne solely by the Grantors.

8.13. Headings. The title of and section headings in this Security Agreement are for convenience of reference only, and shall not govern the interpretation of any of the terms and provisions of this Security Agreement.

8.14. Termination. This Security Agreement shall continue in effect (notwithstanding the fact that from time to time there may be no Secured Obligations outstanding) until (i) the Credit Agreement has terminated pursuant to its express terms and (ii) all of the Secured Obligations have been paid and performed in full (or with respect to any outstanding Letters of Credit, a cash deposit or Supporting Letter of Credit has been delivered to the Administrative Agent as required by the Credit Agreement) and no commitments of the Administrative Agent or the Lenders which would give rise to any Secured Obligations are outstanding.

8.15. Entire Agreement. This Security Agreement embodies the entire agreement and understanding between the Grantors and the Administrative Agent relating to the Collateral and supersedes all prior agreements and understandings between the Grantors and the Administrative Agent relating to the Collateral.

8.16. **CHOICE OF LAW. THIS SECURITY AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF ILLINOIS, BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.**

8.17. **CONSENT TO JURISDICTION. EACH GRANTOR HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY U.S. FEDERAL OR ILLINOIS STATE COURT SITTING IN CHICAGO, ILLINOIS IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT OR ANY OTHER LOAN DOCUMENT AND EACH GRANTOR HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. NOTHING HEREIN SHALL LIMIT THE RIGHT OF THE ADMINISTRATIVE AGENT OR ANY LENDER TO BRING PROCEEDINGS AGAINST ANY GRANTOR IN THE COURTS OF ANY OTHER JURISDICTION. ANY JUDICIAL PROCEEDING BY ANY GRANTOR AGAINST THE ADMINISTRATIVE AGENT OR ANY LENDER OR ANY AFFILIATE OF THE AGENT OR ANY LENDER INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS SECURITY AGREEMENT OR ANY OTHER LOAN DOCUMENT SHALL BE BROUGHT ONLY IN A COURT IN CHICAGO, ILLINOIS.**

8.18. **WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE**

**TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS SECURITY AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

8.19. Indemnity. Each Grantor hereby agrees to indemnify the Administrative Agent and the Lenders, and their respective successors, assigns, agents and employees, from and against any and all liabilities, damages, penalties, suits, costs, and expenses of any kind and nature (including, without limitation, all expenses of litigation or preparation therefor whether or not the Administrative Agent or any Lender is a party thereto) imposed on, incurred by or asserted against the Administrative Agent or the Lenders, or their respective successors, assigns, agents and employees, in any way relating to or arising out of this Security Agreement, or the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, possession, use, operation, condition, sale, return or other disposition of any Collateral (including, without limitation, latent and other defects, whether or not discoverable by the Administrative Agent or the Lenders or any Grantor, and any claim for Patent, Trademark or Copyright infringement).

8.20. Counterparts. This Security Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Security Agreement by signing any such counterpart.

8.21. Continuation of Liens. The liens and security interests granted pursuant to the Original Security Agreement shall continue, from the date of such grant, in full force and effect, and without interruption, and nothing in this Security Agreement is intended or shall be construed to restart the grant of the liens and security interests or to interrupt the continuous perfection of the liens and security interests.

8.22. Notices. Any notice required or permitted to be given under this Security Agreement shall be sent as provided by Section 9.1 of the Credit Agreement. Each of the Grantors, the Administrative Agent and the Lenders may change the address for service of notice upon it by a notice in writing to the other parties.

8.23. Administrative Agent. JPMorgan Chase Bank, N.A. has been appointed Administrative Agent for the Lenders hereunder pursuant to Article VIII of the Credit Agreement. It is expressly understood and agreed by the parties to this Security Agreement that any authority conferred upon the Administrative Agent hereunder is subject to the terms of the delegation of authority made by the Lenders to the Administrative Agent pursuant to the Credit Agreement, and that the Administrative Agent has agreed to act (and any successor Administrative Agent shall act) as such hereunder only on the express conditions contained in such Article VIII. Any successor Administrative Agent appointed pursuant to Article VIII of the Credit Agreement shall be entitled to all the rights, interests and benefits of the Administrative Agent hereunder.

