

**GENERAL ASSIGNMENT FOR THE BENEFIT OF CREDITORS**

**THE GENERAL ASSIGNMENT FOR THE BENEFIT OF CREDITORS** (this "General Assignment") is made this 5<sup>th</sup> day of October 2012, by and between EnerTech Environmental California, LLC, a California limited liability company, located at 503 East Santa Ana Boulevard, in the City of Bloomington, County of San Bernardino, State of California, Federal Tax Identification Number 59-3803574, hereinafter referred to as "Assignor," and CALIFORNIA ASSIGNMENTS, LLC, a California limited liability corporation, by and through DEVELOPMENT SPECIALISTS, INC., its sole and managing Member, located at 333 South Grand Avenue, Suite 4070, Los Angeles, CA 90071, hereinafter referred to as "Assignee."

WHEREAS Assignor is indebted to various persons, corporations and other entities and is unable to pay its debts in full, and has discontinued its business and is no longer operating; and

WHEREAS Assignor understands that the Assignee will not be operating the Assignor's business after the making of the assignment; and

WHEREAS the Assignor is desirous of transferring its property to an assignee for the benefit of creditors so that the property so transferred may be expeditiously liquidated and the proceeds thereof be fairly distributed to its creditors without any preference or priority, except such priority as established and permitted by applicable law, including as required under the Indenture (as defined in the Operating Agreement);

**NOW, THEREFORE**, in consideration of Assignor's existing indebtedness to its creditors, the covenants and agreements to be performed by Assignee and other consideration, receipt of which is hereby acknowledged, it is hereby AGREED:

**TRANSFER OF ASSETS.** Assignor hereby assigns, grants, conveys, transfers and sets over to Assignee, other than the existing funds and accounts (and any and all cash, assets and investments held therein) maintained by the Trustee (as defined in the Operating Agreement)

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pursuant to the Indenture but subject to the terms of that certain Operating Agreement dated October 5, 2012 (the “**Operating Agreement**”) by and among the Assignor, the Assignee, the Trustee and the Bondholders (as defined in the Operating Agreement), all right, title and interest in personal property and assets, whatsoever and wheresoever situated, which are now, or have ever been, used in connection with the operation of Assignor's business, and which assets include, but are not limited to all personal property and any interest therein exempt from execution, including all that certain stock of merchandise, store furniture and fixtures, book accounts, books, bills, accounts receivable, patents, copyrights, trademarks and trade names, insurance policies, tax refunds, rebates, general intangibles, insurance refunds and claims, and choses in action that are legally assignable, together with the proceeds of any non-assignable choses in action that may hereafter be recovered or received by the Assignor. Further, this General Assignment specifically includes all claims for refunds or abatement of all excess taxes heretofore or hereafter assessed against or collected from the Assignor by the United States or any of its departments or agencies, any state or local taxing authority. Assignor agrees to endorse any refund checks relating to the prior operations of said Assignor's business and to deliver such checks immediately to Assignee.

**LEASES AND LEASEHOLD INTERESTS.** This General Assignment includes all leases and leasehold interests in any asset of the Assignor; however should the Assignee determine that said lease or leasehold interest is of no value to the estate, then said interest is thereby relinquished to Assignor without further liability or obligation to the Assignee.

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**DELIVERY OF DOCUMENTS, ENDORSEMENTS AND FORWARDING OF**

**MAIL.** Assignor authorizes the forwarding of its mail by the U.S. Postal Service as directed by Assignee. Assignor agrees to deliver to Assignee all books of account and records, to execute and deliver all additional necessary documents promptly upon request by Assignee, and to endorse all indicia of ownership where required by Assignee, in order to complete the transfer of all assets to Assignee as intended by this General Assignment. provided that Assignee shall permit any of Assignor, the Trustee, and the Bondholders access to, and to make copies of, such books and records during business hours upon reasonable prior notice.

**POWERS AND DUTIES OF ASSIGNEE.** Subject to the terms of the Operating Agreement, including without limitation the Budget referred to therein, Assignee shall have all powers necessary to marshal and liquidate the estate including but not limited to:

To collect any and all accounts receivable and obligations owing to Assignor and not otherwise sold by Assignee;

To sell or otherwise dispose of all personal property of Assignor in such manner as Assignee deems best. Assignee shall have the power to execute any and all documents necessary to effectuate the sale of said property and to convey title to same.

