

IEET

Patent and Trademark Office
Docket No. 51270-25

01-06-2004



102638543

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

1. Name of conveying party(ies):

Safety-Kleen Systems, Inc.

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

2. Name and address of receiving party(ies):

Name: Wells Fargo FootHill, Inc.

Internal Address:

Street Address: One Boston Place, 18th Floor

City: Boston, State: MA ZIP: 02108

Additional name(s) & address(es) attached? ☐ Yes ☒ No

3. Nature of conveyance:

☐ Assignment☒ Security Agreement☐ Other:☐ Merger☐ Change of Name

Execution Date: December 19, 2003

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is:

A. Patent Application No.(s)

See attached.

B. Patent No.(s)

See attached.

Additional numbers attached? ☒ Yes ☐ No

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

Deborah L. Fine

Morrison & Foerster LLP

1290 Avenue of the Americas

New York, New York 10104

6. Total number of applications and patents involved: 23

7. Total fee (37 C.F.R. § 3.41): \$ 920.00

☐ Enclosed☒ Authorized to be charged to deposit account, referencing Attorney Docket 51270-258. Deposit account number: 03-1952The Commissioner is hereby authorized to charge any fees under 37 C.F.R. § 1.21 that may be required by this paper, or to credit any overpayment to Deposit Account No. 03-1952.

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Name: Hsiao-Ting Cheng

Signature

December 30, 2003

Date

Total number of pages comprising cover sheet, attachments and document: 25

01/05/2004 LMJELLER 00000243 031952 4623448

01 FEB 0021 920.00 DA

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

Commissioner of Patents and Trademarks

Box Assignments

Washington, DC 20231

va-53866

PATENT
REEL: 014845 FRAME: 0531

Schedule I to Patent Security Agreement

U.S. PATENTS

PAT. NO.	ISSUED	EXPIRES	INVENTOR	OWNER	TITLE	SCOPE	MODEL
4,623,448	11/18/86	03/12/05	O'Connell, Wozniak	Safety-Kleen Systems, Inc.	Removing Halogenated Polyphenyl Materials from Used Oil Products	Claims process and apparatus to remove halogenated polyphenols. Pressurized hydrogen gas is injected into flowing oil stock, the resulting blend flows through a guard reactor and then through a catalyst bed to dehalogenate.	East Chicago Plant
4,823,820	04/25/89	07/28/07	Larson & Justice	Safety-Kleen Systems, Inc.	Solvent Vapor Collection & Evacuation System	Spray gun cleaners having a collar surrounding the basin for vapor pickup. Claims include the collar generally, as well as in association with specific forms of gun cleaners.	1107 1111 1157
5,138,735	8/18/92	03/18/11	Kusz, Voss, Iliadis	Safety-Kleen Systems, Inc.	Buffing Pad and Attachment System Therefor	This patent covers quick-release attachment systems for buffing pads	Part Numbers only
5,318,056	06/07/94	06/07/11	Kusz & Justice	Safety-Kleen Systems, Inc.	Solvent Recirculating Spray Gun Cleaner	Second patent directed to spray gun cleaner having cabinet with two solvent containers	Predecessor to 1107, 1111

PAT. NO.	ISSUED	EXPIRES	INVENTOR	OWNER	TITLE	SCOPE	MODEL
5,350,079	09/27/94	03/01/13	Larson, Danowski, Voss	Safety-Kleen Systems, Inc.	Safety Cover and Operator Assembly for Open Top Drum	A moveable safety cover for use with an absorbent drum unit	Part Numbers only
5,353,951	10/11/94	08/11/12	Kusz, Cuveas,	Safety-Kleen Systems, Inc.	Serviceable Storage and Transport Container	A serviceable storage and transport container for use with anti-freeze solutions "Bumble Bee"	Part No. 3905
5,445,038	08/29/95	12/06/13	Mueller	Safety-Kleen Systems, Inc.	Apparatus for Sampling Fluid in Containers	TCLP and Pregel Coli-wasa	Part Numbers only
5,478,465	12/26/95	03/30/14	Larson, Danowski, Jacoby	Safety-Kleen Systems, Inc.	Composite Liquid Filter	Cross-flow filter	34, 44, 357
5,582,743	12/10/96	03/30/14	Larson, Danowski, Jacoby	Safety-Kleen Systems, Inc.	Composite Liquid Filter	Cross-flow filter (divisional patent)	34, 44, 357
5,598,861	02/04/97	03/07/15	Danowski, Dvorak	Safety-Kleen Systems, Inc.	Parts Washer with Solvent Flow Control	Parallel plate separator	29, 39, 357