[SIGNATURES ARE ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Grantors and the Administrative Agent have executed this Security Agreement as of the date first above written.

**GRANTORS:**

**GROOT INDUSTRIES, INC.,**  
a Delaware corporation

By: John Gandy  
Name: JOHN GANDY  
Title: CHIEF FINANCIAL OFFICER

**GROOT RECYCLING & WASTE SERVICES, INC.,** an Illinois corporation

By: John Gandy  
Name: JOHN GANDY  
Title: CHIEF FINANCIAL OFFICER

**GROOT, INC. F/K/A CROWN RECYCLING & WASTE SERVICES, INC.,** an Illinois corporation

By: John Gandy  
Name: JOHN GANDY  
Title: CHIEF FINANCIAL OFFICER

**KODIAK ENVIRONMENTAL SERVICES, LLC,**  
an Illinois limited liability company

By: John Gandy  
Name: JOHN GANDY  
Title: CHIEF FINANCIAL OFFICER

**ADMINISTRATIVE AGENT:**

**JPMORGAN CHASE BANK, N.A.,**  
as Administrative Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*Signature Page to Amended and Restated Security Agreement*

IN WITNESS WHEREOF, the Grantors and the Administrative Agent have executed this Security Agreement as of the date first above written.

**GRANTORS:**

**GROOT INDUSTRIES, INC.,**  
a Delaware corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**GROOT RECYCLING & WASTE SERVICES, INC.,** an Illinois corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**GROOT, INC. F/K/A CROWN RECYCLING & WASTE SERVICES, INC.,** an Illinois corporation

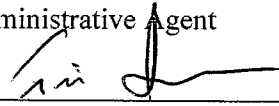
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**KODIAK ENVIRONMENTAL SERVICES, LLC,**  
an Illinois limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ADMINISTRATIVE AGENT:**

**JPMORGAN CHASE BANK, N.A.,**  
as Administrative Agent

By:  \_\_\_\_\_  
Name: *Timothy S. Erwin*  
Title: *Vice President*

My Commission Expires:

STATE OF \_\_\_\_\_ )  
 ) SS  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_ day of June, 2010, by \_\_\_\_\_, a of \_\_\_\_\_, on behalf of said

Notary Public

My commission expires:

My Commission Expires:

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

The foregoing instrument was acknowledged before me this 1st day of July, 2010, by TIMOTHY IRWIN, a V.P. of J.P. MORGAN, on behalf of said CHASE BANK, N.A.

*Mary Fei*  
Notary Public

My commission expires:





My Commission Expires:

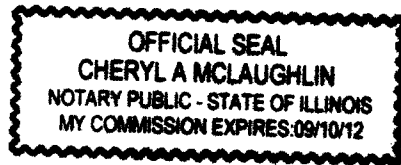
STATE OF ILLINOIS )  
 ) SS  
COUNTY OF McHenry )

The foregoing instrument was acknowledged before me this 30<sup>th</sup> day of June, 2010, by John Garrity of Groot Industrial, Inc. on behalf of said Corporation.

Notary Public

Cheryl A. McLaughlin  
My commission expires: 9/10/12

My Commission Expires: 9/10/12  
STATE OF ILLINOIS )  
 ) SS  
COUNTY OF McHenry )

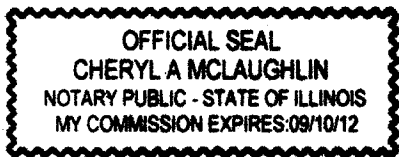


The foregoing instrument was acknowledged before me this 30<sup>th</sup> day of June, 2010, by John Garrity of Groot, on behalf of said Corporation.  
Recycling + Waste Services

Notary Public

Cheryl A. McLaughlin

My commission expires: 9/10/12



My Commission Expires: 9/10/12

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF McHenry )

The foregoing instrument was acknowledged before me this 30<sup>th</sup> day of June, 2010, by John Garrity, a  
of Groot, Inc., on behalf of said Corporation.