To sell or otherwise dispose of all tangible and intangible personal property of Assignor, including but not limited to all of Assignor's machinery, equipment, inventory, service or trademarks, trade names, patents, franchises, causes or choses in action and general intangibles in such manner as Assignee deems best. Assignee shall have the power to execute any and all documents necessary to effectuate the sale of this property and to convey title to same. In this regard, Assignee shall have the power to employ an auctioneer to appraise said

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assets and to conduct any public sale of the assets and to advertise said sale in such manner as Assignee deems best. Assignee shall have the power to execute bills of sale and any other such documents necessary to convey right, title and interest in to Assignor's property to any bona fide buyer.

To employ attorneys, accountants and any other additional personnel to whatever extent may be necessary to administer the assets and claims of the assignment estate and to assist in the preparation and filing of any and all State, County or Federal Tax Returns as required.

To require all of Assignor's creditors to whom any balance is owing to submit verified statements to Assignee of said claim(s), pursuant to California Code of Civil Procedure §1802.

To settle any and all claims against or in favor of Assignor, with the full power to compromise, or, in the Assignee's sole discretion, to sue or be sued, and to prosecute or defend any claim or claims of any nature whatsoever existing in favor of Assignor.

To open bank accounts in the name of the Assignee or its nominees or agents and to deposit assigned assets or the proceeds thereof in such bank accounts and to draw checks thereon and with the further power and authority to do such acts and execute such papers and documents in connection with this general assignment as Assignee may deem necessary or advisable.

To apply the net proceeds arising from the operation of and liquidation of all of the real and personal property of Assignor, including, without limitation, leasehold interests (including the Ground Sublease, as defined in the Indenture), equipment, inventory, accounts,

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contract rights, chattel paper, general intangibles and products and proceeds thereof in the following amounts as to amounts only and not time of distribution, as follows:

FIRST, to deduct all sums which Assignee shall pay for the discharge of any valid lien on any of said property and any indebtedness which under the law is entitled to priority of payment including, but not limited to, any valid lien to secure the Indebtedness (as defined in the Operating Agreement).

SECOND, all costs and expenses incidental to the administration of the assignment estate, including the payment of a reasonable fee to the Assignee, as that term is hereinafter defined and the payment of reasonable compensation for the services of attorneys for the Assignee, accountants to the Assignee, attorneys to the Assignor for services related to the making of and administration of the general assignment and any other professionals the Assignee deems necessary to properly administer the assignment estate.

THIRD, all federal taxes of any nature whatsoever owing as of the date of this general assignment, or other such claim of any federal governmental agency as defined under 31 U.S.C. §3713, including but not limited to federal withholding taxes, federal unemployment taxes and any other federal income, excise, property and employment taxes.

FOURTH, all state, county and municipality taxes of any nature whatsoever owing as of the date of this general assignment, including but not limited to employment, property and income taxes.

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FIFTH, all monies due employees of the Assignor entitled to priority as defined under California Code of Civil Procedure §1204 and §1204.5 up to the statutory maximum.

SIXTH, with the exception of those classes set forth above, all distributions to other creditors shall be, within each class, pro-rata in accordance with the terms of each creditor's indebtedness, until all such debts are paid in full. No payment shall be made to any creditor whose claim is otherwise disputed until such time as that creditor's claim is resolved. The creditor's otherwise pro-rata share of such distribution shall be fully reserved for by the Assignee until such time as the dispute is resolved. Disputed claims shall include a dispute related to any avoidance action the Assignee may have under state law. The Assignee may make interim distributions whenever the Assignee has accumulated sufficient funds to enable it to make a reasonable distribution. No distribution shall be in an amount less than \$100,000 (in the aggregate) except the final distribution.

SEVENTH, any monies (distributions) unclaimed by creditors ninety days after the final distribution to unsecured creditors (if any) or the termination of the administration of the estate created by this general assignment, shall be re-distributed to all known unsecured creditors, being those creditors who cashed their respective dividend checks from the assignment estate, so long as any such distribution exceeds one percent of each such creditor's allowed claim.

EIGHTH, the surplus, if any, of the assignment estate funds, when all debts of the Assignor shall have been paid in full, shall be paid and transferred to the

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holders of the equity of said Assignor, as per the list of equity holders provided with the making of this general assignment.

To do and perform any and all other acts necessary and proper for the liquidation or other disposition of the assets, including but not limited to abandonment, and the distribution of the proceeds derived therefrom to Assignor's creditors.