PAT. NO.	ISSUED	EXPIRES	INVENTOR	OWNER	TITLE	SCOPE	MODEL
5,698,774	12/16/97	08/30/16	Osmanski	Safety-Kleen Systems, Inc.	Field Test Method for Determining Oil in Solvent	A method and several apparatus for determining the concentration of oil in a petroleum hydrocarbon solvent. A few drops of solvent are placed on a two-layer sheet of paper and evaporated. A telltale stain indicates the approximate concentration of oil in the solvent	None
5,710,373	01/20/98	02/18/17	Osmanski	Safety-Kleen Systems, Inc.	Test Chart & Method	An apparatus and method for determining the concentration of oil and contaminants in solvent. A test chart includes viewing windows representing, respectively, increasing concentrations of oil and increasing concentrations of particulates. the specimen is matched to the chart (and clarifying agent may be added to the solvent as a separate step) to determine the nature and extent of solvent contamination.	None

PAT. NO.	ISSUED	EXPIRES	INVENTOR	OWNER	TITLE	SCOPE	MODEL
5,720,308	02/24/98	03/07/15	Danowski, Dvorak	Safety-Kleen Systems, Inc.	Parts Washer with Solvent Flow Control	Parallel plate separator (CIP) Foldable Legs	29, 39
5,776,881	07/07/98	07/03/16	Kiany	Safety-Kleen Systems, Inc.	Enhanced Solvent Compositions (Continuation)	A treated solvent cleaning composition and method. The solvent component is primarily aliphatic hydrocarbons (less than 25% aromatic). The additive is 0.1 to 10 parts C ₆ -C ₁₄ alcohols, diols, polyols, glycol ethers and mixtures thereof. The method includes treating the solvent with the additive to create a supernatant layer of increased clarity and a lower layer having the bulk of the impurities therein. KNOCK OUT DROPS	None
6,004,434	12/21/99	07/07/14	Kiany, Blair, O'Donnell, and Kunkel	Safety-Kleen Systems, Inc.	Method of Recycling Cleaning Solvent	A method that removes contaminants from a solution which includes adding a clarifying agent, reusing the solvent until a certain level of impurities are present, and adding clarifying agent and again reusing the solvent.	None

PAT. NO.	ISSUED	EXPIRES	INVENTOR	OWNER	TITLE	SCOPE	MODEL
6,322,694	11/27/01	08/29/20	Iliadis, Jacobby, Porter	Safety-Kleen Systems, Inc.	Machine Coolant Management System	An apparatus for removing both subsurface and floating contaminants from a customer bath. The unit includes a skimmer and a filter in series with a positive displacement pump. The other loop includes a removable filter and a submersible pump. The apparatus comes in kit form. - CMS	357
6,358,409	03/19/02	12/23/19	Anderson, Danowski, Jacobby	Safety-Kleen Systems, Inc.	Oil Skimmer	An oil skimmer that floats on a reservoir and includes a collection tube attached to the float and closed at the bottom and sides, a suction tube with an open lower end, and an evacuator for removing and separating oil/water from the collection tube and returning the water to the reservoir.	81.8

PAT. NO.	ISSUED	EXPIRES	INVENTOR	OWNER	TITLE	SCOPE	MODEL
6,391,198	05/21/02	06/22/21	Porter, Shortreed	Safety-Kleen Systems, Inc.	Method and Apparatus for Sludge and Oil Separation from Aqueous Solutions/ Emulsions	A sludge trap including a pickup tube for insertion into a customer machine, a sludge-receiving drum with a fluid-tight cover, and inlet and outlet fittings, and a positive displacement pump and a return line to the customer machine. PORTER KLEEN OIL TRAP	216 230 255

PATENT
REEL: 014845 FRAME: 0537

PENDING U.S. PATENT APPLICATIONS

SERIAL NO.	FILING DATE	INVENTOR	OWNER	TITLE	SCOPE	MODEL
10/182,000	07/24/02	Endres, Publ	Safety-Kleen Systems, Inc.	Device for Generating a Pressurized Stream of Treating Media	MINI-BLAST	None
10/290,673	11/08/02	Publ, Gutkowski	Safety-Kleen Systems, Inc.	Cleaning Apparatus	SAFETY BLAST	40.1
10/412,068	04/10/03	Publ, Porter, Korkowski, Knill	Safety-Kleen Systems, Inc.	Parts Washer with Improved Temperature & Pump Control	HEATER PUMP CONTROL MODULE FOR AQUEOUS PARTS CLEANER	90 91 94
Not Available	12/01/03	Publ	Safety-Kleen Systems, Inc.	Improved Parts Washing Apparatus		

PATENT COOPERATION TREATY

SERIAL NO.	FILING DATE	INVENTOR	OWNER	TITLE	CORRESPONDING U.S. PATENT APPLICATION NO.
PCT/US02/35934	11/08/02	Publ, Gutkowski	Safety-Kleen, Systems, Inc.	Cleaning Apparatus	60/344,751

PATENT
REEL: 014845 FRAME: 0539

PATENT SECURITY AGREEMENT

by and among

THE GRANTORS NAMED HEREIN,

as Grantors

and

WELLS FARGO FOOTHILL, INC.,

as Administrative Agent and Co-Collateral Agent for the Lenders

Dated as of December 19, 2003

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Schedule I – Patents and Patent Applications

Schedule II - Licenses

PATENT SECURITY AGREEMENT (this "Agreement"), dated [December ____], 2003, made by the Persons listed on the signature page hereof under the caption "Grantors" (collectively, the "Grantors" and each a "Grantor"), to WELLS FARGO FOOTHILL, INC., as administrative agent and co-collateral agent (in such capacities, the "Administrative Agent") for the Lenders (as defined below) pursuant to the Loan and Security Agreement (as hereinafter defined). Capitalized terms used herein but not defined shall have the meaning given them in the Loan and Security Agreement.