Notary Public  
Cheryl A. McLaughlin

My commission expires: 9/10/12 My Commission Expires: 9/10/12

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF McHenry )

The foregoing instrument was acknowledged before me this 30<sup>th</sup> day of June, 2010, by John Garrity, a  
of Kodiak, on behalf of said Company.  
Environmental Services, LLC

Notary Public  
Cheryl A. McLaughlin

My commission expires: 9/10/12

**EXHIBIT A**

(See Sections 3.2, 3.3, 3.4, 3.9 and 9.1 of Security Agreement)

**NOTICE ADDRESS FOR ALL GRANTORS:**

Groot Industries, Inc.  
2500 Landmeier Road  
Elk Grove Village, Illinois 60007  
Attention: John Garrity  
Facsimile: 773.686.4828

**INFORMATION REGARDING THE GRANTORS:**

<b>Name of Grantors:</b>	<b>State of Incorporation or Organization:</b>	<b>Type of Entity:</b>	<b>Organizational Number</b>	<b>Federal Identification Number:</b>	<b>Place of Business or Chief Executive Office:</b>
Groot Industries, Inc.	Delaware	Corporation	0739117	36-2427731	Groot Industries, Inc. 2500 Landmeier Road Elk Grove Village, Illinois 60007 Attention: John Garrity
Groot Recycling & Waste Services, Inc.	Illinois	Corporation	39726025	36-2430346	Groot Recycling & Waste Services, Inc. 2500 Landmeier Road Elk Grove Village, Illinois 60007 Attention: John Garrity
Groot, Inc.	Illinois	Corporation	54732864	36-3527116	Groot, Inc. 2500 Landmeier Road Elk Grove Village, Illinois 60007 Attention: John Garrity
Kodiak Environmental Services, LLC	Illinois	Limited Liability Company	0181396	20-4627364	Kodiak Environmental Services, LLC 2500 Landmeier Road Elk Grove Village, Illinois 60007 Attention: John Garrity

**EXHIBIT B**  
(See Section 3.5 of Security Agreement)

DEPOSIT ACCOUNTS

<u>Name of Grantor</u>	<u>Name of Institution</u>	<u>Account Number</u>
Groot Industries, Inc.	Associated Bank	2173113313

LOCK BOXES

None.

**EXHIBIT C**

(See Section 3.7 of Security Agreement)

**LETTER OF CREDIT RIGHTS/CHATTEL PAPER**

None.

**EXHIBIT D**

(See Section 3.10 and 3.11 of Security Agreement)

**INTELLECTUAL PROPERTY RIGHTS**

**TRADEMARKS**

<u>Name of Grantor</u>	<u>Trademark</u>	<u>Registration Date</u>	<u>Registration Number</u>
Groot Industries, Inc.	EARTH DAY EVERY DAY	March 23, 2010	77708276

**EXHIBIT E**

(See Section 3.11 of Security Agreement)

