

QUEST RESOURCE HOLDING CORP

FORM 8-K (Current report filing)

Filed 05/14/14 for the Period Ending 05/09/14

Address	6175 MAIN STREET SUITE 420 FRISCO, TX 75034
Telephone	472-464-0004
CIK	0001442236
Symbol	QRHC
SIC Code	7359 - Equipment Rental and Leasing, Not Elsewhere Classified
Industry	Rental & Leasing
Sector	Services
Fiscal Year	12/31

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): May 9, 2014

QUEST RESOURCE HOLDING CORPORATION
(Exact Name of Registrant as Specified in Charter)

Nevada
(State or Other Jurisdiction
of Incorporation)

001-36451
(Commission
File Number)

51-0665952
(IRS Employer
Identification No.)

6175 Main Street, Suite 420
Frisco, Texas
(Address of Principal Executive Offices)

75034
(Zip Code)

Registrant's telephone number, including area code: (972) 464-0004

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

Item 1.01. Entry into a Material Definitive Agreement.

Reference is made to Item 2.03 of this Current Report on Form 8-K. The disclosure contained in Item 2.03 and the information contained in Exhibit 10.19(a) through Exhibit 10.19(c) attached hereto are hereby incorporated by reference in their entirety into this Item 1.01.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

Our indirect wholly owned subsidiary, Quest Resource Management Group, LLC (“Quest”), entered into a Sixth Amendment to Loan Agreement, dated as of May 9, 2014 (the “Amendment”), with Regions Bank (the “Lender”). Capitalized terms used herein have the meanings set forth in the Loan Agreement (as defined in the Amendment). The Amendment amended the Loan Agreement to, among other things, (i) add a \$5.0 million accordion feature, (ii) increase the Borrowing Base, (iii) reduce the Applicable Margin for Eurodollar Rate Loans by 1% per annum, (iv) add an unused fee of 0.25% per annum, (v) extend the maturity date to May 31, 2015, (vi) release the Guaranty of Brian Dick previously executed in favor of the Lender, (vii) add our company and our wholly owned subsidiary, Earth911, Inc. (“Earth911”), as Guarantors, (viii) allow for Permitted Acquisitions, and (ix) delete two of the financial covenants and modify the other financial covenants in certain respects.

In connection with the Amendment, on May 9, 2014, we and Earth911 entered into a Guaranty (the “Guaranty”) for the benefit of the Lender to guarantee the obligations of Quest under the Loan Agreement and other Loan Documents. In addition, on May 9, 2014, Earth911 entered into a Pledge Agreement (the “Pledge Agreement”) with the Lender, pursuant to which Earth911 pledged to the Lender 50% of the membership interests in Quest held by Earth911 to secure the prompt and complete payment and performance of the obligations of Quest and the Guarantors under the Loan Agreement and other Loan Documents.

The foregoing description of the Amendment, the Guaranty, and the Pledge Agreement are summaries only and are qualified in their entirety by reference to the full text of the Amendment, the Guaranty, and the Pledge Agreement, which are attached hereto as Exhibit 10.19(a), Exhibit 10.19(b), and Exhibit 10.19(c), respectively.

Item 9.01. Financial Statements and Exhibits.

(a) *Financial Statements of Business Acquired.*

Not applicable.

(b) *Pro Forma Financial Information.*

Not applicable.

(c) *Shell Company Transactions .*

Not applicable.

(d) *Exhibits.*

<u>Exhibit Number</u>	<u>Exhibits</u>
10.19(a)	Sixth Amendment to Loan Agreement, dated as of May 9, 2014, by and between Quest Resource Management Group, LLC and Regions Bank
10.19(b)	Guaranty, dated as of May 9, 2014, by Quest Resource Holding Corporation and Earth911, Inc. for the benefit of Regions Bank
10.19(c)	Pledge Agreement, dated as of May 9, 2014, by and between Earth911, Inc. and Regions Bank

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 14, 2014

QUEST RESOURCE HOLDING CORPORATION

By: /s/ Laurie L. Latham

Laurie L. Latham

Senior Vice President and Chief Financial Officer

EXHIBIT INDEX

- 10.19(a) Sixth Amendment to Loan Agreement, dated as of May 9, 2014, by and between Quest Resource Management Group, LLC and Regions Bank
- 10.19(b) Guaranty, dated as of May 9, 2014, by Quest Resource Holding Corporation and Earth911, Inc. for the benefit of Regions Bank
- 10.19(c) Pledge Agreement, dated as of May 9, 2014, by and between Earth911, Inc. and Regions Bank

SIXTH AMENDMENT TO LOAN AGREEMENT

THIS SIXTH AMENDMENT TO LOAN AGREEMENT (herein called this “Sixth Amendment”) is made as of May 9, 2014 by and between QUEST RESOURCE MANAGEMENT GROUP, LLC, a Delaware limited liability company (formerly known as QUEST RECYCLING SERVICES, LLC) (“Borrower”), and REGIONS BANK (“Lender”).

WITNESSETH:

WHEREAS, Borrower and Lender have entered into that certain Loan Agreement dated as of December 15, 2010, (said Loan Agreement, as amended, restated, or otherwise modified from time to time, the “Loan Agreement”), for the purposes and consideration therein expressed; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein and in the Loan Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I.

Definitions and References

1.1 Terms Defined in the Loan Agreement. Unless the context otherwise requires or unless otherwise expressly defined herein, the terms defined in the Loan Agreement shall have the same meanings whenever used in this Sixth Amendment.

ARTICLE II.

Amendment to Loan Agreement

2.1 Amendments to Section 1.1.

(a) The definition of “Applicable Margin” set forth in Section 1.1 of the Loan Agreement is hereby amended and restated to read in its entirety as follows:

“Applicable Margin” means (a) 2.50% per annum with respect to Eurodollar Rate Loans and (b) 1.50% per annum with respect to Base Rate Loans.

(b) The definition of “Borrowing Base” set forth in Section 1.1 of the Loan Agreement is hereby amended and restated to read in its entirety as follows:

“Borrowing Base” means an amount equal to (a) 80% of Eligible Wal-Mart Accounts plus (b) 85% of Eligible Accounts.

(c) Section 1.1 of the Loan Agreement is hereby amended to add the following definition in alphabetical order to read in its entirety as follows:

“Dividends and Distributions” means (a) cash dividends or any other distributions of property, or otherwise, on, or in respect of, any class of equity interests of any Person, (b) any and all funds, cash or other payments made in respect of the redemption, repurchase or acquisition of such equity interests or (c) any other dividend or distribution made by such Person.

(d) The definition of “EBITDA” set forth in Section 1.1 of the Loan Agreement is hereby deleted in its entirety.

(e) Section 1.1 of the Loan Agreement is hereby amended to add the following definition in alphabetical order to read in its entirety as follows:

“EBITDAS” means, for any period of determination, for the Borrower and its Subsidiaries, the sum of consolidated Net Income for such period, as determined in accordance with GAAP, plus (to the extent that such items were deducted in the calculation of consolidated Net Income for the period) the sum of (a) Interest Expense, (b) Taxes, (c) depreciation, (d) amortization, (e) charges related to the impairment of goodwill and (f) non-cash stock-based compensation expense.

(f) Section 1.1 of the Loan Agreement is hereby amended delete the definition of the term “Eligible Accounts” and to replace it to read in its entirety as follows:

“Eligible Accounts” means, at any time, all Accounts of the Borrower or any of its Subsidiaries created in the ordinary course of business and satisfying the following conditions:

(a) The Account complies with all applicable laws, rules, and regulations, including, without limitation, usury laws, the Federal Truth in Lending Act, and Regulation Z of the Board of Governors of the Federal Reserve System;

(b) The Account has not been outstanding for more than ninety (90) days past the original date of invoice;

(c) The Account does not represent a commission, and the Account is owed as a result of (i) the sale of goods by the Borrower or any of its Subsidiaries in the ordinary course of business and such sale has been consummated and such goods have been shipped and delivered and received by the Account Debtor, or (ii) services performed or to be performed by the Borrower or any of its Subsidiaries in the ordinary course of business;

-
- (d) The Account arises from an enforceable contract;
 - (e) The Account does not arise from the sale of any good that is on a bill-and-hold, guaranteed sale, sale-or-return, sale on approval, consignment, progress billing, COD, or any other repurchase or return basis;
 - (f) The Borrower or any of its Subsidiaries has good and indefeasible title to the Account and the Account is not subject to any Lien except Liens in favor of the Lender;
 - (g) The Account does not arise out of a contract with or order from an Account Debtor that, by its terms, prohibits or makes void or unenforceable the grant of a security interest by the Borrower or any of its Subsidiaries to the Lender in and to such Account;
 - (h) The Account is not subject to any setoff, counterclaim, defense, dispute, recoupment, or adjustment other than normal discounts for prompt payment;
 - (i) The Account Debtor is not insolvent or the subject of any bankruptcy or insolvency proceeding and has not made an assignment for the benefit of creditors, suspended normal business operations, dissolved, liquidated, terminated its existence, ceased to pay its debts as they become due, or suffered a receiver or trustee to be appointed for any of its assets or affairs;
 - (j) The Account is not evidenced by chattel paper or an instrument;
 - (k) No default exists under the Account by any party thereto;
 - (l) The Account Debtor has not returned or refused to retain, or otherwise notified the Borrower or any of its Subsidiaries of any dispute concerning, or claimed nonconformity of, any of the goods from the sale of which the Account arose;
 - (m) The Account is not owed by an Affiliate, employee, officer, or director of the Borrower or any of its Subsidiaries;

(n) The Account is payable in Dollars by the Account Debtor;

(o) The Account Debtor is domiciled in the United States of America or if the Account Debtor is domiciled outside of the United States of America, the Accounts of such Account Debtor have been approved by the Lender or are backed by letters of credit in form and substance reasonably satisfactory to the Lender;

(p) Not more than 20% of the aggregate balances then outstanding on Accounts owed by such Account Debtor and its Affiliates to the Borrower or any of its Subsidiaries are more than 90 days past the dates of their original invoices;

(q) The Account Debtor is any Person other than the United States of America, or any state, department, agency, or instrumentality thereof, unless the Borrower or the applicable Subsidiary has assigned such Account to Lender in accordance with any applicable assignment of claims act;

(r) The aggregate of all Accounts owed by the Account Debtor and its Affiliates to which the Account relates does not exceed 20% of all Accounts owed by all of the Borrower's and its Subsidiaries' Account Debtors; provided, however, that this subsection shall not apply to any Accounts for which Wal-Mart/Sam's is the Account Debtor; and further provided, that if such Accounts exceeds 20% of all Accounts owed by all of the Account Debtors of the Borrower and its Subsidiaries, such portion of such Accounts not in excess of 20% shall be eligible; and

(s) The Account is otherwise acceptable in the reasonable discretion of the Lender; provided that the Lender shall have the right to create and adjust eligibility standards and related reserves with respect to such Account from time to time in its good faith credit judgment.