**RIGHTS OF CREDITORS.** All rights and remedies of the creditors against any surety or sureties for the Assignor are hereby expressly reserved and nothing herein shall prevent the creditors or any of them from suing any third parties or persons who may be liable to any of the creditors for all or any part of their claims against the Assignor, or from enforcing or otherwise obtaining the full benefit of any mortgage, charge, pledge, lien or other security which they now hold on any property, creditors or effects of the Assignor.

**LIABILITY OF ASSIGNEE.** It is understood and agreed that neither the Assignee nor any of its employees, officers, agents or representatives will assume any personal liability or responsibility for any of its acts as Assignee herein, except to the extent arising from the gross negligence or willful misconduct of the Assignee or any its employees, officers, agents, or representatives, but its obligation shall be limited to the performance of the terms and conditions of the general assignment in good faith and in the exercise of its best business judgment. The Assignee shall be indemnified by the assignment estate for any claims brought by any party against the Assignee for any of its acts as Assignee herein except to the extent arising from the gross negligence or willful misconduct of the Assignee or any its employees, officers, agents, or representatives.

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**WARRANTIES OF ASSIGNOR.** Assignor hereby warrants as follows:

The list of creditors delivered concurrently herewith to the Assignee and as required under California Code of Civil Procedure §1802 is complete and correct as reflected by the books and records of the Assignor, as to the names of Assignor's creditors, their addresses and the amounts due them.

Assignor, through its officers and directors, shall perform any and all acts reasonably necessary and proper to assist the assignee in its orderly liquidation of the Assignor's assets, the collection of any and all monies owing the Assignor and in the distribution of said monies and proceeds of asset sales to the Assignor's creditors; provided, however, the officers and directors of Assignor shall only provide such assistance to the Assignee to the extent, and on the condition that, they are reasonably compensated for such services.

**POWER OF ATTORNEY.** The Assignor, by this General Assignment hereby grants the Assignee a general power of attorney, which power of attorney specifically includes the right of the Assignee to prosecute, compromise or settle any action in the name of the Assignor as Attorney in Fact, including without limitation, any claim before any applicable taxing authority for refunds or abatement of all excess taxes heretofore or hereafter assessed against or collected from the Assignor by any applicable taxing authority,. Further, on the date the General Assignment is accepted by the Assignee, the Assignee shall succeed to all of the rights and privileges of the Assignor, including any attorney-client privilege, in respect to any potential or actual claims, cases, controversies, causes of action, etc. and shall be deemed to be a representative of the Assignor with respect to all such potential or actual claims, cases, controversies, causes of action, etc.



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**ACCEPTANCE BY ASSIGNEE.** By execution of this General Assignment, the Assignee does hereby accept the estate herein created and agrees to faithfully perform its duties according to the best of the Assignee's skill, knowledge and ability. It is understood that the Assignee shall receive reasonable compensation for its services in connection with this estate. Reasonable compensation is defined to mean a fee of (a) 5.0% of the first \$2.0 million in proceeds (maximum equals \$100,000); (b) 3.0% of the next \$2.0 million in proceeds (maximum equals \$60,000); (c) 2.5 % of the next \$2.0 million in proceeds (maximum equals \$50,000); (d) 1.5% of recoveries any excess of \$6.0 million. For the purpose of determining the Assignee's remuneration and fees, "proceeds" are defined as all proceeds realized from the sale, disposition or other liquidation of Assignor's assets, but shall not include funds deposited into the Assignment Account (as defined in the Operating Agreement) on the effective date of this Assignment. Notwithstanding the foregoing, Assignee shall be entitled to a minimum fee of \$75,000, payable upon the effective date of this General Assignment which shall be credited against the amounts due to the Assignee as set forth in subparagraphs (a)-(d) of this paragraph. In addition to the foregoing, Assignee shall be entitled to reimbursement of all the Assignee's expenses incurred as a result of the administration of the assignment estate from the proceeds generated therefrom.

**BINDING EFFECT.** This General Assignment shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns. Each individual signatory to this Agreement warrants that he/she/it is authorized to enter into this Agreement on behalf of the party on whose behalf this Agreement is executed. The terms and conditions of this General Assignment shall be binding upon any successors-in-interest of the Assignee.

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**COUNTERPARTS.** This General Assignment may be executed in one or more counterparts, each of which shall be deemed to be original, all of which taken together shall be one and the same instrument. A facsimile signature shall be deemed an original signature; provided, however, any party hereto providing a facsimile signature will upon the request of any other party thereafter provide an original signature.