**TITLE DOCUMENTS**

I. Vehicles subject to certificates of title:

Location	Unit Type	Description	License	Year	Year on Title	Make	Model	Vin #	ACTIVE	Cost Center	Meter	Last Reading	Date	Cost
2500	RO	2006-RO	32570R	2006		MACKX	GRANITE	1M2AG11C06M033463	ACTIVE	ROL	HOUR	2504	1/16/2009	\$140,000.00
MCCOOK	SREL	2007-SREL	31738R	2007		STRLG	ACTERRA	2FZHCXDJX7AX82563	ACTIVE	COM	HOUR	2001	1/15/2009	\$110,000.00
LAKEBLUFF	SREL	2007-SREL	29350R	2007		MACKX	MR	1M2K189C97M039735	ACTIVE	COM	HOUR	3564	1/15/2009	\$138,321.16
MCCOOK	RO	2007-RO	1337R	2007		MACKX	MR688S	1M2K189C47M034667	ACTIVE	ROL	HOUR	7384	1/14/2009	\$153,214.47
MCCOOK	RO	2007-RO	16639R	2007		MACKX	MR688S	1M2K189C07M0339736	ACTIVE	ROL	HOUR	4050	1/15/2009	\$155,042.92
2500	SREL	2007-SREL	19160R	2007		MACKX	MR	1M2K189C97M034681	ACTIVE	COM	HOUR	7679	1/17/2009	\$203,288.59
2500	SREL	2007-SREL	3734R	2007		MACKX	MR	1M2K189C47M034684	ACTIVE	COM	HOUR	8176	1/17/2009	\$203,288.59
2500	SREL	2007-SREL	3718R	2007		MACKX	MR	1M2K189C27M034683	ACTIVE	COM	HOUR	8182	1/17/2009	\$203,288.59
2500	SREL	2007-SREL	30587R	2007		MACKX	MR	1M2K189C27M034682	ACTIVE	COM	HOUR	7210	1/16/2009	\$204,486.09
2500	SREL	2007-SREL	19162R	2007		MACKX	MR	1M2K189C77M034680	ACTIVE	COM	HOUR	7622	1/16/2009	\$215,275.37
CROWNWEST	SREL	2007-SREL	30590R	2007		MACKX	MR	1M2K189C07M034679	ACTIVE	COM	HOUR	6826	1/13/2009	\$215,275.37
2500	DFEL	2007-DFEL	31704R	2007		MACKX	LE613	1M2AC08C77M014454	ACTIVE	RES	HOUR	3830	1/16/2009	\$218,222.50
2500	DFEL	2007-DFEL	31706R	2007		MACKX	LE613	1M2AC08C37M014449	ACTIVE	RES	HOUR	1545	1/16/2009	\$218,222.50
2500	DFEL	2007-DFEL	31705R	2007		MACKX	LE613	1M2AC08C27M014457	ACTIVE	RES	HOUR	3762	1/16/2009	\$218,222.50
2500	DFEL	2007-DFEL	19166R	2007		MACKX	LE613	1M2AC08C87M014446	ACTIVE	RES	HOUR	3809	1/16/2009	\$218,222.50
2500	DFEL	2007-DFEL	19191R	2007		MACKX	LE613	1M2AC08C27M014460	ACTIVE	RES	HOUR	3354	1/19/2009	\$218,222.50
2500	DFEL	2007-DFEL	31707R	2007		MACKX	LE613	1M2AC08C87M014463	ACTIVE	RES	HOUR	4121	1/16/2009	\$218,222.50
2500	DFEL	2007-DFEL	19209R	2007		MACKX	LE613	1M2AC08C67M014462	ACTIVE	RES	HOUR	3596	1/16/2009	\$218,222.50
2500	DFEL	2007-DFEL	27893R	2007		MACKX	LE613	1M2AC08CX7M014447	ACTIVE	RES	HOUR	3797	1/16/2009	\$218,222.50
2500	DFEL	2007-DFEL	31712R	2007		MACKX	LE613	1M2AC08C17M014448	ACTIVE	RES	HOUR	3850	1/16/2009	\$218,222.50
2500	DFEL	2007-DFEL	31713R	2007		MACKX	LE613	1M2AC08C67M014459	ACTIVE	RES	HOUR	3690	1/16/2009	\$218,222.50
2500	DFEL	2007-DFEL	31714R	2007		MACKX	LE613	1M2AC08C47M014458	ACTIVE	RES	HOUR	3539	1/16/2009	\$218,222.50
2500	DFEL	2007-DFEL	19202R	2007		MACKX	LE613	1M2AC08C47M014461	ACTIVE	RES	HOUR	3931	1/16/2009	\$218,222.50
2500	DFEL	2007-DFEL	19183R	2007		MACKX	LE613	1M2AC08CX7M014464	ACTIVE	RES	HOUR	3439	1/16/2009	\$218,222.50
2500	DFEL	2007-DFEL	19196R	2007		MACKX	LE613	1M2AC08C07M014456	ACTIVE	RES	HOUR	3307	1/16/2009	\$218,222.50
MCCOOK	DFEL	2007-DFEL	31709R	2007		MACKX	LE613	1M2AC08C57M014453	ACTIVE	COM	HOUR	3187	1/15/2009	\$218,222.50
2500	DFEL	2007-DFEL	19212R	2007		MACKX	LE613	1M2AC08CX7M014450	ACTIVE	RES	HOUR	3768	1/16/2009	\$220,222.50
2500	DFEL	2007-DFEL	19211R	2007		MACKX	LE613	1M2AC08C17M014451	ACTIVE	RES	HOUR	4069	1/16/2009	\$220,222.50