The amount of the Eligible Accounts owed by an Account Debtor to the Borrower and its Subsidiaries shall be reduced by the amount of all "contra accounts" (not including Accounts owed to the Borrower or any Subsidiary by the Lender) and other obligations owed by the Borrower or any Subsidiary to such Account Debtor.

(g) The definition of “Eligible Wal-Mart Accounts” set forth in Section 1.1 of the Loan Agreement is hereby amended and restated to read in its entirety as follows:

“Eligible Wal-Mart Accounts” means Eligible Accounts for which Wal-Mart/Sam’s is the Account Debtor.

(h) The definition of “Fixed Charge Coverage Ratio” set forth in Section 1.1 of the Loan Agreement is hereby amended and restated to read in its entirety as follows:

“Fixed Charge Coverage Ratio” means, for the Borrower and its Subsidiaries on a consolidated basis, and on any date of determination, the ratio of (a) the sum of (i) EBITDAS minus (ii) Capital Expenditures minus (iii) the amount of all Dividends and Distributions permitted under this Agreement (including Permitted Distributions) to (b) the sum of (i) all scheduled principal payments with respect to all Debt (including, without limitation, any Debt incurred pursuant to Section 8.5(f)) plus (ii) Interest Expense (including, without limitation, any Interest Expense related to any Debt incurred pursuant to Section 8.5(f)), in all cases for the 12 months then ending.

(i) The definition of “Guarantor” set forth in Section 1.1 of the Loan Agreement is hereby amended and restated to read in its entirety as follows:

“Guarantor” means (a) Quest Resource Holding Corporation, a Nevada corporation, (b) Earth 911, Inc., a Delaware corporation and (c) each other Person who from time to time guarantees all or any part of the Obligations.

(j) Section 1.1 of the Loan Agreement is hereby amended to add the following definition in alphabetical order to read in its entirety as follows:

“Permitted Acquisition” means any acquisition by Borrower, whether by purchase, merger or otherwise, of all or substantially all of the assets of, all of the equity interests of, or a business line or unit or a division of, any Person; provided,

(a) immediately prior thereto, and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing or would result therefrom;

(b) all transactions in connection therewith shall be consummated, in all material respects, in accordance with all applicable laws;

(c) the Borrower shall be in compliance with the financial covenants set forth in Article IX on a pro forma basis after giving effect to such acquisition as of the last day of the fiscal quarter most recently ended for which financial statements and other documentation have been, or were required to be, delivered in accordance with Section 7.1(b);

(d) the Borrower shall have delivered to the Lender at least ten (10) Business Days prior to such proposed acquisition, all available relevant financial information with respect to such acquired assets, a certificate confirming compliance with the requirements set forth herein, details regarding the aggregate consideration for such acquisition and any other information reasonably requested by the Lender;

(e) any Person, assets or division acquired in accordance herewith shall be in same business or lines of business in which the Borrower and/or its Subsidiaries are permitted to engage in pursuant to Section 8.10 or a business reasonably related or ancillary thereto;

(f) the Borrower shall have a minimum liquidity consisting of available cash or cash equivalents plus availability under the Revolving Credit Commitment of at least \$3,000,000 after giving effect to such acquisition; and

(g) for any acquisition to qualify as a Permitted Acquisition, the aggregate purchase price for all Permitted Acquisitions (after giving effect to such acquisition) during the life of this Agreement shall not exceed \$4,500,000.

(k) Section 1.1 of the Loan Agreement is hereby amended to add the following definition in alphabetical order to read in its entirety as follows:

“ Permitted Distributions ” means, with respect to the Borrower or any Subsidiary of the Borrower so long as such entity is taxable as a partnership for United States federal income tax purposes, tax distributions to any of the direct or indirect members of the Borrower or any Subsidiary of the Borrower, as applicable, in an aggregate amount equal to (a) the sum of the highest marginal federal state and local income tax rates applicable to such member on ordinary income, multiplied by (b) the income from operations of the Borrower or any of the Subsidiaries, as applicable (without taking into account any deductions or income allocated pursuant to Section 704(c) and Section 743 of the Code).

(l) Section 1.1 of the Loan Agreement is hereby amended to add the following definition in alphabetical order to read in its entirety as follows:

“Pledge Agreement” means that certain Pledge Agreement, dated as of May 9, 2014, made by Earth911, Inc., a Delaware corporation, in favor of the Lender, as the same may be amended, restated, supplemented, modified, or changed from time to time.

(m) The definition of “Revolving Credit Maturity Date” set forth in Section 1.1 of the Loan Agreement is hereby amended and restated to read in its entirety as follows:

“Revolving Credit Maturity Date” means May 31, 2015, or such earlier date on which the Revolving Credit Commitment terminates and such amounts thereunder become due and payable as provided in this Agreement.

(n) Section 1.1 of the Loan Agreement is hereby amended to add the following definition in alphabetical order to read in its entirety as follows:

“Sixth Amendment Effective Date” means May 9, 2014.

(o) The definition of “Total Funded Debt to EBITDA Ratio” set forth in Section 1.1 of the Loan Agreement is hereby deleted in its entirety.

(p) Section 1.1 of the Loan Agreement is hereby amended to add the following definition in alphabetical order to read in its entirety as follows:

“Total Funded Debt to EBITDAS Ratio” means, with respect to the Borrower and its Subsidiaries on a consolidated basis, for any period of determination, the ratio of (a) Funded Debt to (b) EBITDAS for the 12-month period then ending.

2.2 Amendment to Section 2.3. Section 2.3 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

2.3 Use of Proceeds. The proceeds of the Revolving Credit Advances shall be used by the Borrower for working capital purposes, Capital Expenditures, Permitted Acquisitions and general corporate purposes of the Borrower and its Affiliates in the ordinary course of business.

2.3 Amendment to Article II.

(a) Article II of the Loan Agreement is hereby amended to add a new Section 2.6 to read in its entirety as follows:

2.6 Unused Fee. The Borrower agrees to pay to the Lender an unused fee on the daily average unused amount of the Revolving Credit Commitment for the period from and including the Sixth Amendment Effective Date to and including the Revolving Credit Maturity Date, at the rate of one quarter of one percent (0.25%) per annum based on a 360 day year and the actual number of days elapsed. For the purpose of calculating the commitment fee hereunder, the Revolving Credit Commitment shall be deemed utilized by the amount of all outstanding Revolving Credit Advances. Accrued commitment fee shall be payable in arrears on the last Business Day of each March, June, September and December and on the Revolving Credit Maturity Date.

(b) Article II of the Loan Agreement is hereby amended to add a new Section 2.7 to read in its entirety as follows:

2.7 Increase in Commitments.

(a) Request for Increase. Provided there exists no Default, upon notice to the Lender, the Borrower may on a one time basis, request an increase in the Revolving Credit Commitment by an amount not exceeding \$5,000,000, which shall be subject to the Lender's sole reasonable discretion.

(b) Notification by Lender. The Lender shall notify the Borrower of the Lender's response to any request made by Borrower hereunder within 60 days of the Borrower's request, which request is subject to Lender's approval in its sole reasonable discretion.

(c) Effective Date. If the Revolving Credit Commitment is increased in accordance with this Section, the Lender and the Borrower shall determine the effective date of such increase (the "Increase Effective Date").

(d) Conditions to Effectiveness of Increase. As a condition precedent to such increase, the Borrower shall deliver to the Lender a certificate of each Loan Party signed by a responsible officer of such Loan Party and dated as of the Increase Effective Date (i) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such increase and (ii) in the case of the Borrower, certifying that, before and after giving effect to such increase, (A) the representations and warranties contained in Article VI and in the other Loan Documents are true and correct on and as of the Increase Effective Date with the same force and effect as if such representations and warranties had been made on and as of such date, except to the extent that such representations and warranties speak to a specific date, and (B) no Default exists. In addition, the Borrower shall execute a new Note that amends and restates the existing Note evidencing the amount of such increase.

2.4 Amendment to Section 7.1. Section 7.1 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

7.1 Reporting Requirements. The Borrower will furnish to the Lender:

(a) Annual Financial Statements of Borrower. As soon as available, and in any event within one hundred twenty (120) days after the end of each fiscal year of the Borrower, beginning with the fiscal year ending December 31, 2013, a copy of an unaudited annual report of the Borrower and its Subsidiaries for such fiscal year containing, on a consolidated basis, balance sheets and statements of income, retained earnings, and cash flow as at the end of such fiscal year and for the annual period then ended, in each case setting forth in comparative form the figures for the preceding fiscal year, all in reasonable detail and certified by the chief financial officer, treasurer or comparable officer of Borrower to have been prepared in accordance with GAAP and to fairly and accurately present (subject to year-end audit adjustments) the financial condition and results of operations of the Borrower and its Subsidiaries, on a consolidated basis, at the date and for the periods indicated therein;

(b) Quarterly Financial Statements. As soon as available, and in any event within forty-five (45) days after the end of each calendar quarter, a copy of an unaudited financial report of the Borrower and its Subsidiaries as of the end of such calendar quarter and for the portion of the fiscal year then ended, containing, on a consolidated basis, balance sheets and statements of income, and retained earnings, all in reasonable detail certified by the chief financial officer, treasurer or comparable officer of Borrower to have been prepared in accordance with GAAP and to fairly and accurately present (subject to year-end audit adjustments) the financial condition and results of operations of the Borrower and its Subsidiaries, on a consolidated basis, at the date and for the periods indicated therein;

(c) Accounts Receivable Aging. As soon as available, and in any event no later than the last day of each calendar month, an account receivable aging (as of the last day of the prior month), classifying the accounts receivable of the Borrower and any of its Subsidiaries in categories of 0-30, 31-60, 61-90 and over 90 days from date of invoice, reconciled to the general ledger account, and in such form and detail as the Lender shall reasonably require;