PRELIMINARY STATEMENTS.

(1) Each of Safety-Kleen Systems, Inc., a Wisconsin corporation, Ecogard, Inc., a Delaware corporation, Safety-Kleen International, Inc., a Delaware corporation, Safety-Kleen Oil Recovery Co., a Delaware corporation, Environmental, Ecological and Engineering Company, a California corporation, The Solvents Recovery Service of New Jersey, Inc., a New Jersey corporation, Safety-Kleen Envirosystems Company, a California corporation, Safety-Kleen Envirosystems Company of Puerto Rico, Inc., an Indiana corporation, and Safety-Kleen Canada Inc., a corporation organized under the laws of New Brunswick (each, a "Borrower" and, collectively, the "Borrowers"), and SK Holding Company, Inc., a Delaware corporation ("Parent") have entered into a Loan and Security Agreement, dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Loan and Security Agreement"), with the financial institutions party thereto (the "Lenders"), the Administrative Agent, Goldman Sachs Credit Partners L.P., as syndication agent, sole lead arranger and sole lead bookrunner (the "Lead Arranger"), Silver Point Finance, LLC, as co-collateral agent (the "Collateral Agent" and collectively with the Administrative Agent and the Lead Arranger, the "Agents"), and Bank of America, N.A., as documentation agent.

(2) It is a condition precedent to the making of the initial Advance and Term Loan by the Lenders under the Loan and Security Agreement (or any other extension of credit provided for thereunder) that the Grantors shall have granted the security interest contemplated by this Agreement.

NOW, THEREFORE, in consideration of the premises and in order to induce the Lenders to make the initial Advance and Term Loan (or otherwise extend credit) under the Loan and Security Agreement, and subject to the terms of the Loan and Security Agreement, each Grantor hereby agrees with the Administrative Agent for the benefit of the Lender Group, the Bank Product Providers and the Hedge Product Providers (the Lender Group, Bank Product Providers and Hedge Product Providers being collectively referred to herein as the "Secured Parties") as follows:

SECTION 1. Grant of Security. Each Grantor hereby grants to the Administrative Agent for the benefit of the Secured Parties, a continuing security interest in all of such Grantor's right, title and interest in and to all currently existing and hereafter acquired or arising Patent Collateral (as defined below) in order to secure (a) prompt repayment of any and all of the Obligations in accordance with the terms and conditions of the Loan Documents and (b) prompt performance by such Grantor of each of its covenants and duties under the Loan Documents. The Administrative Agent's Liens in and to the Patent Collateral shall attach to all

Patent Collateral without further act on the part of Administrative Agent or Grantors. For the purposes of this Agreement, "Patent Collateral" shall mean all Grantors' right, title and interest in and to:

(a) All patents, patent applications and patentable inventions, including, without limitation (i) all inventions and improvements described and claimed therein, and patentable inventions, (ii) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (iii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past or future infringements thereof), and (iv) all rights corresponding thereto throughout the world and all reissues, divisions, continuations, continuations-in-part, substitutes, renewals, and extensions thereof, all improvements thereon, and all other rights of any kind whatsoever of such Grantor accruing thereunder or pertaining thereto (collectively, the "Patents"). For the purposes of this Agreement, the Patents shall include, without limitation, each patent and patent application identified in Schedule I attached hereto and made a part hereof (which the Grantors may amend from time to time, provided that notice and copies thereof are promptly provided to the Administrative Agent).

(b) All license agreements with any other Person in connection with any of the Patents or such other Person's patents, whether such Grantor is a licensor or licensee under any such license agreement, subject, in each case, to the terms of such license agreements, including, without limitation, terms requiring consent to a grant of a security interest, and any right to prepare for sale, sell and advertise for sale, all Inventory (as defined in the Loan and Security Agreement) now or hereafter owned by such Grantor and now or hereafter covered by such licenses (collectively, the "Licenses"). For the purposes of this Agreement, the Licenses shall include, without limitation, the license agreements listed on Schedule II attached hereto and made a part hereof.

