

10-12-2005

MRD  
10/11/05



103032239

To the Director of the U.S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

**1. Name of conveying party(ies)/Execution Date(s):**

NexCycle, Inc.

Execution Date(s) September 30, 2005

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

**3. Nature of conveyance:**

- Assignment  Merger
- Security Agreement  Change of Name
- Government Interest Assignment
- Executive Order 9424, Confirmatory License
- Other \_\_\_\_\_

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

Name: Merrill Lynch Capital, a division of Merrill Lynch Business Financial Services Internal Address: Inc., as Agent

16th Floor

Street Address: 222 N. LaSalle Street

City: Chicago

State: Illinois

Country: U.S.A. Zip: 60601

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

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

This document is being filed together with a new application.

A. Patent Application No.(s)

09/696,531

B. Patent No.(s)

6,626,093

Additional numbers attached?  Yes  No

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

Name: Linda R. Kastner

Internal Address: c/o Latham & Watkins  
Suite 5800

Street Address: 233 S. Wacker Drive

City: Chicago

State: Illinois Zip: 60606

Phone Number: (312) 876-7628

Fax Number: (312) 993-9767

Email Address: Linda.Kastner@LW.com

**6. Total number of applications and patents involved:**

2

**7. Total fee (37 CFR 1.21(h) & 3.41) \$80.00**

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed
- None required (government interest not affecting title)

**8. Payment Information**

a. Credit Card Last 4 Numbers \_\_\_\_\_  
Expiration Date \_\_\_\_\_

b. Deposit Account Number \_\_\_\_\_  
Authorized User Name \_\_\_\_\_

**9. Signature:**

*Linda R. Kastner*  
Signature

October 6, 2005

Date

Linda R. Kastner

Name of Person Signing

Total number of pages including cover sheet, attachments, and documents: 9

Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, or mailed to:  
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O.Box 1450, Alexandria, V.A. 22313-1450

10/12/2005 DBYRNE 00000104 09696531

01 FC:8021 80.00 OP  
02 FC:8023 120.00 OP

**CONTINUATION OF ITEM 2**

**Name and address of additional receiving party:**

**Merrill Lynch Capital Canada Inc., as Canadian Agent  
222 North LaSalle St.,  
16<sup>th</sup> Floor  
Chicago, IL 60601**

## PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT (the "Agreement") made as of this 30th day of September, 2005 by NexCycle, Inc., a Delaware corporation ("Grantor") in favor of Merrill Lynch Capital Canada ("Canadian Agent"), in its capacity as Canadian Agent, and Merrill Lynch Capital, a division of Merrill Lynch Business Financial Services Inc., ("Administrative Agent") in its capacity as Agent for the Lenders party to the Credit Agreement (defined below) (Canadian Agent and Administrative Agent are sometimes collectively referred to herein as the "Grantees" and individually as a "Grantee"):

### WITNESSETH

WHEREAS, NexCycle SMI Holding Corp., a Delaware corporation ("US Borrower") and NexCycle Canada Ltd., an Ontario corporation ("Canadian Borrower") (US Borrower and Canadian Borrower are collectively referred to herein as the "Borrowers" and individually as a "Borrower"), the other persons designated as "Credit Parties" on the signature pages thereof, the Lenders party thereto and Grantees are parties to a certain Credit Agreement of even date herewith (as the same may be amended or otherwise modified from time to time, the "Credit Agreement") providing for the extensions of credit to be made to Borrowers by Lenders;

WHEREAS, pursuant to the terms of a certain Security Agreement of even date herewith between Grantor and Grantees (as the same may be amended or otherwise modified from time to time, the "Security Agreement"), Grantor has granted to Grantees, for the benefit of Lenders, a security interest in substantially all of the assets of Grantor including all right, title and interest of Grantor in, to and under all now owned and hereafter acquired Patents (as defined in the Security Agreement), together with the goodwill of the business symbolized by Grantor's Patents, and all products and proceeds thereof, to secure the payment of all amounts owing by Borrowers under the Credit Agreement;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, Grantor agrees as follows:

1. Incorporation of Credit Agreement and Security Agreement. The Credit Agreement and Security Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Security Agreement.