(d) Accounts Payable Report. As soon as available, and in any event no later than the last day of each calendar month, an account payable aging (as of the last day of the prior month), classifying the accounts payable of the Borrower and any of its Subsidiaries in categories of 0-30, 31-60, 61-90 and over 90 days from date of invoice, reconciled to the general ledger account, and in such form and detail as the Lender shall reasonably require;

(e) Compliance Certificate. Concurrently with the delivery of the financial statements referred to in Section 7.1(a) and 7.1(b), a duly completed Compliance Certificate;

(f) Borrowing Base Report. For each calendar month, as soon as available, and in any event no later than the last day of each calendar month, a duly completed Borrowing Base Report, in a form acceptable to the Lender, certified by the chief financial officer or comparable officer of the Borrower;

(g) Notice of Litigation. Promptly after the commencement thereof, notice of all actions, suits, and proceedings before any Governmental Authority or arbitrator affecting the Borrower or any Subsidiary which, if determined adversely to the Borrower or such Subsidiary, could have a Material Adverse Effect on the Borrower or such Subsidiary;

(h) Notice of Default. As soon as possible and in any event within ten (10) days after the occurrence of each Default, a written notice setting forth the details of such Default and the action that the Borrower has taken and proposes to take with respect thereto;

(i) ERISA Reports. Promptly after the filing or receipt thereof, copies of all reports, including annual reports, and notices which the Borrower or any Subsidiary files with or receives from the PBGC or the U.S. Department of Labor under ERISA; and as soon as possible and in any event within five (5) days after Borrower or any Subsidiary knows or has reason to know that any Reportable Event or Prohibited Transaction has occurred with respect to any Plan or that the PBGC or Borrower or any Subsidiary has instituted or will institute proceedings under Title IV of ERISA to terminate any Plan, a certificate of the chief financial officer or comparable officer of the Borrower setting forth the details as to such Reportable Event or Prohibited Transaction or Plan termination and the action that Borrower proposes to take with respect thereto;

(j) Reports to Other Creditors. Promptly after the furnishing thereof, copies of any statement or report furnished to any other party pursuant to the terms of any indenture, loan, or credit or similar agreement and not otherwise required to be furnished to the Lender pursuant to any other clause of this Section;

(k) Notice of Material Adverse Effect. As soon as possible and in any event within five days after the occurrence thereof, written notice of any matter that could have a Material Adverse Effect on the Borrower or any Subsidiary;

(l) Financial Reporting of Guarantors. As soon as available, and in any event when required under the terms of each Guaranty, the financial information that each Guarantor is required to provide under the terms of such Guarantees, including the annual consolidated audited financial statements of Quest Resource Holding Corporation and its Subsidiaries within 120 days after the end of each fiscal year and the quarterly company-prepared financial statements of Quest Resource Holding Corporation and its Subsidiaries, within 45 days after the end of each calendar quarter, each as set forth in the Guaranty in more detail; and

(m) General Information. Promptly, such other information concerning the Borrower, any Subsidiary or any other Obligated Party as the Lender may from time to time reasonably request.

2.5 Amendment to Section 7.6. Section 7.6 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

7.6 Inspection Rights. At any reasonable time and from time to time, upon reasonable notice, the Borrower will permit, and will cause each Subsidiary to permit, representatives of the Lender to examine the Collateral and conduct Collateral audits and/or field examinations, to examine, copy, and make extracts from its books and records, to visit and inspect its Property, and to discuss its business, operations, and financial condition with its officers, employees, and independent certified public accountants. Such Collateral audits and /or field examinations shall be at the expense of the Borrower, and shall be conducted at least once during each calendar year, and may be conducted at the Lender's discretion to the extent a Default exists and is continuing.

2.6 Amendment to Section 8.3. Section 8.3 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

8.3 Mergers, Etc. Without prior written consent of the Lender, Borrower will not, and will not permit any Subsidiary to, become a party to a merger or consolidation, or purchase or otherwise acquire all or substantially all of the assets of any Person, or any shares or other evidence of beneficial ownership of any Person, or wind-up, dissolve, or liquidate, except that (a) Borrower may merge with any of its Subsidiaries so long as the Borrower is the survivor of such merger, (b) Subsidiaries may be merged with and into each other and (c) the Borrower may consummate Permitted Acquisitions.

2.7 Amendment to Section 8.4. Section 8.4 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

8.4 Restricted Payments. The Borrower will not declare or pay any Dividends and Distributions, or make any other payment or distribution (in cash, Property, or obligations) on account of its equity interests, or redeem, purchase, retire, or otherwise acquire any of its equity interests, or permit any of its Subsidiaries to purchase or otherwise acquire any equity interest of the Borrower or another Subsidiary, or set apart any money for a sinking or other analogous fund for any dividend or other distribution on its equity interests or for any redemption, purchase, retirement, or other acquisition of any of its equity interests; provided, however, that the Borrower may make Permitted Distributions so long as no Event of Default exists or would result therefrom.

2.8 Amendment to Section 8.5. Section 8.5 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

8.5 Loans and Investments. The Borrower will not make, and will not permit any Subsidiary to make, any advance, loan, extension of credit, or capital contribution to or investment in, or purchase, or permit any Subsidiary to purchase, any stock, bonds, notes, debentures, or other securities of, any Person, except:

- (a) Readily marketable direct obligations of the United States of America or any agency thereof with maturities of one year or less from the date of acquisition;
- (b) Fully insured certificates of deposit with maturities of one year or less from the date of acquisition issued by (i) the Lender or (ii) any commercial bank operating in the United States of America having capital and surplus in excess of \$50,000,000;
- (c) Commercial paper of a domestic issuer if at the time of purchase such paper is rated in one of the two highest rating categories of Standard and Poor's Corporation, or Moody's Investors Service;
- (d) Investments in Subsidiaries in effect as of the Closing Date and Investments made in connection with Permitted Acquisitions;
- (e) Money market accounts substantially all of the assets of which are invested in investments of the type described in clauses (a) through (c) above;
- (f) loans and advances made to the Borrower or to a Guarantor; and
- (g) Extensions of trade credit in the ordinary course of business consistent with historical practice.

2.9 Amendment to Section 8.7. Section 8.7 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

8.7 Transactions With Affiliates. The Borrower will not enter into, and will not permit any Subsidiary to enter into, any transaction, including, without limitation, the purchase, sale, or exchange of property or the rendering of any service, with any Affiliate of the Borrower or such Subsidiary, except (a) transactions among Obligated Parties, (b) in the ordinary course of and pursuant to the reasonable requirements of the Borrower's or such Subsidiary's business and upon fair and reasonable terms no less favorable to the Borrower or such Subsidiary than would be obtained in a comparable arm's-length transaction with a Person not an Affiliate of the Borrower or such Subsidiary or (c) transactions permitted under Section 8.5.

2.10 Amendment to Section 9.1. Section 9.1 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

9.1 Fixed Charge Coverage Ratio. The Borrower shall not permit the Fixed Charge Coverage Ratio, tested at the end of each fiscal quarter, to be less than 1.25 to 1.00.

2.11 Amendment to Section 9.2. Section 9.2 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

9.2 Total Funded Debt to EBITDAS Ratio. The Borrower shall not permit the Total Funded Debt to EBITDAS Ratio to be more than 3.0 to 1.00, tested at the end of each fiscal quarter.

2.12 Deletion of Sections 9.3 and 9.4. Section 9.3 and Section 9.4 of the Loan Agreement are each deleted in their entirety.

2.13 Release of Guaranty. The Guaranty of Brian Dick previously executed in favor of the Lender is hereby released in its entirety and shall have no further effect.

ARTICLE III.

Conditions Precedent

3.1 Effective Date. This Sixth Amendment shall become effective as of the date first above written when and only when Lender shall have received, at Lender's office, (i) counterparts of this Sixth Amendment duly executed by Borrower, (ii) counterparts of the Guaranty duly executed by each Guarantor, (iii) a counterpart of the Pledge Agreement duly executed by Earth 911, Inc., (iv) resolutions of the Board of Directors (or other governing body) of each Loan Party certified by the Secretary or Assistant Secretary (or other custodian of records) of such Loan Party, which authorize the execution, delivery and performance of this Sixth Amendment and each of the other Loan Documents to which each Loan Party is or is to be a party, and which certification include incumbency certificates demonstrating the authorized signatories for each Loan Party, (v) certificates of the appropriate government officials of the state of incorporation or organization of each Loan Party, as to the existence and good standing of such Loan Party, (vi) copies of the articles of organization, bylaws or partnership agreement of each Loan Party, (vii) such other documents as Lender or its legal counsel may reasonably request and (viii) all costs and expenses incident to the preparation hereof and the consummation of the transaction contemplated hereby, including, but not limited to, reasonable fees and expenses of Winstead PC, legal counsel to Lender (which fees and expenses, as to legal counsel of Lender, shall be paid directly to Winstead PC immediately upon presentation of a bill for legal services rendered).

ARTICLE IV.

Miscellaneous

4.1 Acknowledgment. As modified herein, the terms and provisions of the Loan Agreement are ratified and confirmed and shall remain in full force and effect, enforceable in accordance with their terms. Borrower hereby acknowledges, agrees and represents that (i) contemporaneously with the effectiveness of this Sixth Amendment, the representations and warranties of Borrower contained in the Loan Agreement are true and correct representations and warranties, and (ii) Borrower has no set-offs, counterclaims, defenses or other causes of action against Lender arising out of the Loan Agreement, this Sixth Amendment or otherwise, and to the extent any such set-offs, counterclaims, defenses or other causes of action may exist, whether known or unknown, such items are hereby waived by Borrower. This Sixth Amendment is a "Loan Document" as referred to in the Loan Agreement.

4.2 CHOICE OF LAW; VENUE. THIS SIXTH AMENDMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS. BORROWER HEREBY AGREES THAT THE OBLIGATIONS CONTAINED HEREIN ARE PERFORMABLE IN DALLAS COUNTY, TEXAS. ALL PARTIES HERETO AGREE THAT (I) ANY ACTION ARISING OUT OF THIS TRANSACTION SHALL BE FILED IN DALLAS COUNTY, TEXAS, (II) VENUE FOR ENFORCEMENT OF ANY OF THE OBLIGATIONS CONTAINED IN THIS SIXTH AMENDMENT SHALL BE IN DALLAS COUNTY, (III) PERSONAL JURISDICTION SHALL BE IN DALLAS COUNTY, TEXAS, (IV) ANY ACTION OR PROCEEDING UNDER THIS SIXTH AMENDMENT SHALL BE COMMENCED AGAINST BORROWER IN DALLAS COUNTY, (V) SUCH ACTION SHALL BE INSTITUTED IN THE COURTS OF THE STATE OF TEXAS LOCATED IN DALLAS COUNTY, TEXAS OR IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS LOCATED IN DALLAS COUNTY, TEXAS, AT THE OPTION OF LENDER AND (VI) BORROWER HEREBY WAIVES ANY OBJECTION TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING AND ADDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO BE SUED ELSEWHERE. NOTHING HEREIN SHALL AFFECT THE RIGHT OF LENDER TO ACCOMPLISH SERVICE OF PROCESS IN ANY MANNER PERMITTED BY LAW.