Notwithstanding the foregoing, "Patent Collateral" shall not include any rights or interests in any lease, license, contract, property rights or agreement, as such, if under the terms of such lease, license, contract, property rights or agreement, or Applicable Law with respect thereto, the valid grant of a security interest or lien therein to Administrative Agent is prohibited and such prohibition has not been or is not waived or the consent of the other party to such lease, license, contract, property rights or agreement has not been or is not otherwise obtained or under Applicable Law such prohibition cannot be waived; provided, that the foregoing exclusion shall in no way be (i) construed to apply if any such prohibition would be rendered ineffective under the Code or other Applicable Law (including the Bankruptcy Code) or principles of equity, (ii) construed so as to limit, impair or otherwise affect Administrative Agent's unconditional continuing security interests in and liens upon any rights or interests of Grantors in or to the proceeds thereof, including Monies due or to become due under any such lease, license, contract, property rights or agreement (including any Accounts), (iii) construed to apply at such time as the condition causing such prohibition shall be remedied and, to the extent severable, "Patent Collateral" shall include any portion of such lease, license, contract, property rights or agreement that does not result in such prohibition.

SECTION 2. Security for Obligations. The grant of a security interest in the Patent Collateral by the Grantors pursuant to this Agreement secures the prompt repayment of any and all of the obligations of the Grantors now or hereafter existing under the Loan Documents, if any, whether for principal, interest, fees, expenses or otherwise (all such obligations being the "Secured Obligations"). Without limiting the generality of the foregoing, this Agreement secures the repayment of all amounts that constitute part of the Secured Obligations and would be owed by the Grantors to the Secured Parties under the Loan Documents but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving the Administrative Agent or any Secured Party or the Grantors.

SECTION 3. The Grantors Remain Liable. Anything herein to the contrary notwithstanding, (a) the Grantors shall remain liable under the contracts and agreements included in the Patent Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Administrative Agent of any of the rights hereunder shall not release the Grantors from any of their duties or obligations under the contracts and agreements included in the Patent Collateral and (c) neither the Administrative Agent nor the Secured Parties shall have any obligation or liability under the contracts and agreements included in the Patent Collateral by reason of this Agreement, nor shall the Administrative Agent nor any Secured Party be obligated to perform any of the obligations or duties of the Grantors thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

SECTION 4. Representations and Warranties. Each Grantor represents and warrants as to itself and its Patent Collateral as follows:

(a) Such Grantor owns, or holds licenses in, the material Patents that are reasonably necessary to the conduct of its business as currently conducted. Attached hereto as Schedule I (which Grantors may amend from time to time provided that notice and copies thereof are promptly provided to Administrative Agent) is a true, correct, and complete listing of all material Patents and applications for material Patents as to which such Grantor is the owner or licensor of an exclusive license. Attached hereto as Schedule II (which Grantors may amend from time to time provided that notice and copies thereof are promptly provided to Administrative Agent) is a true, correct, and complete listing of all material Patents and applications for material Patents as to which such Grantor is an exclusive licensee. None of the Licenses to use material Patents disclosed on Schedule I or Schedule II requires consent for the applicable Grantor to grant the security interest granted hereunder in such Grantor's right, title and interest in and to the Patent Collateral.

(b) Except as may be expressly permitted under the Loan and Security Agreement, no security agreement, effective financing statement or other instrument similar in effect covering all or any part of the Patent Collateral, that has not been terminated or released, is on file in any recording office in any jurisdiction in which Grantor owns any Patent Collateral (including, without limitation, the U.S. Patent and Trademark Office), except such as may have been filed in favor of the Administrative Agent relating to this Agreement or any other Loan Document, and such Grantor has not consented to the filing of financing or continuation statements covering all or part of the Patent Collateral under the Uniform Commercial Code or

any other applicable procedure, regulation or law of any foreign jurisdiction in which Patents are owned, or the filing of any other document or notice similar in effect (which has not been released or terminated) with the U.S. Patent and Trademark Office or any of its counterpart agencies in foreign jurisdictions in which such Grantor owns any Patent Collateral.

(c) Such Grantor has made all necessary payments, filings and recordations to protect and maintain its interest in the material Patents and patent applications set forth in Schedule I, including, without limitation, (i) making all necessary registration, maintenance and renewal fee payments; and (ii) filing all necessary documents, including all material Patent applications.

(d) Each patent and patent application of such Grantor set forth in Schedule I is subsisting and has not been adjudged invalid, unpatentable or unenforceable, in whole or in part, and, to the best of such Grantor's knowledge, is valid, subsisting, patentable and enforceable. Each License of such Grantor identified in Schedule II is validly subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and, to the best of such Grantor's knowledge, is valid and enforceable. Such Grantor has notified the Administrative Agent in writing of all uses of any item of Patent Collateral of which such Grantor is aware which could reasonably be expected to lead to such item becoming invalid or unenforceable, other than any such uses that would not cause a Material Adverse Change.

(e) Except as may be expressly permitted under the Loan and Security Agreement, such Grantor has not made a previous assignment, sale, transfer or agreement constituting a present or future assignment, sale, transfer or encumbrance of any of the Patent Collateral that has not been terminated or released. Such Grantor has not granted any license (other than those listed on Schedule II hereto), shop right, release, covenant not to sue, or non-assertion assurance to any Person with respect to any part of the Patent Collateral so as to cause a Material Adverse Change.