Location	Unit Type	Description	License	Year	Year on Title	Make	Model	Vin #	ACTIVE	Cost Center	Meter	Last Reading	Date	Cost
CROWNWEST	DFEL	2007-DFEL	14253R	2007		MACKX	LE613	1M2AC08C97M014455	ACTIVE	RES	HOUR	2965	1/13/2009	\$220,227.50
CROWNWEST	DFEL	2007-DFEL	14276R	2007		MACKX	LE613	1M2AC08C37M014452	ACTIVE	RES	HOUR	3075	1/13/2009	\$220,227.50
CROWNWEST	DFEL	2007-DFEL	14255R	2007		MACKX	LE613	1M2AC08C27M014443	ACTIVE	COM	HOUR	4406	1/13/2009	\$222,173.50
CROWNWEST	DFEL	2007-DFEL	14256R	2007		MACKX	LE613	1M2AC08C47M014444	ACTIVE	COM	HOUR	3467	1/13/2009	\$222,173.50
CROWNWEST	DFEL	2007-DFEL	14277R	2007		MACKX	LE613	1M2AC08C97M014441	ACTIVE	COM	HOUR	4289	1/13/2009	\$222,173.50
CROWNWEST	DFEL	2007-DFEL	14272R	2007		MACKX	LE613	1M2AC08C67M014445	ACTIVE	COM	HOUR	3747	1/13/2009	\$222,173.50
MCCOOK	DFEL	2007-DFEL	30510R	2007		MACKX	LE613	1M2AC08C77M012980	ACTIVE	RES	HOUR	5861	1/15/2009	\$222,700.71
LAKEBLUFF	DFEL	2007-DFEL	13373R	2007		MACKX	LE613	1M2AC08CX7M012973	ACTIVE	RES	HOUR	5978	1/15/2009	\$222,700.71
2500	DFEL	2007-DFEL	12704R	2007		MACKX	LE613	1M2AC08C17M012974	ACTIVE	RES	HOUR	5997	1/16/2009	\$222,700.71
2500	DFEL	2007-DFEL	12705R	2007		MACKX	LE613	1M2AC08C07M012982	ACTIVE	RES	HOUR	5841	1/16/2009	\$222,700.71
LAKEBLUFF	DFEL	2007-DFEL	12706R	2007		MACKX	LE613	1M2AC08C57M012976	ACTIVE	RES	HOUR	5802	1/15/2009	\$222,700.71
CROWNWEST	DFEL	2007-DFEL	30557R	2007		MACKX	LE613	1M2AC08C87M012972	ACTIVE	RES	HOUR	5713	1/13/2009	\$222,700.71
2500	DFEL	2007-DFEL	12708R	2007		MACKX	LE613	1M2AC08C77M012977	ACTIVE	RES	HOUR	6309	1/16/2009	\$222,700.71
2500	DFEL	2007-DFEL	13371R	2007		MACKX	LE613	1M2AC08C97M012981	ACTIVE	RES	HOUR	5603	1/16/2009	\$222,700.71
LAKEBLUFF	DFEL	2007-DFEL	19208R	2007		MACKX	LE613	1M2AC08C07M012979	ACTIVE	RES	HOUR	5955	1/15/2009	\$222,700.71
2500	DFEL	2007-DFEL	3726R	2007		MACKX	LE613	1M2AC08C97M012978	ACTIVE	RES	HOUR	6321	1/19/2009	\$222,700.71
MCCOOK	DFEL	2007-DFEL	30509R	2007		MACKX	LE613	1M2AC08C37M012975	ACTIVE	RES	HOUR	6049	1/15/2009	\$222,700.71
LAKEBLUFF	DFEL	2007-DFEL	31701R	2007		MACKX	LE613	1M2AC08C07M014442	ACTIVE	COM	HOUR	4315	1/15/2009	\$224,179.50
CROWNWEST	DFEL	2007-DFEL	3685R	2007		MACKX	LE613	1M2AC08C77M014440	ACTIVE	COM	HOUR	3812	1/13/2009	\$224,179.50
LAKEBLUFF	ASL	2007-ASL	31735R	2007		AUTCR	WXLL64	5VCHC6MF47H205007	ACTIVE	RES	HOUR	2201	1/15/2009	\$227,894.00
MCCOOK	DFEL	2007-DFEL	3399R	2007		MACKX	LE613	1M2AC08C87M012969	ACTIVE	COM	HOUR	6886	1/15/2009	\$233,489.78
CROWNWEST	DFEL	2007-DFEL	30558R	2007		MACKX	LE613	1M2AC08C47M012970	ACTIVE	COM	HOUR	5857	1/13/2009	\$233,489.78
2500	DFEL	2007-DFEL	14193R	2007		MACKX	LE613	1M2AC08067M012971	ACTIVE	RES	HOUR	6793	1/19/2009	\$233,489.78
2500	SHRED	2007-SHRED	P618997	2007		STRGL	ACTERRA	2FZHCHDJ77AY59454	ACTIVE	DOC	HOUR	4066	1/16/2009	\$245,331.09
2500	SREL	2008-SREL	32580R	2008		MACKX	MRU	1M2AV0C268M002607	ACTIVE	COM	HOUR	754	1/16/2009	\$195,370.00
2500	SREL	2008-SREL	32591R	2008		MACKX	MRU	1M2AV02C78M002616	ACTIVE	COM	HOUR	647	1/16/2009	\$195,370.00
2500	SREL	2008-SREL	32592R	2008		MACKX	MRU	1M2AV02C28M002619	ACTIVE	COM	HOUR	789	1/16/2009	\$195,370.00
2500	SREL	2008-SREL	32578R	2008		MACKX	MRU	1M2AV02C48M002606	ACTIVE	COM	HOUR	949	1/16/2009	\$195,370.00