4.3 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO WAIVES, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, ITS RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS SIXTH AMENDMENT, THE LOAN AGREEMENT, THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH OF THE PARTIES HERETO AGREES THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS SIXTH AMENDMENT, THE LOAN AGREEMENT OR ANY OTHER LOAN DOCUMENT OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND ANY OTHER LOAN DOCUMENTS.

4.4 Time. Time is of the essence in the performance of the covenants contained herein and in the Loan Documents.

4.5 Binding Agreement. This Sixth Amendment shall be binding upon the heirs, executors, administrators, personal representatives, successors and assigns of the parties hereto; provided, however, the foregoing shall not be deemed or construed to (i) permit, sanction, authorize or condone the assignment of all or any part of any interest in and to Borrower except as expressly authorized in the Loan Documents, or (ii) confer any right, title, benefit, cause of action or remedy upon any person or entity not a party hereto, which such party would not or did not otherwise possess.

4.6 Headings. The section headings hereof are inserted for convenience of reference only and shall in no way alter, amend, define or be used in the construction or interpretation of the text of such section.

4.7 Construction. Whenever the context hereof so required, reference to the singular shall include the plural and likewise, the plural shall include the singular; words denoting gender shall be construed to mean the masculine, feminine or neuter, as appropriate; and specific enumeration shall not exclude the general but shall be construed as cumulative of the general recitation.

4.8 Counterparts; Fax. This Sixth Amendment may be separately executed in counterparts and by the different parties hereto in separate counterparts, each of which when so executed shall be deemed to constitute one and the same Sixth Amendment. This Sixth Amendment may be duly executed by facsimile or other electronic transmissions.

4.9 No Reliance. In executing this Sixth Amendment, Borrower warrants and represents that Borrower is not relying on any statement or representation other than those in this Agreement and is relying upon its own judgment and advice of its attorneys.

THIS SIXTH AMENDMENT, THE LOAN AGREEMENT AND THE LOAN DOCUMENTS COLLECTIVELY REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Sixth Amendment is executed effective as of the date first above written.

BORROWER:

**QUEST RESOURCE MANAGEMENT
GROUP, LLC,**
a Delaware limited liability company

By: /s/ Laurie L. Latham

Name: Laurie L. Latham

Title: CFO

LENDER:

REGIONS BANK

By: /s/ Catherine M. Young

Name: Catherine M. Young

Title: SVP

GUARANTY

THIS GUARANTY (this "Guaranty") is executed as of May 9, 2014, by each of the undersigned entities, and their respective successors and permitted assigns (each, a "Guarantor" and collectively, the "Guarantor"), whose addresses for notice purposes are set forth on the signature page hereto, for the benefit of REGIONS BANK ("the Lender"), and its Affiliates (the Lender and its Affiliates, together with their successors and assigns, herein sometimes collectively called "Beneficiaries"). Unless otherwise defined herein, all capitalized terms have the meanings given to such terms in the Loan Agreement (as defined herein).

INTRODUCTORY PROVISIONS :

A. Quest Resource Management Group, LLC, a Delaware limited liability company (formerly known as Quest Recycling Services, LLC) ("Quest" or "Borrower") and the Lender have previously executed a Loan Agreement.

B. It is expressly understood among Quest, each Guarantor, and the Lender that the execution and delivery of this Guaranty is a condition precedent to the Lender's continued obligation to make loans or extend credit under the Loan Agreement and is an integral part of the transactions contemplated thereby.

C. Each Guarantor is an Affiliate of Quest and the extension of credit to Quest is a substantial and direct benefit to each Guarantor.

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, each Guarantor hereby guarantees to Beneficiaries the prompt payment and performance of the Guaranteed Obligations, this Guaranty being upon the following terms and conditions:

Section 1 DEFINITIONS. As used in this Guaranty, the following terms have the following meanings:

Applicable Law : As to any Guarantor, each statute, law, ordinance, regulation, order, judgment, injunction or decree of the United States or any state or commonwealth, any municipality, any foreign country, or any territory, possession or tribunal applicable to the Guarantor.

Borrower : Quest, and without limitation, its successors and assigns (regardless of whether such successor or assign is formed by or results from any merger, consolidation, conversion, sale or transfer of assets, reorganization, or otherwise) including Borrower as a debtor-in-possession, and any receiver, trustee, liquidator, conservator, custodian, or similar party hereafter appointed for Borrower or all or substantially all of its assets pursuant to any liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, or similar Debtor Relief Laws (hereinafter defined) from time to time in effect.

Debtor Relief Laws: Title 11 of the United States Code, as now or hereafter in effect, or any other Applicable Law, domestic or foreign, as now or hereafter in effect, relating to bankruptcy, insolvency, liquidation, receivership, reorganization, arrangement or composition, extension or adjustment of debts, or similar laws affecting the rights of creditors.

Dispute: Any action, dispute, claim or controversy of any kind, whether in contract or tort, statutory or common law, legal or equitable, now existing or hereafter arising under or in connection with, or in any way pertaining to, this Guaranty and each other document, contract and instrument required hereby or now or hereafter delivered to the Lender in connection herewith, or any past, present or future extensions of credit and other activities, transactions or obligations of any kind related directly or indirectly to any of the foregoing documents, including without limitation, any of the foregoing arising in connection with the exercise of any self-help, ancillary or other remedies pursuant to any of the foregoing documents.

Obligations: All obligations, indebtedness, and liabilities of Borrower, each Guarantor and any other Obligated Party to the Lender or Affiliates of the Lender, or both, now existing or hereafter arising, whether direct, indirect, related, unrelated, fixed, contingent, liquidated, unliquidated, joint, several, or joint and several, which relate to the obligations, indebtedness, and liabilities under this Agreement, the Loan Agreement, any Swap Contract, the other Loan Documents (as defined in the Loan Agreement), any cash management or treasury services agreements and all interest accruing thereon (whether a claim for post-filing or post-petition interest is allowed in any insolvency, reorganization or similar proceeding) and all attorneys' fees and other expenses incurred in the enforcement or collection thereof.

Guaranteed Obligations: The Obligations and the Guaranteed Performance Obligations.

Guaranteed Performance Obligations: All of the obligations of Borrower and each Guarantor under the Loan Documents other than an obligation to pay money.

Loan Agreement: That certain Loan Agreement dated as of December 15, 2010, by and between Quest and Lender, as renewed, extended, restated, amended, supplemented, waived or replaced from time to time.

Section 2 PAYMENT. Each Guarantor hereby unconditionally and irrevocably guarantees to Beneficiaries the punctual payment when due, whether by lapse of time, by acceleration of maturity, or otherwise, and at all times thereafter, of the Guaranteed Obligations. This Guaranty covers the Guaranteed Obligations, whether presently outstanding or arising subsequent to the date hereof, including all amounts advanced by any Beneficiary in stages or installments. The guaranty of each Guarantor as set forth in this Section 2 is a continuing guaranty of payment and not a guaranty of collection. Each Guarantor acknowledges and agrees that each Guarantor may be required to pay and perform the Guaranteed Obligations in full without assistance or support from Borrower or any other party. Each Guarantor agrees that if all or any part of the Guaranteed Obligations shall not be punctually paid when due, whether on the scheduled payment date, by lapse of time, by acceleration of maturity or otherwise, each Guarantor shall, immediately upon demand by a Beneficiary, pay the amount due on the Guaranteed Obligations to such Beneficiary at Beneficiary's address as set forth herein. Such demand(s) may be made at any time coincident with or after the time for payment of all or part of the Guaranteed Obligations, and may be made from time to time with respect to the same or different items of Guaranteed Obligations. Such demand shall be made, given and received in accordance with the notice provisions hereof.

Section 3 PERFORMANCE. Each Guarantor hereby unconditionally and irrevocably guarantees to Beneficiaries the timely performance of the Guaranteed Performance Obligations. If any of the Guaranteed Performance Obligations of Borrower are not satisfied or complied with in any respect whatsoever, and without the necessity of any notice from a Beneficiary to any Guarantor, each Guarantor agrees to indemnify and hold Beneficiaries harmless from any and all loss, cost, liability or expense that Beneficiaries may suffer by any reason of any such non-performance or non-compliance, other than those matters expressly caused by the gross negligence or willful misconduct of any of the Beneficiaries. The obligations and liability of each Guarantor under this Section 3 shall not be limited or restricted by the existence of, or any terms of, the guaranty of payment under Section 2 of this Guaranty.

Section 4 PRIMARY LIABILITY OF EACH GUARANTOR.

(a) This Guaranty is an absolute, irrevocable and unconditional guaranty of payment and performance. Each Guarantor is and shall be jointly and severally liable for the payment and performance of the Guaranteed Obligations, as set forth in this Guaranty, as a primary obligor.

(b) In the event of default in payment or performance of the Guaranteed Obligations, or any part thereof, when such Guaranteed Obligations become due, whether by its terms, by acceleration, or otherwise, each Guarantor shall promptly pay the amount due thereon to Beneficiaries without notice or demand, of any kind or nature, in lawful money of the United States of America or perform the obligations to be performed hereunder, and it shall not be necessary for any Beneficiary in order to enforce such payment and performance by each Guarantor first, or contemporaneously, to institute suit or exhaust remedies against Borrower or others liable on the Guaranteed Obligations, including any other guarantor, or to enforce any rights, remedies, powers, privileges or benefits of any Beneficiary against any Collateral, or any other security or collateral which shall ever have been given to secure the Guaranteed Obligations.

