



**COLLATERAL ASSIGNMENT OF PATENTS**

This Collateral Assignment of Patents ("Agreement") is made this 24<sup>th</sup> day of March, 2004 between Entact & Associates, LLC, an Illinois limited liability company, and Entact Services, LLC, a Delaware limited liability company (collectively "Assignor"), and Washington Mutual Bank F.A. ("Lender").

**WHEREAS**, Assignor and Lender have executed and delivered a certain Loan and Security Agreement of even date herewith (the "Loan Agreement"), pursuant to which Lender will provide financial accommodation to Assignor; and

**WHEREAS**, Assignor desires to provide Lender with additional security in consideration of loans made or to be made to it by Lender;

**NOW, THEREFORE**, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor hereby agrees with Lender as follows:

1. To secure the complete and timely satisfaction of all Liabilities (as defined in the Loan Agreement), Assignor hereby collaterally assigns and conveys to Lender, as security in order to secure any and all obligations and indebtedness of Assignor described in the Loan Agreement and for collateral purposes, and grants to Lender a security interest in and to all of Assignor's now owned or existing and hereafter acquired or arising patents and patent applications, including, without limitation, those listed in Schedule A hereto, and any registrations and applications for registration thereof including without limitation all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all royalties, continuations, renewals and extensions associated therewith (collectively called the "Patents"). The assignment is given as collateral to secure payment in full of all Liabilities of Assignor in accordance with the Loan Agreement.

2. Assignor covenants and warrants that:

(a) Assignor is using the Patents in its business, and will continue to use the Patents in its business;

(b) To the best of Assignor's knowledge, and except as otherwise disclosed to Lender in the Loan Agreement, each of the Patents is valid and enforceable and Assignor has

notified Lender in writing of all licenses or other uses of the Patents of which it is aware;

(c) Except as otherwise disclosed to Lender in the Loan Agreement, Assignor is the sole and exclusive owner of the unencumbered right, title and interest in and to each of the Patents, free and clear of any liens, charges, collateral assignments, mortgages or other encumbrances, including without limitation licenses and covenants by Assignor not to sue third persons;

(d) Assignor has the unqualified right to enter into this Agreement and perform its terms and has entered and will enter into written agreements with each of its present and future employees, agents and consultants which will enable it to comply with the covenants herein contained; and

(e) Assignor has granted to Lender, in the Loan Agreement and in this Agreement, sufficient interest in the Patents, and in such other assets of Assignor to allow Lender, if necessary, to insure the continuity of usage of the Patents in accordance with their current use.

3. Assignor agrees that, until all of Assignor's Liabilities has been satisfied in full, it will not enter into any agreement (for example, an exclusive license agreement) which is inconsistent with Assignor's obligations under this Agreement, without Lender's prior written consent.

4. Assignor authorizes Lender to modify this Agreement by amending Schedule A hereto to include any future patents and patent applications as defined under paragraph 1, and to take appropriate steps to record or file such changed Schedule A with the appropriate public offices.

5. To the extent that Lender's interest in the Patents may be construed as other than a security interest, and there shall have occurred no Default (as defined in the Loan Agreement), Lender hereby grants to Assignor the exclusive, nontransferable right and license to use the Patents for Assignor's own benefit and account and for none other. Assignor agrees not to sell or assign its interest in the Patents. Assignor may grant licenses and sublicenses to the Patents in the ordinary course of its business, provided no Default has occurred under the Loan Agreement and provided that each licensee or sublicensee agrees in writing to be bound by this Agreement as if it were a party hereto, and agrees that any interest it may have in the Patents will be subordinate to that of Lender.

6. If any Default shall have occurred and the Liabilities have been accelerated, and all applicable grace or cure periods

amount of the Liabilities and shall bear interest at the rate stipulated in the Loan Agreement.

9. If Assignor shall have or shall develop any patent which is used in interstate commerce or which is otherwise registerable or protectable under the patent laws of the United States of America, and which Assignor, in the exercise of its good faith judgment, decides is commercially worthy of such registration, Assignor shall file all applications necessary to obtain a registered United States patent, and said patent application shall be added to Schedule A of this Agreement.

10. During the continuance of a Default (as defined in the Loan Agreement) and after the expiration of all applicable grace or cure periods, Lender shall have the right, but shall in no way be obligated to, bring suit in its own name to enforce the Patents and any license thereunder, in which event Assignor shall at the request of Lender do any and all lawful acts and execute any and all documents required by Lender in aid of such enforcement and Assignor shall promptly, upon demand, reimburse and indemnify Lender for all costs and expenses incurred by Lender in the exercise of its rights under this paragraph 10.

11. No course of dealing between Assignor and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder or under the Loan Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

12. All of Lender's rights and remedies with respect to the Patents, whether established hereby or by the Loan Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.

13. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

14. This Agreement is subject to modification only by a writing signed by the parties, except as provided in paragraph 4.

15. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.



Michael H. Weissman  
Notary Public

**"OFFICIAL SEAL"**  
Michael L. Weissman  
Notary Public, State of Illinois  
My Commission Exp. 09/28/2005

Michael H. Wassman  
Notary Public

**"OFFICIAL SEAL"**  
**Michael L. Weissman**  
 Notary Public, State of Illinois  
 My Commission Exp. 09/28/2005

**Schedule A to  
Collateral Assignment of Patents  
from Entact, LLC to  
Washington Mutual Bank F.A.**

Patent Number: 5,674,176

Method for Treatment of Solid Waste to Minimize Heavy Metals

Patent Number: 5,591,116

Method for Treatment of Solid Waste to Minimize Permeability of  
the Waste

Patent Number: 5,788,623

Method for Treatment of Solid Waste to Minimize Permeability of  
the Waste

Patent Number: 5,667,696

Method for Treatment and Disposal of Lead Based Paint

Patent Number: 5,588,947

Apparatus and Method for Treating Hazardous Waste Material

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RECORDED: 04/02/2004

PATENT  
REEL: 014484 FRAME: 0278  
\*\* TOTAL PAGE: 09 \*\*