

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

SECURITY AGREEMENT

CONVEYING PARTY DATA

Name	Execution Date
Waste Reduction by Waste Reduction, Inc.	02/02/2007

RECEIVING PARTY DATA

Name:	Robert Boorstein, Trustee of the Ellen E. Boorstein Living Trust
Street Address:	7082 Hawks Court
City:	West Bloomfield
State/Country:	MICHIGAN
Postal Code:	48332

PROPERTY NUMBERS Total: 6

Property Type	Number
Patent Number:	6437211
Patent Number:	5941468
Patent Number:	5799883
Patent Number:	5570845
Patent Number:	5333532
Patent Number:	6472580

CORRESPONDENCE DATA

Fax Number: (313)961-7502

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

Phone: 3139632727

Email: hegur1@yahoo.com

Correspondent Name: Howard E Gurwin, P.C.

Address Line 1: 645 Griswold, Suite 3080

Address Line 4: Detroit, MICHIGAN 48226

NAME OF SUBMITTER:

Howard E. Gurwin

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REEL: 018934 FRAME: 0722

OP \$240.00 6437211

Total Attachments: 4

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REEL: 018934 FRAME: 0723

SECURITY AGREEMENT

THIS AGREEMENT, entered into this 2nd day of February, 2007, by and between Waste Reduction by Waste Reduction, Inc., a New York corporation, of Indianapolis Indiana (hereinafter referred to as the "Debtor"), and Robert I. Boorstein, Trustee of the Ellen E. Boorstein Living Trust of West Bloomfield, Michigan, 48332 (hereinafter referred to as the "Secured Party").

WITNESSETH:

WHEREAS, the Secured Party is advancing, contemporaneously with this Agreement to the Debtor, cash, property and/or other goods and valuable consideration; and may in the future make similar advances and

WHEREAS, the Debtor has issued its Secured Promissory Note, dated February 2, 2007, to the Secured Party.

NOW, THEREFORE, in consideration of the advance or future advances given by the Secured Party, as well as other good and valuable consideration, the parties, and each of them, for themselves, their respective heirs, successors and permitted assigns, do hereby covenant and agree as follows:

1. The Debtor does hereby grant to the Secured Party a security interest in its property located at Indianapolis, Indiana, or elsewhere, and more specifically described as follows, all of which is hereinafter collectively sometimes referred to as the "Collateral:"

All inventory heretofore or hereafter acquired by the Debtor; all equipment, furniture, fixtures, leasehold improvements or other items of personalty owned by the Debtor, as well as any and all proceeds from the sale, exchange or other disposition of the above identified Collateral; all accounts receivable, choses in action, stocks, bonds, negotiable instruments or other intangible rights, including trademarks, patents and copyrights, presently owned or hereafter acquired by the Debtor, as well as any and all proceeds of sale, exchange or other disposition of the same.

2. The security interest granted herein is for the purpose of securing the payment and performance of the Secured Promissory Note, dated February 2, 2007, owing by the Debtor to the Secured Party, as well as the payment and Performance of any and all other liabilities and obligations of the Debtor to the Secured Party, now existing or hereafter arising.

3. The Debtor does hereby represent and warrant that the Collateral is, and shall be, free of all liens and encumbrances and that no adverse financing statement or the like covering the aforesaid Collateral is now on file, nor shall be placed on file, in any public

office, except as disclosed to the Secured Party at the time of the signing of this Security Agreement or as subsequently authorized by the Secured Party in writing.