(c) Suit may be brought or demand may be made against all parties who have signed this Guaranty or any other guaranty in favor of Beneficiaries covering all or any part of the Guaranteed Obligations, or against any one or more of them, separately or together, without impairing the rights of any Beneficiary against any party hereto. Any time that a Beneficiary is entitled to exercise its rights or remedies hereunder, such Beneficiary may in its discretion elect to demand payment and/or performance. If a Beneficiary elects to demand performance, it shall at all times thereafter have the right to demand payment until all of the Guaranteed Obligations have been paid and performed in full. If a Beneficiary elects to demand payment, it shall at all times thereafter have the right to demand performance until all of the Guaranteed Obligations have been paid and performed in full.

(d) Notwithstanding any provision of this Guaranty or any other Loan Document, no Guarantor hereunder shall be deemed to be a guarantor of any Obligations that arise pursuant to a Swap Contract if such Guarantor is not an “Eligible Contract Participant” as defined in § 1(a)(18) of the Commodity Exchange Act and the applicable rules issued by the Commodity Futures Trading Commission and/or the Securities and Exchange Commission (collectively, and as now or hereafter in effect, the “ECP Rules”) to the extent that the providing of such guaranty by such Guarantor would violate the ECP Rules or any other applicable Law or regulation. This Section 4(d) shall not affect any Guaranteed Obligations of such Guarantor other than Obligations that arise pursuant to a Swap Contract, nor shall it affect the Guaranteed Obligations of any Guarantor who qualifies as an “Eligible Contract Participant”.

Section 5 OTHER GUARANTEED DEBT. If any Guarantor becomes liable for any indebtedness owing by Borrower to Beneficiaries, or any or some of them, by endorsement or otherwise, other than under this Guaranty, such liability shall not be in any manner impaired or affected hereby, and the rights and remedies hereunder shall be cumulative of any and all other rights and remedies that Beneficiaries may ever have against any Guarantor. The exercise by Beneficiary of any right or remedy hereunder or under any other instrument, or at law or in equity, shall not preclude the concurrent or subsequent exercise of any other right or remedy by such Beneficiary or any other Beneficiary.

Section 6 SUBROGATION. Until the Guaranteed Obligations have been paid, in full, each Guarantor hereby covenants and agrees that it shall not assert, enforce, or otherwise exercise (a) any right of subrogation to any of the rights, remedies or Liens of Beneficiaries or any other beneficiary against Borrower or its Affiliates or any other guarantor of the Guaranteed Obligations or any collateral or other security, or (b) unless such rights are expressly made subordinate to the Guaranteed Obligations (in form and upon terms acceptable to the Lender) and the rights or remedies of Beneficiaries under this Guaranty and the Loan Documents, any right of recourse, reimbursement, contribution, indemnification, or similar right against Borrower or its Affiliates or any other guarantor of all or any part of the Guaranteed Obligations.

Section 7 SUBORDINATED DEBT. All principal of and interest on all indebtedness, liabilities, and obligations of Borrower or its Affiliates to each Guarantor (the “Subordinated Debt”) now or hereafter existing, due or to become due to each Guarantor, or held or to be held by any Guarantor, whether created directly or acquired by assignment or otherwise, and whether evidenced by written instrument or not, shall be expressly subordinated to the Guaranteed Obligations. Until such time as the Guaranteed Obligations are paid and performed in full and all commitments to lend under the Loan Documents have terminated, each Guarantor agrees not to receive or accept any payment from Borrower with respect to the Subordinated Debt at any time an Event of Default has occurred and is continuing; and, in the event any Guarantor receives any payment on the Subordinated Debt in violation of the foregoing, such Guarantor will hold any such payment in trust for Beneficiaries and forthwith turn it over to Beneficiaries in the form received, to be applied to the Guaranteed Obligations.

Section 8 OBLIGATIONS NOT TO BE DIMINISHED. Each Guarantor hereby agrees that its obligations under this Guaranty shall not be released, discharged, diminished, impaired, reduced, or affected for any reason or by the occurrence of any event, including, without limitation, one or more of the following events, whether or not with notice to or the consent of each Guarantor: (a) the taking or accepting of collateral as security for any or all of the Guaranteed Obligations or the release, surrender, exchange, or subordination of any collateral now or hereafter securing any or all of the Guaranteed Obligations; (b) any partial release of the liability of Borrower, any other Guarantor, or the full or partial release of any other guarantor or obligor from liability for any or all of the Guaranteed Obligations; (c) any disability of Borrower, or the dissolution, insolvency, or bankruptcy of Borrower, any Guarantor or any other guarantor, or any other party at any time liable for the payment of any or all of the Guaranteed Obligations; (d) any renewal, extension, modification, waiver, amendment, or rearrangement of any or all of the Guaranteed Obligations or any instrument, document, or agreement evidencing, securing, or otherwise relating to any or all of the Guaranteed Obligations; (e) any adjustment, indulgence, forbearance, waiver, or compromise that may be granted or given by any Beneficiary to Borrower, any Guarantor, any other guarantor or any other party ever liable for any or all of the Guaranteed Obligations; (f) any neglect, delay, omission, failure, or refusal of any Beneficiary to take or prosecute any action for the collection of any of the Guaranteed Obligations or to foreclose or take or prosecute any action in connection with any instrument, document, or agreement evidencing, securing, or otherwise relating to any or all of the Guaranteed Obligations; (g) the unenforceability or invalidity of any or all of the Guaranteed Obligations or of any instrument, document, or agreement evidencing, securing, or otherwise relating to any or all of the Guaranteed Obligations; (h) any payment by Borrower or any other party to any Beneficiary is held to constitute a preference under applicable bankruptcy or insolvency law or if for any other reason any Beneficiary is required to refund any payment or pay the amount thereof to someone else; (i) the settlement or compromise of any portion of the Guaranteed Obligations; (j) the non-perfection of any security interest or Lien securing any or all of the Guaranteed Obligations; (k) any impairment of any collateral securing any or all of the Guaranteed Obligations; (l) the failure of any Beneficiary to sell any collateral securing any or all of the Guaranteed Obligations in a commercially reasonable manner or as otherwise required by law; (m) any change in the corporate existence, structure, or ownership of Borrower; or (n) any other circumstance which might otherwise constitute a defense available to, or discharge of, Borrower or any Guarantor other than payment.

Section 9 W AIVERS. Each Guarantor waives (a) any right to revoke this Guaranty with respect to future indebtedness; (b) any right to require any Beneficiary to do any of the following before any Guarantor is obligated to pay the Guaranteed Obligations or before any Beneficiary may proceed against any Guarantor: (i) sue or exhaust remedies against Borrower and other guarantors or obligors, (ii) sue on an accrued right of action in respect of any of the Guaranteed Obligations or bring any other action, exercise any other right, or exhaust all other remedies, or (iii) enforce rights against Borrower's assets or the collateral pledged by Borrower to secure the Guaranteed Obligations; (c) any right relating to the timing, manner, or conduct of such Beneficiary's enforcement of rights against Borrower's assets or the collateral pledged by Borrower to secure the Guaranteed Obligations; (d) if any Guarantor and Borrower (or a third-party) have each pledged assets to secure the Guaranteed Obligations, any right to require any Beneficiary to proceed first against the other collateral before proceeding against collateral pledged by any Guarantor; (e) except as expressly required hereby or by any Applicable Law, promptness, diligence, notice of any default under the Guaranteed Obligations, notice of acceleration or intent to accelerate, demand for payment, notice of acceptance of this Guaranty, presentment, notice of protest, notice of dishonor, notice of the incurring by Borrower of additional indebtedness, notice of any suit or other action by any Beneficiary against Borrower or any other Person, any notice to any party liable for the obligation which is the subject of the suit or action, and all other notices and demands with respect to the Guaranteed Obligations and this Guaranty; (f) each of the foregoing rights or defenses regardless whether they arise under (i) Section 34.01 et seq. of the Texas Business and Commerce Code, as amended, (ii) Section 17.001 of the Texas Civil Practice and Remedies Code, as amended, (iii) Rule 31 of the Texas Rules of Civil Procedure, as amended, (iv) common law, in equity, under contract, by statute, or otherwise; and (g) any and all rights under Sections 51.003, 51.004 and 51.005 of the Texas Property Code, as amended.

Section 10 I NSOLVENCY. Should any Guarantor become insolvent, or fail to pay such Guarantor's debts generally as they become due, or voluntarily seek, consent to, or acquiesce in the benefit or benefits of any Debtor Relief Law, or become a party to (or be made the subject of) any proceeding provided for by any Debtor Relief Law (other than as a creditor or claimant) that could suspend or otherwise adversely affect the rights and remedies of Beneficiaries granted hereunder, then, in any such event, the Guaranteed Obligations shall be, as between such Guarantor and Beneficiaries, a fully matured, due, and payable obligation of such Guarantor to Beneficiaries (without regard to whether Borrower is then in default under the Loan Agreement or whether the Guaranteed Obligations, or any part thereof is then due and owing by Borrower to Beneficiaries), payable in full by such Guarantor to Beneficiaries upon demand, which shall be the estimated amount owing in respect of the contingent claim created hereunder.

Section 11 T ERMINATION. Each Guarantor's obligations hereunder shall remain in full force and effect until all commitments to lend under the Loan Documents have terminated, and the Guaranteed Obligations have been paid in full. If at any time any payment of the principal of or interest or any other amount payable by Borrower under the Loan Documents is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy, or reorganization of Borrower or otherwise, each Guarantor's obligations hereunder with respect to such payment shall be reinstated as though such payment had been due but not made at such time.

Section 12 R EPRESENTATIONS AND W ARRANTIES. Each Guarantor represents and warrants as follows (each as to themselves only):

(a) Guarantor has the power and authority and legal right to execute, deliver, and perform its obligations under this Guaranty and this Guaranty constitutes the legal, valid, and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms, except as limited by Debtor Relief Laws or other laws of general application relating to the enforcement of creditor's rights.

(b) The execution, delivery, and performance by Guarantor of this Guaranty do not and will not violate or conflict with any law, rule, or regulation or any order, writ, injunction, or decree of any court, Governmental Authority or agency, or arbitrator and do not and will not conflict with, result in a breach of, or constitute a default under, or result in the imposition of any Lien (as defined in the Loan Agreement) upon any assets of Guarantor pursuant to the provisions of any indenture, mortgage, deed of trust, security agreement, franchise, permit, license, or other instrument or agreement to which Guarantor or its properties are bound.

(c) No authorization, approval, or consent of, and no filing or registration with, any court, Governmental Authority, or third party is necessary for the execution, delivery, or performance by any Guarantor of this Guaranty or the validity or enforceability thereof that has not been obtained.