Location	Unit Type	Description	License	Year	Year on Title	Make	Model	Vin #	ACTIVE	Cost Center	Meter	Last Reading	Date	Cost
2500	SREL	2008-SREL	32593R	2008		MACKX	MRU	1M2AV02C98M002617	ACTIVE	COM	HOUR	744	1/17/2009	\$195,370.00
2500	SREL	2008-SREL	32579R	2008		MACKX	MRU	1M2AV02CX8M002612	ACTIVE	COM	HOUR	877	1/19/2009	\$195,370.00
2500	DFEL	2008-DFEL	32557R	2008		MACKX	LEU613	1M2AU02C88M001560	ACTIVE	COM	HOUR	1373	1/16/2009	\$242,896.50
LAKEBLUFF	DFEL	2008-DFEL	32559R	2008		MACKX	LEU613	1M2AU02C08M001696	ACTIVE	RES	HOUR	1069	1/15/2009	\$242,896.50
LAKEBLUFF	DFEL	2008-DFEL	32389R	2008		MACKX	LEU613	1M2AU02CX8M001561	ACTIVE	RES	HOUR	644	1/15/2009	\$242,896.50
LAKEBLUFF	DFEL	2008-DFEL	32566R	2008		MACKX	LEU613	1M2AU02C18M001562	ACTIVE	RES	HOUR	1000	1/15/2009	\$242,896.50
2500	SHRED	2008-SHRED	P654947	2008		STRLG	ACTERRA	2FZHCHBS38AZ07738	ACTIVE	DOC	HOUR	852	1/16/2009	\$243,426.68
MCCOOK	DFEL	2009-DFEL	32560R	2009		MACKX	LEU613	1M2AU02C99M002590	ACTIVE	COM	HOUR	1032	1/15/2009	\$181,483.50
CROWNWEST	DFEL	2009-DFEL	32565R	2009		MACKX	LEU613	1M2AU02C29M002589	ACTIVE	COM	HOUR	1114	1/13/2009	\$181,483.50
LAKEBLUFF	DFEL	2009-DFEL	32431R	2009		MACKX	LEU613	1M2AU02C99M002587	ACTIVE	RES	HOUR	1666	1/15/2009	\$233,660.50
2500	DFEL	2009-DFEL	32558R	2009		MACKX	LEU613	1M2AU02C79M002586	ACTIVE	RES	HOUR	1084	1/15/2009	\$233,660.50
2500	DFEL	2009-DFEL	32567R	2009		MACKX	LEU613	1M2AU02C09M002588	ACTIVE	RES	HOUR	836	1/16/2009	\$233,660.50
LAKEBLUFF	DFEL	2009-DFEL	32390R	2009		MACKX	LEU613	1M2AU02C29M001927	ACTIVE	COM	HOUR	1055	1/5/2009	\$242,896.50
LAKEBLUFF	DFEL	2009-DFEL	32351R	2009	2008	MACKX	LEU613	1M2AU02C49M001928	ACTIVE	RES	HOUR	1385	1/15/2009	\$242,896.50
2500				2009		BIG TEX		16VPX202692H39843	ACTIVE				12/31/2009	
2500				2009		INTL	7000 SERIES 7400	1HTWGZT89J122107	ACTIVE				2/1/2010	\$175,000.00
2500				2010		MACKX	TIPPER	5MAMN4824AC018428	ACTIVE				7/2/2009	\$ 43,474.00
2500				2010		MACKX	TIPPER	5MAMN4826AC018429	ACTIVE				7/2/2009	\$ 43,474.00
2500				2010		MACKX	TIPPER	5MAMN4822AC018430	ACTIVE				7/2/2009	\$ 43,474.00
2500				2010		MACKX	TIPPER	5MAMN4821AC018595	ACTIVE				10/13/2009	\$ 43,474.00
2500				2010		MACKX	TIPPER	5MAMN4823AC018596	ACTIVE				10/13/2009	\$ 43,474.00
2500				2010		MACKX	TIPPER	5MAMN4825AC018597	ACTIVE				10/13/2009	\$ 43,474.00
2500				2010		MACKX	TIPPER	5MAMN4827AC018598	ACTIVE				10/13/2009	\$ 43,474.00
2500				2010		MACKX	TIPPER	5MAMN4829AC018599	ACTIVE				10/18/2009	\$ 43,474.00
2500				2010		FORD	ESCAPE	1FMCU5K3XAKA29772	ACTIVE				10/6/2009	
2500				2010		MACKX	LEU613	1M2AU14C9AM001012	ACTIVE				10/20/2009	\$251,663.00
2500				2010		MACKX	LEU633	1M2AU14C5AM001007	ACTIVE				10/15/2009	\$251,663.00