4. The Debtor agrees to perform the following obligations in connection with the described Collateral:

- (a) To keep the Collateral at the aforesaid location or locations and not to change the location of the Collateral without the prior written permission of the Secured Party.
- (b) To maintain the Collateral, at its own expense, in good condition and repair and to pay and discharge all taxes, levies or the like on the Collateral.
- (c) To insure the Collateral against such risks and casualties and in such amount as the Secured Party shall require. All policies of insurance shall contain standard mortgage clauses in favor of the Secured Party.
- (d) The Debtor may sell the inventory Collateral in the ordinary course of business and, if requested by the Secured Party, shall deliver the proceeds of sale to the Secured Party. Upon request of the Secured Party, the Debtor shall furnish to the Secured Party a written report of sales made during any specific period.
- (e) The Debtor shall permit the Secured Party to enter the premises where the Collateral is located and examine such Collateral at any time.
- (f) The Debtor will not sell or otherwise dispose of equipment or fixture Collateral.
- (g) The Debtor will, at the request of the Secured Party, perform such acts as the Secured Party deems necessary to effectuate its rights hereunder, including, but not limited to, the proper execution of Forms UCC-1 for recording and the execution of any Forms required to register debtors interest with the United States Patent Office.
- (h) The Debtor will not use, or permit the use of, any of the Collateral for any unlawful purpose and will register, use, operate and control the Collateral and the premises upon which the business is operated in accordance with all statutes, laws, ordinances and regulations relating thereto.

5. Any one of the following events shall constitute a default (hereinafter referred to as Default) by the Debtor hereunder and under the terms of any and all Notes or other obligations secured hereby:

- (a) The Debtor's failure to perform any obligation hereunder, or any obligation secured by this Agreement, or failure of any representation or warrant hereunder.
- (b) Non-payment, when due, of any amount payable on the Secured Promissory Note referred to in Paragraph 2 by the Debtor or failure to perform any agreement of the Debtor contained herein or secured hereby.
- (c) The entry of any judgment against the Debtor, or against any business being conducted by the Debtor, which is not satisfied within ten (10) days of its entry.
- (d) Dissolution, merger, consolidation or insolvency of the Debtor; transfer of a substantial part of the assets of the Debtor, or of any business being conducted by the Debtor, whether such business is conducted by a corporation or as a partnership.
- (e) Seizure of the Collateral, or any part thereof, under any levy or attachment or any other legal process.
- (f) The commencement of any bankruptcy or insolvency proceedings by or against the Debtor, or by or against any business being conducted by the Debtor; any assignment for the benefit of creditors, trust chattel mortgage, appointment of a creditors' committee or the convening of a meeting of creditors by or for the Debtor or by or for any business conducted by the Debtor.

In the case of any Default, the Secured Party shall have the right to accelerate any and all obligations owed to the Secured Party by the Debtor, which obligations shall then become immediately due and payable upon the Debtor's Default hereunder. The Secured Party shall, in addition to the rights herein set forth, have all of the rights and remedies of a secured party under the Uniform Commercial Code as enacted in the State of Indiana.

6. In the event of Default by the Debtor, the Secured Party may obtain insurance, pay taxes, liens or encumbrances, or order and pay for repairs to the Collateral, which the Security Party deems necessary in its sole judgment, and all amounts so expended by the Secured Party, together with interest thereon at the highest rate in effect for the Debtor's obligations to the Secured Party, shall constitute indebtedness of the Debtor secured hereby and shall be payable forthwith, but no such act or expenditure by the Secured Party shall relieve the Debtor from the consequences of such Default.

7. Any notice from the Secured Party to the Debtor, if mailed, shall be deemed given when mailed, postage prepaid, addressed to the Debtor either at the Debtor's principal place of business, which address is shown above, or at such other address as the Debtor shall indicate in writing.

8. No delay on the part of the Secured Party in the exercise of any right or remedy shall operate as a waiver thereof and no single or partial exercise by the Secured Party of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.

9. This Agreement has been delivered at West Bloomfield, Michigan, and shall be construed in accordance with the laws of the State of Indiana. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law. However, if any provision of this Agreement shall be prohibited by, or invalid under, applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

10. As used herein, any single use of the masculine, feminine or neuter form shall be read to include the other applicable form or forms of the noun or pronouns whenever such meanings would be appropriate.

IN WITNESS WHEREOF, we have hereunder set our hands this 2nd day of February, 2007.

WITNESSED:

Nancy W. Kaye

DEBTOR:

Gordon Kaye
Waste Reduction by Waste Reduction, Inc.,
a New York corporation, by Gordon Kaye,
its authorized agent

Ellen E. Boorstein

SECURED PARTY:

Dr. Robert Boorstein
Dr. Robert Boorstein Trustee of the
Ellen E. Boorstein Living Trust

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