**CHOICE OF LAW; JURISDICTION; WAIVER OF JURY TRIAL.** This General Assignment, including without limitation enforcement of the parties' respective obligations, shall be governed by and construed in accordance with the laws of the State of California. The parties hereby submit and consent to the jurisdiction of the courts located in the State of California and agree that any action relating to this General Assignment will only be litigated in a court located in Los Angeles County, California. EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INSTITUTED BY A PARTY HERETO BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO THIS GENERAL ASSIGNMENT.

**CONSTRUCTION.** Sophisticated parties knowledgeable with respect to the matters dealt with herein have negotiated this General Assignment at arm's length. Therefore, any rule of law, legal principle, or statute which would require or imply that the provisions of this General Assignment be interpreted against the party that drafted them shall be of no force or effect.

**SEVERABILITY OF PROVISIONS.** In the event that one or more of the provisions contained in this General Assignment is deemed to be invalid, illegal, or unenforceable, in any respect, the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

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**AMENDMENT.** No provision of this General Assignment may be amended, modified, supplemented, changed, waived, discharged, or terminated unless all parties hereto, consent in writing.

**ENTIRE AGREEMENT.** The terms hereof constitute the complete, exclusive and final expression of their agreement relating to the specific subject matter hereof. In this regard, all Parties intend the literal words of this General Assignment, and that all prior or contemporaneous negotiations, drafts, agreements and other extrinsic communications shall have no significance or evidentiary effect, and may not be used in any manner to contradict or clarify the terms hereof irrespective of whether or not any Party claims any ambiguities exist with respect to the provisions of this Agreement.

**TITLES AND HEADINGS.** Titles and headings of paragraphs of this General Assignment are for convenience only and shall not affect the construction of any provision of this General Assignment.

**TIME OF THE ESSENCE.** Time is of the essence in the performance of each of the obligations and duties hereunder.

**WAIVERS; EXTENSIONS.** No failure or delay of any party in the exercise of any right given to such party hereunder shall constitute a waiver thereof nor shall any single or partial exercise of any right preclude the further exercise thereof or of any other right. The waiver of any breach hereunder shall not be deemed to be a waiver of any other or any subsequent breach hereof. No extension of time for performance of any obligations or acts shall be deemed an extension of time for performance of any other obligations or acts.

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**POWER AND AUTHORITY.** Each of the Parties executing this General Assignment hereby warrants and represents that they are empowered to act in such capacity and have the full power and authority to consummate the transactions contemplated by this General Assignment and bind their respective entities to this General Assignment.

[Signature Page to Follow]

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**IN WITNESS WHEREOF**, the parties have hereunto set their hands the day and year first  
above written:

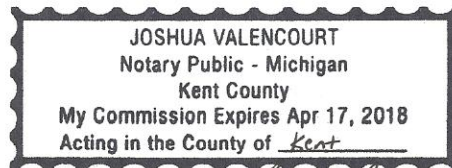
**EnerTech Environmental California, LLC**

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

*John R. Egan*  
\_\_\_\_\_  
*Chief Executive Officer*  
Title

Assignee Acceptance by: \_\_\_\_\_  
Geoffrey L. Berman, Senior Vice President  
Development Specialists, Inc., Sole and Managing Member of  
California Assignments, LLC, a California limited liability company

Date of Acceptance: \_\_\_\_\_



*J. Valencourt*



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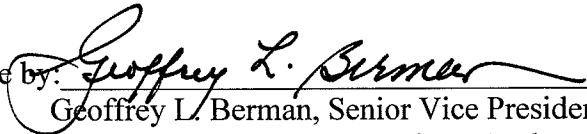
**IN WITNESS WHEREOF**, the parties have hereunto set their hands the day and year first  
above written:

**EnerTech Environmental California, LLC**

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

\_\_\_\_\_  
Title

Assignee Acceptance by:



Geoffrey L. Berman, Senior Vice President  
Development Specialists, Inc., Sole and Managing Member of  
California Assignments, LLC, a California limited liability company

Date of Acceptance: October 5, 2012

## STATEMENT OF CREDITORS AND SHAREHOLDERS

Attached hereto is a schedule of all known creditors of EnerTech Environmental California, LLC, as well as all known holders of membership interests in EnerTech Environmental California, LLC, including each person's address, including city, state and zip codes, together with the amount due each creditor, pursuant to California Code of Civil Procedure §1802.

This Statement is signed under penalty of perjury by the undersigned on this ~~4~~ day of October, 2012.

By:



Title:

CFO