(f) No consent of any other Person and no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or other third party, as applicable, is required either (A) for the grant by such Grantor of the security interest granted hereby or for the execution, delivery or performance of this Agreement by such Grantor, (B) for the perfection or maintenance of the security interest created hereby (including the first priority nature of such security interest), except for the filing of financing and continuation statements under the Uniform Commercial Code and any other applicable procedure, regulation or law of any foreign jurisdictions in which the Grantor owns Patent Collateral, and the filing with the U.S. Patent and Trademark Office and any counterpart agencies in foreign jurisdictions in which the Grantor owns Patent Collateral of any other document or notice of similar effect, which financing statements, filings and other documents have either been duly filed, will be filed by the Administrative Agent, or which the Administrative Agent and Grantor have agreed need not be filed, or (C) for the exercise by the Administrative Agent of its rights provided for in this Agreement or the remedies in respect of the Patent Collateral pursuant to this Agreement, except that filings with the U.S. Patent and Trademark Office and any counterpart agencies in foreign jurisdictions in which the Grantor owns Patent Collateral may be necessary in order to record the transfer of such Patent Collateral upon foreclosure.

(g) Except for the licenses listed on Schedule II hereto and any non-exclusive licenses to which any Grantor is a party, such Grantor has no knowledge of the existence of any third-party rights or any claims with respect thereto that is likely to be made and adversely determined under any item of Patent Collateral contained on Schedule I.

(h) No claim has been made and is continuing or threatened that the use by such Grantor of any item of Patent Collateral is invalid or unenforceable or that the use by such Grantor of any Patent Collateral does or may violate the rights of any Person, other than any such claim which would not cause or result in a Material Adverse Change. To the best of such Grantor's knowledge, there is currently no infringement or unauthorized use of any item of Patent Collateral contained on Schedule I.

(i) Such Grantor has no knowledge of the existence of any Patent or license agreement held or claimed by any other Person that would preclude such Grantor from distributing, marketing, selling or providing any product or service currently distributed, marketed, sold or provided by it, as the case may be, under or in connection with any of the Patent Collateral (except, in each case, to the extent that such Grantor has granted an exclusive license to another Person, as set forth in Schedule II), or that would interfere with the ability of such Grantor to carry on its business as currently carried on, and such Grantor has no knowledge of any pending or threatened claim that would, if adversely decided, preclude or interfere with the business of such Grantor as currently carried on under any of the Patent Collateral, other than in the case of any of the foregoing any such patent, license agreement or claim that would not cause a Material Adverse Change.

SECTION 5. Further Assurances. (a) The Grantors shall from time to time, at their expense, promptly authorize, execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that any Agent may reasonably request, in order to perfect and protect any security interest granted hereby or to enable the Administrative Agent to exercise and enforce its rights and remedies hereunder with respect to any part of the Patent Collateral. Without limiting the generality of the foregoing, the Grantors will authorize, execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as the Administrative Agent, in its Permitted Discretion, deems necessary or desirable, in order to perfect and preserve the security interest granted hereby.

(b) Each Grantor hereby authorizes the Administrative Agent to file one or more financing or continuation statements, and amendments thereto (including, without limitation, by recording this Agreement with the U.S. Patent and Trademark Office and its counterpart agencies in all foreign jurisdictions in which Patents are owned) relating to all or any part of the Patent Collateral without the signature of such Grantor where permitted by law. A photocopy or other reproduction of this Agreement or any financing statement covering the Patent Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(c) The Grantors will furnish to the Administrative Agent from time to time statements and schedules further identifying and describing the Patent Collateral and such

other reports in connection with the Patent Collateral as any Agent may reasonably request, all in reasonable detail, all to the extent required by the Loan and Security Agreement.

(d) Each Grantor agrees that, should it obtain an ownership or any other interest in any Patent or License, which is not a part of the Patent Collateral as of the Closing Date, (i) the provisions of Section 1 shall automatically apply thereto, (ii) any such Patent or License shall automatically become Patent Collateral, and (iii) with respect to any ownership interest in any Patent or any exclusive license to a Patent that Grantor is advised is the subject an application or registration that such Grantor obtains, it shall give prompt written notice thereof to the Administrative Agent in accordance with Section 13 hereof. Each Grantor authorizes the Administrative Agent to modify this Agreement by amending Schedules I and II (and will cooperate reasonably with the Administrative Agent in effecting any such amendment) to include any Patent or application for such Patent or License, as applicable, which becomes part of the Patent Collateral under this Section.