Location	Unit Type	Description	License	Year	Year on Title	Make	Model	Vin #	ACTIVE	Cost Center	Meter	Last Reading	Date	Cost
2500				2010		MACKX	LEU633	1M2AU14C8AM001003	ACTIVE				11/2/2009	\$251,663.00
2500				2010		MACKX	LEU633	1M2AU14C1AM001005	ACTIVE				11/2/2009	\$251,663.00
2500				2010		MACKX	LEU633	1M2AU14C3AM001006	ACTIVE				11/2/2009	\$251,663.00
2500				2010		MACKX	LEU633	1M2AU14C7AM001008	ACTIVE				11/2/2009	\$251,663.00
2500				2010		MACKX	LEU633	1M2AU14C9AM001009	ACTIVE				11/2/2009	\$251,663.00
2500				2010		MACKX	LEU633	1M2AU14C5AM001010	ACTIVE				11/2/2009	\$251,663.00
2500				2010		MACKX	LEU633	1M2AU14C7AM001011	ACTIVE				11/2/2009	\$251,663.00
2500				2010		MACKX	LEU633	1M2AU14CXAM001004	ACTIVE				10/15/2009	\$251,663.00
2500				2010		MACKX	LEU633	1M2AU14C0AM001013	ACTIVE				11/2/2009	\$251,663.00
2500				2010		MACKX	LEU633	1M2AU14C2AM001014	ACTIVE				11/2/2009	\$251,663.00
2500				2010		MACKX	LEU633	1M2AU14C4AM001015	ACTIVE				11/2/2009	\$251,663.00
2500				2010		MACKX	LEU633	1M2AU14C6AM001016	ACTIVE				11/2/2009	\$251,663.00
2500				2010		MACKX	LEU633	1M2AU14C8AM001017	ACTIVE				11/2/2009	\$251,663.00
2500				2010		MACKX	LEU633	1M2AU14CXAM001018	ACTIVE				12/1/2009	\$251,663.00
2500				2010		MACKX	LEU633	1M2AU14C1AM001019	ACTIVE				12/1/2009	\$251,663.00
2500				2010		MACKX	LEU633	1M2AU14C8AM001020	ACTIVE				12/1/2009	\$251,663.00
2500				2010		MACKX	LEU633	1M2AU14C6AM001002	ACTIVE				12/1/2009	\$251,663.00
2500				2010		MACKX	LEU633	1M2AU14C4AM001001	ACTIVE				12/1/2009	\$251,663.00