2. Grant and Reaffirmation of Grant of Security Interests. To secure the payment and performance of the Obligations, Grantor hereby grants to Grantees, for its benefit and the benefit of Lenders, and hereby reaffirms its prior grant pursuant to the Security Agreement of, a continuing security interest in Grantor's entire right, title and interest in and to the following (all of the following items or types of property being herein collectively referred to as the "Patent Collateral"), whether now owned or existing or hereafter created, acquired or arising:

(i) each Patent listed on Schedule 1 annexed hereto, together with any reissues, continuations or extensions thereof, and all of the goodwill of the business connected with the use of, and symbolized by, each Patent; and

(ii) all products and proceeds of the forgoing, including without limitation, any claim by Grantor against third parties for past, present or future (a) infringement or dilution of any Patent, or (b) injury to the goodwill associated with any Patent.

[signature page follows]

IN WITNESS WHEREOF, Grantor has duly executed this Agreement as of the date first written above.

NEXCYCLE, INC.

By: Allan J. Goertz  
Its: Vice President

Agreed and Accepted  
As of the Date First Written Above

MERRILL LYNCH CAPITAL, a division of  
Merrill Lynch Business Financial Services Inc.,  
as Agent

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

MERRILL LYNCH CAPITAL CANADA INC.,  
as Canadian Agent

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

[Signature Page to Patent Security Agreement]

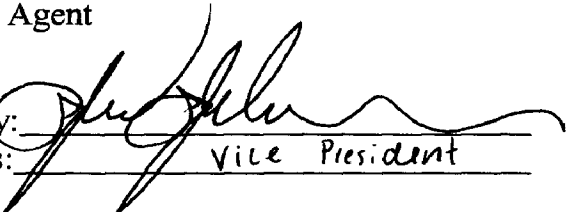
IN WITNESS WHEREOF, Grantor has duly executed this Agreement as of the date first written above.

**NEXCYCLE, INC.**

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

Agreed and Accepted  
As of the Date First Written Above

MERRILL LYNCH CAPITAL, a division of  
Merrill Lynch Business Financial Services Inc.,  
as Agent

By:  \_\_\_\_\_  
Its: Vice President

MERRILL LYNCH CAPITAL CANADA INC.,  
as Canadian Agent

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

[Signature Page to Patent Security Agreement]

IN WITNESS WHEREOF, Grantor has duly executed this Agreement as of the date first written above.

**NEXCYCLE, INC.**

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

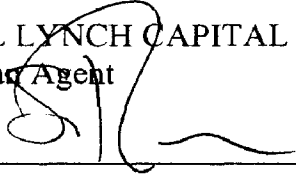
Agreed and Accepted  
As of the Date First Written Above

MERRILL LYNCH CAPITAL, a division of  
Merrill Lynch Business Financial Services Inc.,  
as Agent

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

MERRILL LYNCH CAPITAL CANADA INC.,  
as Canadian Agent

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

  
**Susan Rimmer**  
Vice President  
**Merrill Lynch Capital Canada**

[Signature Page to Patent Security Agreement]

# SCHEDULE 1

## PATENT REGISTRATIONS

<u>Patent Description</u>	<u>U.S. Registration No.</u>	<u>Date Registered</u>
U.S. Patent for "Transportable Recycling Center" filed 10/25/00, Serial No. 09/696,531, File No. 119304-1000, Patent No. 6,626,093	Patent Registration No. 6,626,093	10/25/00
Assignment of patent rights, title and interest in, an invention titled "Transportable Recycling Center" (Attorney Docket No. 119304-1000) by Hans Van Der Touw, Matthew Millhiser and Richard Graff (employees) to NexCycle, Inc. Notice of Recordation and Assignment, as received from the U.S. Patent and Trademark Office on May 14, 2001, in which Van Der Touw, Millhiser and Graff assign their rights to NexCycle, Inc., regarding an invention entitled "Transportable Recycling Center," Serial No. 09/696,531, Attorney Docket No. 119304-1000, Reel/Frame 0115522-0500		11/21/00
Registration of the "Transportable Recycling Center" with the Patent Treaty Office (PTO)		05/14/01
		10/2001



## PATENT APPLICATIONS

<u>Patent Application Description</u>	<u>U.S. Application No.</u>	<u>Date Applied</u>
Continuation of U.S. Patent Application 09/696,531: U.S. Patent Application for "Transportable Recycling Center," filed June 26, 2003, Serial No. 10/606,815.	U.S. Patent Application 09/696,531	06/23/03