(e) With respect to each material Patent and License to which it is now or later becomes owner of or party to, each Grantor agrees, subject to the last sentence of this subsection, to take all necessary steps, including, without limitation, making all necessary payments and filings in connection with the issuance, maintenance and renewal of Patents, in the U.S. Patent and Trademark Office and any other appropriate government agencies, or in any court, to (i) maintain each such Patent and License, and (ii) pursue each such patent application, now or hereafter included in the Patent Collateral, including, without limitation, the filing of divisional, continuation, continuation-in-part and substitute applications, the filing of applications for reissue, renewal or extensions, the payment of maintenance fees, and the participation in interference, reexamination, opposition, infringement and misappropriation proceedings in the United States and any foreign jurisdictions in which the Grantor owns such Patents. Any expenses incurred in connection with such activities, as between Grantors and the Secured Parties, shall be borne solely by such Grantor. No Grantor shall abandon or decide not to pursue any right to file any patent application, or abandon any patent pending application or patent, without the written consent of Administrative Agent, unless (i) a Grantor shall have previously determined that such abandonment or pursuit of such filing is no longer desirable in the conduct of such Grantor's business and that the loss thereof will not cause a Material Adverse Change, in which case, such Grantor will give notice of any such abandonment to the Administrative Agent pursuant to the terms of Section 13 hereof, or (ii) such abandonment or failure to pursue such filing is expressly permitted under the Loan and Security Agreement.

(f) Each Grantor agrees to notify the Administrative Agent promptly and in writing if it learns (i) that any item of the Patent Collateral contained on Schedule I has been finally determined to have been abandoned or dedicated, except as a result of such Grantor's exercise of its rights under the last sentence of Section 4(e), or (ii) of any adverse determination or the institution of any proceeding (including, without limitation, the institution of any proceeding in the U.S. Patent and Trademark Office or any other appropriate government agencies in foreign jurisdictions, or in any court) regarding any item of the Patent Collateral that would cause a Material Adverse Change.

(g) In the event that any Grantor becomes aware that any item of the Patent Collateral is infringed or misappropriated by a third party, such Grantor shall promptly

notify the Administrative Agent and shall take such actions as such Grantor or the Administrative Agent reasonably deems appropriate under the circumstances to protect such Patent Collateral, including, without limitation, suing for infringement or misappropriation and for an injunction against such infringement or misappropriation, unless any such infringement or misappropriation would not cause a Material Adverse Change. Any expense incurred in connection with such activities, as between Grantors and the Secured Parties, shall be borne solely by the Grantors.

(h) Each Grantor shall to the extent it deems reasonable in its best business judgment mark its products with the numbers of the appropriate patents or the designation "patent pending," as the case may be, in accordance with 35 U.S.C. Section 287(a) or, for sales outside of the United States, in accordance with the counterpart of U.S.C. Section 287(a), if any, of the patent laws of the applicable jurisdiction.

(i) Each Grantor shall continue to take all steps which it deems reasonably necessary under the circumstances to preserve and protect the secrecy of all trade secrets of such Grantor, including any in the Patent Collateral.

SECTION 6. Transfers and Other Liens. The Grantors shall not, (a) except for Permitted Dispositions, sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, any item of the Patent Collateral or (b) create or suffer to exist any Lien upon or with respect to any of the Patent Collateral except for the security interest created by this Agreement or Permitted Liens.

SECTION 7. The Administrative Agent Appointed Attorney-in-Fact. Each Grantor hereby irrevocably appoints the Administrative Agent as such Grantor's attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor or otherwise, from time to time in the Administrative Agent's discretion after the occurrence and during the continuance of an Event of Default, to take any action and to execute any instrument that the Administrative Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation:

(a) to ask for, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Patent Collateral,

(b) to receive, indorse, and collect any drafts or other instruments, documents and chattel paper, in connection with clause (a) above, and

(c) to file any claims or take any action or institute any proceedings that the Administrative Agent may deem necessary or desirable for the collection of any payments relating to any of the Patent Collateral or otherwise to enforce the rights of the Administrative Agent with respect to any of the Patent Collateral.

To the extent permitted by law, each Grantor hereby ratifies all that the Administrative Agent shall lawfully do or cause to be done as attorney-in-fact for such Grantor. This power of attorney is a power coupled with an interest and is irrevocable.

SECTION 8. The Administrative Agent May Perform. If any Grantor fails to perform any agreement contained herein, the Administrative Agent may itself perform, or cause performance of, such agreement after reasonable notice to such Grantor to the extent practicable, and the expenses of the Administrative Agent incurred in connection therewith shall be payable by the Grantors under Section 11.

SECTION 9. The Administrative Agent's Duties. The powers conferred on the Administrative Agent hereunder are solely to protect its interest in the Patent Collateral and shall not impose any duty upon the Administrative Agent to exercise any such powers. Except for the safe custody of any Patent Collateral in its possession and the accounting for any moneys actually received by it hereunder, the Administrative Agent shall have no duty as to any Patent Collateral or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Patent Collateral. The Administrative Agent shall be deemed to have exercised reasonable care in the custody and preservation of any Patent Collateral in its possession if such Patent Collateral is accorded treatment substantially equal to that which the Administrative Agent accords its own property.