(d) Guarantor has, independently and without reliance upon any Beneficiary and based upon such documents and information as Guarantor has deemed appropriate, made its own analysis and decision to enter into this Guaranty, and Guarantor has adequate means to obtain from Borrower on a continuing basis information concerning the financial condition and assets of Borrower, and Guarantor is not relying upon any Beneficiary to provide (and no Beneficiary shall have duty to provide) any such information to Guarantor either now or in the future.

Section 13 MUTUAL BENEFIT. The value of the consideration received and to be received by each Guarantor is reasonably worth at least as much as the liability and obligation of each Guarantor hereunder, and such liability and obligation may reasonably be expected to benefit each Guarantor directly or indirectly.

Section 14 Covenants. To the extent not already required by the Loan Agreement, so long as this Guaranty remains in full force and effect, each Guarantor shall, unless Beneficiaries shall otherwise consent in writing:

(a) Furnish to Beneficiaries written notice of the occurrence of any Default (as defined in the Loan Agreement) promptly upon obtaining knowledge thereof.

(b) Furnish to Beneficiaries such additional information concerning any Guarantor, Borrower or any other Person under the control of any Guarantor as Beneficiaries may reasonably request.

(c) Obtain at any time and from time to time all authorizations, licenses, consents or approvals as shall now or hereafter be necessary or desirable under all Applicable Laws or regulations or otherwise in connection with the execution, delivery and performance of this Guaranty and will promptly furnish copies thereof to Beneficiaries.

Section 15 REPORTING REQUIREMENTS. To the extent not already required by the Loan Agreement, so long as this Guaranty remains in full force and effect, each applicable Guarantor shall, unless Beneficiaries shall otherwise consent in writing:

(a) Furnish to Beneficiaries as soon as available, and in any event within one hundred twenty (120) days after the end of each fiscal year of Quest Resource Holding Corporation, a copy of the annual audited report of Quest Resource Holding Corporation and its Subsidiaries for such fiscal year containing, on a consolidated basis, balance sheets and statements of income, retained earnings, and cash flow as at the end of such fiscal year and for the annual period then ended, in each case setting forth in comparative form the figures for the preceding fiscal year, all in reasonable detail and certified by independent certified public accountants of recognized standing acceptable to the Lender, to have been prepared in accordance with GAAP and containing no material qualifications or limitations on scope and to fairly and accurately present (subject to year-end audit adjustments) the financial condition and results of operations of Quest Resource Holding Corporation and its Subsidiaries, on a consolidated basis, at the date and for the periods indicated therein.

(b) Furnish to Beneficiaries as soon as available, and in any event within forty five (45) days after the end of each calendar quarter, a copy of an unaudited financial report of Quest Resources Holding Corporation and its Subsidiaries as of the end of such calendar quarter and for the portion of the fiscal year then ended, containing, on a consolidated basis, balance sheets and statements of income, and retained earnings, all in reasonable detail certified by the chief financial officer, treasurer or comparable officer of Quest Resources Holding Corporation to have been prepared in accordance with GAAP and to fairly and accurately present (subject to year-end audit adjustments) the financial condition and results of operations of such entities, on a consolidated basis, at the date and for the periods indicated therein.

Section 16 NO FRAUDULENT TRANSFER. It is the intention of each Guarantor and Beneficiaries that the amount of the Guaranteed Obligations guaranteed by each Guarantor by this Guaranty shall be in, but not in excess of, the maximum amount permitted by fraudulent conveyance, fraudulent transfer, or similar laws applicable to each Guarantor. Accordingly, notwithstanding anything to the contrary contained in this Guaranty or any other agreement or instrument executed in connection with the payment of any of the Guaranteed Obligations, the amount of the Guaranteed Obligations guaranteed by each Guarantor by this Guaranty shall be limited to that amount which after giving effect thereto would not (a) render any Guarantor insolvent, (b) result in the fair saleable value of the assets of any Guarantor being less than the amount required to pay its debts and other liabilities (including contingent liabilities) as they mature, or (c) leave any Guarantor with unreasonably small capital to carry out its business as now conducted and as proposed to be conducted, including its capital needs, as such concepts described in clauses (a), (b) and (c) of this Section 16, are determined under Applicable Law, if the obligations of any Guarantor hereunder would otherwise be set aside, terminated, annulled or avoided for such reason by a court of competent jurisdiction in a proceeding actually pending before such court.

Section 17 SUCCESSORS AND ASSIGNS. This Guaranty is for the benefit of Beneficiaries and their successors and assigns, and, in the event of an assignment of the Guaranteed Obligations in accordance with the provisions of the Loan Agreement, or any part thereof, the rights and remedies hereunder, to the extent applicable to the indebtedness so assigned, may be transferred with such indebtedness. This Guaranty is binding on each Guarantor, and its successors and permitted assigns; provided that, no Guarantor may assign its obligations under this Guaranty without obtaining the prior written consent of the Lender, and any assignment purported to be made without the prior written consent of the Lender shall be null and void.

Section 18 LOAN AGREEMENT. The Loan Agreement, and all of the terms thereof, is incorporated herein by reference, the same as if stated verbatim herein, and each Guarantor agrees that Beneficiaries may exercise any and all rights granted to it under the Loan Agreement and the other Loan Documents without affecting the validity or enforceability of this Guaranty.

Section 19 AMENDMENTS. No amendment or waiver of any provision herein nor consent to any departure therefrom by each Guarantor shall be effective unless the same shall be in writing and signed by Beneficiaries, and then, such amendment, waiver, or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 20 SETOFF RIGHTS. Beneficiaries shall have the right to set off and apply against this Guaranty or the Guaranteed Obligations or both, at any time and without notice to any Guarantor, any and all deposits (general or special, time or demand, provisional or final) or other sums at any time credited by or owing from any Beneficiary to any Guarantor whether or not the Guaranteed Obligations are then due and irrespective of whether or not such Beneficiary shall have made any demand under this Guaranty. As security for this Guaranty and the Guaranteed Obligations, each Guarantor hereby grants Beneficiaries a security interest in all money, instruments, certificates of deposit, and other property of each Guarantor now or hereafter held by Beneficiaries, including, without limitation, property held in safekeeping. In addition to Beneficiaries' right of setoff and as further security for this Guaranty and the Guaranteed Obligations, each Guarantor hereby grants Beneficiaries a security interest in all deposits (general or special, time or demand, provisional or final) and all other accounts of each Guarantor now or hereafter on deposit with or held by Beneficiaries or any or some of them and all other sums at any time credited by or owing from each Beneficiary to each Guarantor. The rights and remedies of Beneficiaries hereunder are in addition to other rights and remedies (including, without limitation, other rights of setoff) which Beneficiaries may have.

Section 21 TIME OF ESSENCE. Time shall be of the essence in this Guaranty with respect to each Guarantor's obligations hereunder.

Section 22 GOVERNING LAW; VENUE; SERVICE OF PROCESS. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and the Applicable Laws of the United States of America. This Agreement has been entered into in Dallas County, Texas, and it shall be performable for all purposes in Dallas County, Texas. Any action or proceeding against Borrower or any Guarantor under or in connection with any of the Loan Documents may be brought in any state or federal court in Dallas County, Texas. Each of Borrower and Guarantor hereby irrevocably (a) submits to the nonexclusive jurisdiction of such courts, and (b) waives any objection it may now or hereafter have as to the venue of any such action or proceeding brought in any such court or that any such court is an inconvenient forum. Borrower and each Guarantor agree that service of process upon it may be made by certified or registered mail, return receipt requested, at its address specified or determined in accordance with the provisions of the Loan Agreement. Nothing herein or in any of the other Loan Documents shall affect the right of the Lender to serve process in any other manner permitted by law or shall limit the right of the Lender to bring any action or proceeding against Borrower or any Guarantor or with respect to any of its Property in courts in other jurisdictions. Any action or proceeding by Borrower or any Guarantor against the Lender shall be brought only in a court located in Dallas County, Texas.

Section 23 COUNTERPARTS. This Guaranty may be executed in multiple counterparts, each of which, for all purposes, shall be deemed an original (including electronic copies), and all of which taken together shall constitute but one and the same instrument.

Section 24 WAIVER OF RIGHT TO TRIAL BY JURY. **EACH GUARANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, PROCEEDING, OR COUNTERCLAIM THAT RELATES TO OR ARISES OUT OF THIS GUARANTY OR ANY OF THE LOAN DOCUMENTS OR THE ACTS OR FAILURE TO ACT OF OR BY ANY BENEFICIARY IN THE ENFORCEMENT OF ANY OF THE TERMS OR PROVISIONS OF THIS GUARANTY OR THE OTHER LOAN DOCUMENTS.**

Section 25 NO ORAL AGREEMENTS. THIS GUARANTY REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS BY THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Section 26 THE LENDER ACTS FOR BENEFICIARIES. The Lender shall (absent written notification by a Beneficiary to the contrary) act for all Beneficiaries for the purposes of making demands hereunder, obtaining information, amending or waiving provisions hereof and otherwise taking action on behalf of the Beneficiaries, and (absent written notice to the contrary) each Guarantor shall be entitled to rely on the authority of the Lender to act for all Beneficiaries without further investigation.

*Remainder of page intentionally left blank.
Signature page to follow.*

EXECUTED as of the date first above written.

GUARANTOR :

QUEST RESOURCE HOLDING CORPORATION, a
Nevada corporation

By: /s/ Laurie L. Latham

Name: Laurie L. Latham

Title: CFO

Address for Notices:

6175 Main Street, Suite 420

Frisco, Texas 75034

Attn: Laurie L. Latham

with a copy to:

Greenberg Traurig, LLP

2375 E. Camelback Road, Suite 700

Phoenix, Arizona 85016

Attn: Robert S. Kant

Signature Page to Guaranty

EARTH911, INC.,
a Delaware corporation

By: /s/ Laurie L. Latham
Name: Laurie L. Latham
Title: CFO

Address for Notices:

6175 Main Street, Suite 420
Frisco, Texas 75034
Attn: Laurie L. Latham

with a copy to:

Greenberg Traurig, LLP
2375 E. Camelback Road, Suite 700
Phoenix, Arizona 85016
Attn: Robert B. Kant

Signature Page to Guaranty

PLEDGE AGREEMENT

THIS PLEDGE AGREEMENT (this “Agreement”) is entered into as of May 9, 2014 by and among Earth911, Inc., a Delaware corporation (including any permitted successors and assigns, the “Debtor”) and Regions Bank (the “Lender”) on behalf of itself and its Affiliates (the “Secured Party”).