**EXHIBIT F**

(See Section 3.11 of Security Agreement)

**FIXTURES**

1. 2500 Landmeier Road, Elk Grove Village, Illinois 60007
2. 1759 Elmhurst Road, Elk Grove Village, Illinois 60007
3. 3N241-3N261 Powis Road, West Chicago, Illinois 60185
4. 3N205 & 3N220 N. Powis Road, West Chicago, Illinois 60185
5. 40 S. Porter Drive, Round Lake Park, Illinois 60073
6. 2541-2543 Landmeier Road, Elk Grove Village, Illinois 60007
7. The property located at the northeast corner and northwest corner of State Route 120 and Porter Drive, Round Lake Park, Illinois 60073

**EXHIBIT G**

(See Section 3.13 of Security Agreement and Definition of "Pledged Collateral")

**LIST OF PLEDGED COLLATERAL, SECURITIES AND OTHER INVESTMENT PROPERTY**

**STOCKS**

None.

**BONDS**

None.

**GOVERNMENT SECURITIES**

None.

**OTHER SECURITIES OR OTHER INVESTMENT PROPERTY  
(CERTIFICATED AND UNCERTIFICATED)**

None.

**EXHIBIT H**

(See Section 3.1 of Security Agreement)

**OFFICES IN WHICH FINANCING STATEMENTS HAVE BEEN FILED**

Grantor: Groot Industries, Inc.

- (a) Office of the Secretary of State for the State of Delaware
- (b) The County Recorder's Office in Cook, DuPage, and Lake counties in the State of Illinois

Grantor: Groot, Inc.

- (c) Office of the Secretary of State for the State of Illinois
- (d) The County Recorder's Office in Cook, DuPage, and Lake counties in the State of Illinois

Grantor: Groot Recycling & Waste Services, Inc.

- (e) Office of the Secretary of State for the State of Illinois
- (f) The County Recorder's Office in Cook, DuPage, and Lake counties in the State of Illinois

Grantor: Kodiak Environmental Services, Inc.

- (g) Office of the Secretary of State for the State of Illinois
- (h) The County Recorder's Office in Cook, DuPage, and Lake counties in the State of Illinois

**EXHIBIT I**

(See Section 4.4 and 4.8 of Security Agreement)

**AMENDMENT**

This Amendment, dated \_\_\_\_\_, is delivered pursuant to Section 4.4 of the Security Agreement referred to below. All defined terms herein shall have the meanings ascribed thereto or incorporated by reference in the Security Agreement. The undersigned hereby certifies that the representations and warranties in Article III of the Security Agreement are and continue to be true and correct. The undersigned further agrees that this Amendment may be attached to that certain Pledge and Security Agreement, dated \_\_\_\_\_, between the undersigned, as the Grantors, and JPMorgan Chase Bank, N.A., as the Administrative Agent, (the "Security Agreement") and that the Collateral listed on Schedule I to this Amendment shall be and become a part of the Collateral referred to in said Security Agreement and shall secure all Secured Obligations referred to in said Security Agreement.

\_\_\_\_\_

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

SCHEDULE I TO AMENDMENT

STOCKS

<u>Name of Grantor</u>	<u>Issuer</u>	<u>Certificate Number(s)</u>	<u>Number of Shares</u>	<u>Class of Stock</u>	<u>Percentage of Outstanding Shares</u>

BONDS

<u>Name of Grantor</u>	<u>Issuer</u>	<u>Number</u>	<u>Face Amount</u>	<u>Coupon Rate</u>	<u>Maturity</u>

GOVERNMENT SECURITIES

<u>Name of Grantor</u>	<u>Issuer</u>	<u>Number</u>	<u>Type</u>	<u>Face Amount</u>	<u>Coupon Rate</u>	<u>Maturity</u>

OTHER SECURITIES OR OTHER INVESTMENT PROPERTY  
(CERTIFICATED AND UNCERTIFICATED)

<u>Name of Grantor</u>	<u>Issuer</u>	<u>Description of Collateral</u>	<u>Percentage Ownership Interest</u>

COMMERCIAL TORT CLAIMS

<u>Name of Grantor</u>	<u>Description of Claim</u>	<u>Parties</u>	<u>Case Number; Name of Court where Case was Filed</u>