SECTION 10. Remedies. If any Event of Default shall have occurred and be continuing and if the Administrative Agent has taken or is taking remedial actions in respect of the Collateral that is Inventory or Accounts:

(a) The Administrative Agent may exercise in respect of the Patent Collateral, in addition to other rights and remedies provided for herein or otherwise available to it and to the fullest extent permitted by law, all the rights and remedies of a secured party upon default under the Uniform Commercial Code in effect in the State of New York at such time (the "N.Y. Uniform Commercial Code") (whether or not the N.Y. Uniform Commercial Code applies to the affected Patent Collateral) and also may (i) require the Grantors to, and each Grantor hereby agrees that it will at its expense and upon request of the Administrative Agent forthwith, assemble all or part of the documents and things embodying the Patent Collateral as directed by the Administrative Agent and make them available to the Administrative Agent at a place to be designated by the Administrative Agent that is reasonably convenient to both parties, (ii) occupy any premises owned or leased by such Grantor where documents and things embodying the Patent Collateral or any part thereof are assembled for a reasonable period in order to effectuate the Administrative Agent's rights and remedies hereunder or under law, without obligation to such Grantor in respect of such occupation, and (iii) without notice except as specified below, sell the Patent Collateral or any part thereof in one or more parcels at public or private sale, at any of the Administrative Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Administrative Agent may deem commercially reasonable. In the event of any sale, assignment, or other disposition of any of the Patent Collateral, the Grantors shall supply to the Administrative Agent or its designee the Grantors' know-how and expertise, and documents and things embodying the same, relating to the manufacture, distribution, advertising and sale of products or the provision of services relating to any Patent Collateral subject to such disposition, and the Grantors' customer lists and other records and documents relating to such Patent Collateral and to the manufacture, distribution, advertising and sale of such products and services. Each Grantor agrees that, to the extent notice of sale shall be required by applicable law, at least ten (10) days' notice to such Grantor of the time and place of any public sale or the time after which any private sale is to be

made shall constitute reasonable notification. The Administrative Agent shall not be obligated to make any sale of Patent Collateral regardless of notice of sale having been given. The Administrative Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) All cash proceeds received by the Administrative Agent in respect of any sale of, collection from, or other realization upon all or any part of the Patent Collateral may, in the discretion of the Administrative Agent, be held by the Administrative Agent as collateral for, and/or then or at any time thereafter applied (after payment of any amounts payable to the Administrative Agent pursuant to Section 11) in whole or in part by the Administrative Agent for the ratable benefit of the Secured Parties against, all or any part of the Secured Obligations in accordance with Section 2.4 of the Loan and Security Agreement. Any surplus of such cash or cash proceeds held by the Administrative Agent and remaining after payment in full of all the Secured Obligations shall be paid over to the Grantors or to whomsoever may be lawfully entitled to receive such surplus.

(c) The Administrative Agent may exercise any and all rights and remedies of the Grantors under or otherwise in respect of the Patent Collateral.

(d) All payments received by the Grantors under or in connection with any of the Patent Collateral shall be received in trust for the benefit of the Administrative Agent, shall be segregated from other funds of the Grantors and shall be forthwith paid over to the Administrative Agent in the same form as so received (with any necessary endorsement).

SECTION 11. Indemnity and Expenses. (a) Each Grantor agrees to indemnify the Agent-Related Persons, the Lender-Related Persons, the Bank Product Providers, the Hedge Product Providers and the Participants (each, an "Indemnified Party") from and against any and all claims, losses and liabilities arising out of or resulting from this Agreement (including, without limitation, enforcement of this Agreement), except claims, losses or liabilities resulting from an Indemnified Party's gross negligence or willful misconduct as finally determined by a court of competent jurisdiction.

(b) The Grantors will upon demand pay to the Administrative Agent the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, that the Administrative Agent may incur in connection with (i) the administration of this Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from or other realization upon, any of the Patent Collateral, (iii) the exercise or enforcement of any of the rights of the Administrative Agent or the Secured Parties hereunder or (iv) the failure by the Grantors to perform or observe any of the provisions hereof.

SECTION 12. Amendments, Waivers, Etc. No amendment or waiver of any provision of this Agreement, and no consent to any departure by the Grantors herefrom, shall in any event be effective unless the same shall be in writing and signed by the Administrative Agent and, in the case of an amendment, by the Grantors and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No failure on the part of the Administrative Agent to exercise, and no delay in exercising any right

hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

SECTION 13. Addresses for Notices. Any communications between the parties hereto or notices provided herein to be given shall be sent in accordance with the provisions of, and to the addresses set forth in, Section 12 of the Loan and Security Agreement, and if to any Grantor that is not a party to the Loan and Security Agreement, to the address set forth for the Administrative Borrower in the Loan and Security Agreement.

SECTION 14. Continuing Security Interest; Assignments Under the Loan and Security Agreement. This Agreement shall create a continuing security interest in the Patent Collateral and shall (a) remain in full force and effect until the later of the payment in full in cash of all of the Secured Obligations and the effective date of termination or expiration of the Loan and Security Agreement, (b) be binding upon the Grantors, their successors and assigns and (c) inure, together with the rights and remedies of the Administrative Agent hereunder, to the benefit of the Administrative Agent, the Secured Parties and their respective successors, transferees and assigns. Without limiting the generality of the foregoing clause (c), the Administrative Agent and any Secured Party may assign or otherwise transfer all or any portion of its rights and obligations under this Agreement, along with its parallel rights under the Loan and Security Agreement, to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to the Administrative Agent or such Secured Party herein or otherwise, in each case as provided in Section 14 of the Loan and Security Agreement.