PRELIMINARY STATEMENT

QUEST RESOURCE MANAGEMENT GROUP, LLC, a Delaware limited liability company (formerly known as QUEST RECYCLING SERVICES, LLC) (the “Borrower”), and the Lender have previously entered into the Loan Agreement dated as of December 15, 2010 (as it may be amended, supplemented, restated or modified from time to time, the “Loan Agreement”). The Debtor is entering into this Agreement in order to, among other things, induce the Lender to enter into and extend credit to the Borrower under the Loan Agreement.

AGREEMENT

ACCORDINGLY, the Debtor and the Secured Party hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 Terms Defined in Loan Agreement. All capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Loan Agreement.

1.2 Terms Defined in Texas Uniform Commercial Code. Terms defined in the Texas Uniform Commercial Code which are not otherwise defined in this Agreement are used herein as defined in the Texas Uniform Commercial Code as in effect on the date hereof.

1.3 Definitions of Certain Terms Used Herein. As used in this Agreement, in addition to the terms defined in the introductory paragraph and in the Preliminary Statement, the following terms shall have the following meanings:

“Article” means a numbered article of this Agreement, unless another document is specifically referenced.

“Collateral” means (a) all Pledged Securities, and (b) all Securities, Investment Property, Instruments and General Intangibles constituting, evidencing or in respect of Pledged Securities, wherever located and whether presently existing or hereafter created or acquired, in which the Debtor now has or hereafter acquires any right or interest, and the Proceeds, insurance Proceeds and products thereof, and any substitutions therefor and replacements thereof, together with all books and records, computer files, programs, printouts and other computer materials and records related thereto.

“Control” shall have the meaning set forth in Section 8.106 or 9.106, as applicable, of the UCC.

“Debtor Relief Laws” means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“General Intangibles” means any “general intangibles”, as the term is defined in Section 9.102(a)(42) of the UCC.

“Instrument” means any “instrument”, as such term is defined in Section 9.102(a)(47) of the UCC.

“Investment Property” means any “investment property”, as such term is defined in Section 9.102(a)(49) of the UCC.

“Pledged Securities” means 50% of all membership interests in Borrower in which the Debtor now or hereafter has any interest, including the membership interests of the Borrower owned by the Debtor as set forth on Schedule 1, together with the certificates (or other agreements or instruments), if any, representing such membership interests, and all options and other rights, contractual or otherwise, with respect thereto, including, but not limited to, the following:

(a) all equity interests representing a non-cash dividend thereon, or representing a distribution or return of capital upon or in respect thereof, or resulting from a revision, reclassification or other exchange therefor, and any subscriptions, warrants, rights or options issued to the holder thereof, or otherwise in respect thereof; and

(b) in the event of any consolidation or merger involving the issuer thereof and in which such issuer is not the surviving Person, all shares of each class of the equity interests of the successor Person formed by or resulting from such consolidation or merger.

“Proceeds” means any “Proceeds,” as such term is defined in Section 9.102(a)(65) of the UCC and, in any event, shall include, but not be limited to, (a) any and all Proceeds of any insurance, indemnity, warranty, or guaranty payable to the Debtor from time to time with respect to any of the Collateral, (b) any and all payments (in any form whatsoever) made or due and payable to the Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure, or forfeiture of all or any part of the Collateral by any Governmental Authority (or any person acting under color of Governmental Authority), and (c) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

“Schedule” refers to a specific schedule to this Agreement, unless another document is specifically referenced.

“Section” means a numbered Section of this Agreement, unless another document is specifically referenced.

“Secured Obligations” means the Obligations, including without limitation any such Obligations incurred or accrued during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, whether or not allowed or allowable in such proceeding.

“Security” has the meaning set forth in 8.102(a)(15) of the UCC.

“UCC” means the Uniform Commercial Code as in effect in the State of Texas, as the same has been or may be amended or revised from time to time, or, if so required with respect to any particular Collateral by mandatory provisions of applicable law, as in effect in the jurisdiction in which such Collateral is located.

The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms.

ARTICLE II

GRANT OF SECURITY INTEREST

2.1 Security Interest. The Debtor hereby pledges, assigns and grants to the Secured Party, a continuing security interest in all of the Debtor’s right, title and interest in and to the Collateral to secure the prompt and complete payment and performance of the Secured Obligations. If the security interest granted hereby in any rights of the Debtor under any contract included in the Collateral is expressly prohibited by such contract, then the security interest hereby granted therein nonetheless remains effective to the extent allowed by Article or Chapter 9 of the UCC or other applicable law but is otherwise limited by that prohibition.

2.2 Debtor Remains Liable. Notwithstanding anything to the contrary contained herein, (a) the Debtor shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein to perform all of its respective duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Secured Party of any of its rights hereunder shall not release the Debtor from any of its duties or obligations under the contracts and agreements included in the Collateral, and (c) the Secured Party shall not have any obligation or liability under any of the contracts and agreements included in the Collateral by reason of this Agreement, nor shall the Secured Party be obligated to perform any of the obligations or duties of the Debtor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

2.3 Authorization to File Financing Statements. The Debtor hereby irrevocably authorizes the Secured Party at any time and from time to time to file in any UCC jurisdiction any initial financing statements and amendments thereto that contain any information required by subchapter E of Chapter 9 of the UCC for the sufficiency or filing office acceptance of any financing statement or amendment. The Debtor agrees to furnish any such information to the Secured Party promptly upon request.

2.4 Limitation on Liability. Notwithstanding any provision to the contrary contained herein or in any other of the Loan Documents, the obligations of the Debtor under this Agreement and the other Loan Documents shall be limited to an aggregate amount equal to the largest amount that would not render such obligations subject to avoidance under the Debtor Relief Laws or any comparable provisions of any applicable state law.

2.5 Forte Collateral and Dick Collateral. The Secured Party acknowledges that the Secured Party is aware that the Debtor is a party to the following documents: (a) the Security and Membership Interest Pledged Agreement, dated July 16, 2013, executed by Debtor, as pledgor, and Jeff Forte, as secured party, pursuant to which Debtor granted Jeff Forte a security interest in various collateral, including 25% of the membership interests in Borrower owned by Debtor (collectively, the “Forte Collateral”) and (b) the Security and Membership Interest Pledged Agreement, dated July 16, 2013, executed by Debtor, as pledgor, and Brian Dick, as secured party, pursuant to which Debtor granted Brian Dick a security interest in various collateral, including 25% of the membership interests in Borrower owned by Debtor (collectively, the “Dick Collateral”). Notwithstanding anything in this Agreement or any of the other Loan Documents to the contrary, the Secured Party acknowledges and agrees that the “Collateral” referenced in this Agreement does not include any of the Forte Collateral or any of the Dick Collateral.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

The Debtor represents and warrants to the Secured Party that:

3.1 Title, Authorization, Validity and Enforceability. The Debtor has good and valid rights in and title to the Collateral with respect to which it has purported to grant a security interest hereunder, free and clear of all Liens except for Liens permitted under Section 4.1.6, and has full power and authority to grant to the Secured Party the security interest in such Collateral pursuant hereto. The execution and delivery by the Debtor of this Agreement has been duly authorized by proper corporate proceedings, and this Agreement constitutes a legal, valid and binding obligation of the Debtor and creates a security interest which is enforceable against the Debtor in all now owned and hereafter acquired Collateral. With respect to Pledged Securities issued by a limited liability company the organizational documents of which do not provide that the equity interests of such Person are a security (as provided in Article 8 of the UCC), when a financing statement has been filed in the appropriate offices against the Debtor in the locations listed on Schedule 2, the Secured Party will have a fully perfected first priority security interest in that Collateral in which a security interest may be perfected by filing. With respect to Pledged Securities issued by a limited liability company the organizational documents of which provide that the equity interests of such Person are a security (as provided in Article 8 of the UCC), upon receipt by Secured Party of certificates evidencing such Pledged Securities, Secured Party shall have a fully perfected first priority security interest in such Pledged Securities.

3.2 Conflicting Laws and Contracts. Neither the execution and delivery by the Debtor of this Agreement, the creation and perfection of the security interest in the Collateral granted hereunder, nor compliance with the terms and provisions hereof will violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Debtor or the issuer of the Collateral or such issuer’s articles of organization, certificate of limited partnership, certificate of formation, operating agreement, or other charter documents, as the case may be, the provisions of any indenture, instrument or agreement to which the Debtor or such issuer is a party or is subject, or by which it, or its property, is bound, or conflict with or constitute a default thereunder, or result in the creation or imposition of any Lien pursuant to the terms of any indenture, instrument or agreement (other than any Lien of the Secured Party).

3.3 Principal Location. The Debtor's mailing address, and the location of its chief executive office and of the books and records, are disclosed in Schedule 2, and each additional place of business is set forth in Schedule 2.

3.4 Litigation. There is no litigation investigation or governmental proceeding threatened against the Debtor or any of its properties which if adversely determined would materially and adversely affect the Collateral.

3.5 No Default. No Default exists under any Loan Document to which Debtor is a party.

3.6 No Financing Statements. No financing statement describing all or any portion of the Collateral which has not lapsed or been terminated naming the Debtor as debtor has been filed in any jurisdiction except financing statements naming the Secured Party as the secured party.

3.7 Pledged Securities and Other Investment Property. Schedule 1 sets forth a complete and accurate list of all equity interests issued by Borrower in which Debtor has any interest, together with each certificate or other Instrument, if applicable, evidencing such interest. The Debtor is the direct and beneficial owner of each equity interest, Instrument, Security and other type of Investment Property listed on Schedule 1 as being owned by it, free and clear of any Liens, except for the security interest granted to the Secured Party hereunder. All such equity interests, certificates, Instruments, Securities or other types of Investment Property which are shares of stock in a corporation or ownership interests in a partnership or limited liability company have been (to the extent such concepts are relevant with respect to such equity interests, certificates, Instrument, Security or other type of Investment Property) duly and validly issued, are fully paid and non-assessable. Schedule 1 identifies whether Borrower is a partnership or limited liability company the organizational documents of which provide that the equity interests of Borrower are a Security as defined in Chapter 8 of the UCC.