SECTION 15. Release and Termination. (a) Upon any sale, lease, transfer or other disposition of any item of Patent Collateral in accordance with the terms of the Loan Documents (other than sales of Inventory and grants of non-exclusive licenses, in each case, in the ordinary course of business), the Administrative Agent will, at the Grantors' expense, execute and deliver to the Grantors such documents as the Grantors shall reasonably request to evidence the release of such item of Patent Collateral from the assignment and security interest granted hereby; provided, however, that (i) the Grantors shall have delivered to the Administrative Agent, at least ten (10) Business Days prior to the date of the proposed release, a written request for release describing the item of the Patent Collateral and the terms of the sale, lease, transfer or other disposition in reasonable detail, including the price thereof and any expenses in connection therewith, together with a form of release for execution by the Administrative Agent and a certification by the Grantors to the effect that the transaction is in compliance with the Loan Documents and as to such other matters as the Administrative Agent may reasonably request and (ii) the proceeds of any such sale, lease, transfer or other disposition required to be applied in accordance with Section 2.4 of the Loan and Security Agreement shall be paid to, or in accordance with the instructions of, the Administrative Agent at the closing.

(b) Upon the later of the payment in full in cash of all of the Secured Obligations and the effective date of termination or expiration of the Loan and Security Agreement, the security interest granted hereby shall automatically terminate and all rights to the Patent Collateral as shall not have been sold or otherwise applied pursuant to the terms hereof shall revert to the Grantors. Upon any such termination, the Administrative Agent will, at the

Grantors' expense, authorize, execute and deliver to the Grantors such documents as the Grantors shall reasonably request to evidence such termination.

SECTION 16. Governing Law; Terms. THE VALIDITY OF THIS AGREEMENT, THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF, AND THE RIGHTS OF THE PARTIES HERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR RELATED HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. Unless otherwise defined herein or in the Loan and Security Agreement, terms used in Article 9 of the N.Y. Uniform Commercial Code are used herein as therein defined.

SECTION 17. Consent to Jurisdiction. THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK, STATE OF NEW YORK; PROVIDED, HOWEVER, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY PATENT COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT ADMINISTRATIVE AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE ADMINISTRATIVE AGENT ELECTS TO BRING SUCH ACTION OR WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. GRANTORS AND ADMINISTRATIVE AGENT WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 17.

SECTION 18. Waiver of Jury Trial. GRANTORS AND ADMINISTRATIVE AGENT HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. GRANTORS AND ADMINISTRATIVE AGENT REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

SECTION 19. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 20. Section Headings. The section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

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

GRANTORS:

SAFETY-KLEEN HOLDCO., INC.,
a Delaware corporation, as a Grantor,

SK HOLDING COMPANY, INC.,
a Delaware corporation, as a Grantor,

SAFETY-KLEEN SYSTEMS, INC.,
a Wisconsin corporation, as a Grantor,

ECOGARD, INC.,
a Delaware corporation, as a Grantor,

SAFETY-KLEEN INTERNATIONAL, INC.,
a Delaware corporation, as a Grantor,

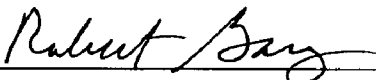
SAFETY-KLEEN OIL RECOVERY CO.,
a Delaware corporation, as a Grantor,

**ENVIRONMENTAL, ECOLOGICAL AND
ENGINEERING COMPANY,**
a California corporation, as a Grantor,

**THE SOLVENTS RECOVERY SERVICE OF NEW
JERSEY, INC.,**
a New Jersey corporation, as a Grantor,

SAFETY-KLEEN ENVIROSYSTEMS COMPANY,
a California corporation, as a Grantor

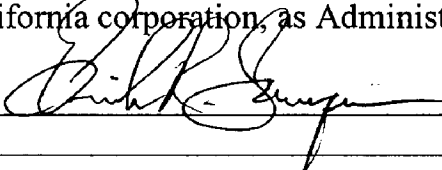
**SAFETY-KLEEN ENVIROSYSTEMS COMPANY OF
PUERTO RICO, INC.,**
an Indiana corporation, as a Grantor

By: 
Name: J.Robert Gary
Title: Senior Vice President

Agreed and consented to as of
the date first above written:

WELLS FARGO FOOTHILL, INC.,

a California corporation, as Administrative Agent and Co-Collateral Agent

By: 
Title: _____

SIGNATURE PAGE FOR THE PATENT SECURITY AGREEMENT

PATENT
REEL: 014845 FRAME: 0554

SCHEDULE II: LICENSES

Exclusive Patent Licenses

None