3.8 No Transfer Restrictions. No Collateral is subject to any restriction or prohibition on the grant of a security interest in such Collateral, the foreclosure of such security interest or other exercise of remedies with respect to such Collateral, the transfer of ownership interest in such Collateral and the exercise of all rights as a holder of such Collateral (including all rights as a member or other owner of equity interests of Borrower) that have not been effectively waived.

ARTICLE IV

COVENANTS

From the date of this Agreement, and thereafter until this Agreement is terminated:

4.1 General.

4.1.1 Inspection. The Debtor will permit the Secured Party, by its representatives and agents, upon reasonable advance notice (a) to inspect the Collateral, (b) to examine and make copies of the records of the Debtor relating to the Collateral and (c) to discuss the Collateral and the related records of the Debtor with, and to be advised as to the same by, the issuer of such Collateral and such issuer's officers and employees, all at such reasonable times and intervals as the Secured Party may determine, and all at the Debtor's expense.

4.1.2 Taxes. The Debtor will pay when due all taxes, assessments and governmental charges and levies upon the Collateral, except those which are being contested in good faith by appropriate proceedings and with respect to which no Lien exists.

4.1.3 Records and Reports; Notification of Event of Default. The Debtor will maintain complete and accurate books and records with respect to the Collateral, and furnish to the Secured Party such reports relating to the Collateral as the Secured Party shall from time to time reasonably request. The Debtor will give prompt notice in writing to the Secured Party of the occurrence of any development, financial or otherwise, which might materially and adversely affect the Collateral. If reasonably requested by the Secured Party, the Debtor shall mark its books and records to reflect the security interest of the Secured Party under this Agreement.

4.1.4 Financing Statements and Other Actions; Defense of Title. The Debtor will execute and deliver to the Secured Party all financing statements, control agreement and other documents and take such other actions as may from time to time be reasonably requested by the Secured Party in order to maintain a perfected first priority security interest in and, in the case of Investment Property, Control of, the Collateral. The Debtor will take any and all commercially reasonable actions necessary to defend title to the Collateral against all persons and to defend the security interest of the Secured Party in the Collateral and the priority thereof against any Lien not expressly permitted hereunder.

4.1.5 Disposition of Collateral. The Debtor will not sell, lease or otherwise dispose of the Collateral except dispositions specifically permitted pursuant to the Loan Agreement.

4.1.6 Liens. The Debtor will not create, incur, or suffer to exist any Lien on the Collateral except the security interest created by this Agreement.

4.1.7 Change in Location, Jurisdiction of Organization or Name. The Debtor will not (a) maintain records relating to the Collateral at a location other than at the location specified on Schedule 2, (b) change its name or taxpayer identification number, (c) change its mailing address, or (d) change its jurisdiction of organization, unless the Debtor shall have given the Secured Party not less than 30 days prior written notice thereof, and Debtor has taken such action as Secured Party may request and Secured Party has taken such action as Secured Party shall have determined as necessary to maintain the validity, perfection and priority of the Secured Party's security interest in the Collateral.

4.1.8 Other Financing Statements. The Debtor will not file or authorize the filing on its behalf or the filing of any financing statement naming it as debtor covering all or any portion of the Collateral.

4.2 Instruments and Securities. The Debtor will (a) deliver to the Secured Party immediately upon execution of this Agreement the originals of all certificates, Securities and Instruments (if any then exist) included in Collateral, and (b) hold in trust for the Secured Party upon receipt and immediately thereafter deliver to the Secured Party any certificates, Securities and Instruments evidencing or constituting Collateral. The Debtor shall cause each certificate or Instrument evidencing or constituting Collateral to be issued in form acceptable to Secured Party (including no legend or other provision not acceptable to Secured Party). The Debtor shall cause each such certificate or Instrument to be delivered with a stock or other appropriate power, undated and executed in blank.

4.3 Uncertificated Securities and Certain Other Investment Property. The Debtor will take any actions necessary to cause (a) the issuers of uncertificated securities which are Collateral and which are Securities and equity interests and (b) any financial intermediary which is the holder of any Investment Property, to cause the Secured Party to have and retain Control over such Securities or other Investment Property and equity interests. Without limiting the foregoing, the Debtor will, with respect to Investment Property held with a financial intermediary, take commercially reasonable efforts to cause such financial intermediary to enter into a control agreement with the Secured Party in form and substance reasonably satisfactory to the Secured Party.

4.4 Ownership Interests.

4.4.1 Changes in Capital Structure of Issuers. The Debtor will not, except as permitted under the Loan Agreement (a) permit or suffer any affiliated issuer of any equity interests or other ownership interests in a limited liability company constituting Collateral to dissolve, liquidate, retire any of its equity interests or other Instruments or Securities evidencing ownership, reduce its capital or merge or consolidate with any other entity, or (b) vote any of the equity interests, Instruments, Securities or other Investment Property in favor of any of the foregoing.

4.4.2 Issuance of Additional Securities and Equity Interests. The Debtor will not permit or suffer the affiliated issuer of any equity interests, corporate securities or other ownership interests in a limited liability company constituting Collateral to issue any such equity interests, securities or other ownership interests, any right to receive the same or any right to receive earnings, unless the Debtor's percentage interest in all equity interests of such issuer remains the same after giving effect thereto or all of the Debtor's interests in all equity interests are pledged to Secured Party, subject to Section 2.5 hereof, and in each case the Debtor complies with the provisions of this Agreement with respect to such equity interests and other ownership interests.

4.4.3 Exercise of Rights in Pledged Securities and other Investment Property. The Debtor will permit the Secured Party or its nominee at any time after the occurrence and during the continuance of an Event of Default, without notice, to exercise all voting and other rights relating to the Collateral, including, without limitation, exchange, subscription or any other rights, privileges, or options pertaining to any equity interests or other ownership interests or Investment Property in or of a limited liability company constituting Collateral as if it were the absolute owner thereof.

4.4.4 Issuance of Securities. Debtor shall not permit any ownership interests in a limited liability company which are included within the Collateral to at any time constitute a Security or consent to the issuer of any such interests taking any action to have such interests treated as a Security unless (a) all certificates or other documents constituting such Security have been delivered to the Secured Party and such Security is properly defined as such under Chapter 8 of the UCC of the applicable jurisdiction, whether as a result of actions by the issuer thereof or otherwise, or (b) the Secured Party has entered into a control agreement with the issuer of such Security or with a securities intermediary relating to such Security and such Security is defined as such under Chapter 8 of the UCC of the applicable jurisdiction, whether as a result of actions by the issuer thereof or otherwise.

4.5 Further Assurances. At any time and from time to time, upon the request of the Secured Party, and at the sole expense of the Debtor, Debtor shall promptly execute and deliver all such further instruments and documents and take such further action as the Secured Party may reasonably deem necessary or desirable to preserve and perfect its security interest in the Collateral and priority thereof and carry out the provisions and purposes of this Agreement, including, without limitation, the execution and filing of such financing statements as the Secured Party may reasonably require. A carbon, photographic, or other reproduction of this Agreement or of any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement and may be filed as a financing statement.

ARTICLE V

DEFAULT

5.1 Acceleration and Remedies. Upon the occurrence and during the continuation of an Event of Default under the Loan Agreement or any other Loan Document, the Secured Party may exercise any or all of the following rights and remedies:

5.1.1 Those rights and remedies provided in this Agreement, the Loan Agreement, or any other Loan Document, provided that this Section 5.1.1 shall not be understood to limit any rights or remedies available to the Secured Party prior to an Event of Default that by their terms are not so limited.

5.1.2 Those rights and remedies available to a secured party under the UCC (whether or not the UCC applies to the affected Collateral) or under any other applicable law (including, without limitation, any law governing the exercise of a bank's right of setoff or bankers' Lien) when a debtor is in default under a security agreement.

5.1.3 Without notice except as specifically provided in Section 8.1 or elsewhere herein, sell, lease, assign, grant an option or options to purchase or otherwise dispose of the Collateral or any part thereof in one or more parcels at public or private sale, for cash, on credit or for future delivery, and upon such other terms as the Secured Party may deem commercially reasonable.

5.2 Debtor's Obligations Upon Event of Default. Upon the request of the Secured Party after the occurrence of an Event of Default, the Debtor will:

5.2.1 Assembly of Collateral. Assemble and make available to the Secured Party the Collateral and all records relating thereto at any place or places specified by the Secured Party.

5.2.2 The Secured Party's Access. Permit the Secured Party, by the Secured Party's representatives and agents, to enter any premises where all or any part of the Collateral, or the books and records relating thereto, or both, are located, to take possession of all or any part of the Collateral and to remove all or any part of the Collateral.

ARTICLE VI

WAIVERS, AMENDMENTS AND REMEDIES

No delay or omission of the Secured Party to exercise any right or remedy granted under this Agreement shall impair such right or remedy or be construed to be a waiver of any Event of Default, or an acquiescence therein, and any single or partial exercise of any such right or remedy shall not preclude any other or further exercise thereof or the exercise of any other right or remedy. No waiver, amendment or other variation of the terms, conditions or provisions of this Agreement whatsoever shall be valid unless in writing signed by the Secured Party and then only to the extent in such writing specifically set forth. All rights and remedies contained in this Agreement or by law afforded shall be cumulative and all shall be available to the Secured Party until the Secured Obligations have been paid in full.

ARTICLE VII

PROCEEDS

7.1 Application of Proceeds. After the occurrence and during the continuation of an Event of Default, the Proceeds of the Collateral shall be applied by the Secured Party to payment of the Secured Obligations in such manner and order as the Secured Party may elect in its sole discretion.

ARTICLE VIII

GENERAL PROVISIONS

8.1 Notice of Disposition of Collateral. To the extent notice of the time and place of any public sale or the time after which any private sale or other disposition of all or any part of the Collateral may not be waived under applicable law, any notice made shall be deemed reasonable if sent to the Debtor, addressed as set forth in Article IX, at least 10 days prior to (a) the date of any such public sale or (b) the time after which any such private sale or other disposition may be made.

8.2 [Reserved].

8.3 The Secured Party Performance of Debtor's Obligations. Without having any obligation to do so, the Secured Party may perform or pay any obligation which the Debtor has agreed to perform or pay in this Agreement and Debtor shall, reimburse the Secured Party for any amounts paid by the Secured Party pursuant to this Section 8.3. The Debtor's obligation to reimburse the Secured Party pursuant to the preceding sentence shall be a Secured Obligation payable on demand.

8.4 Authorization for the Secured Party to Take Certain Action. The Debtor irrevocably authorizes the Secured Party at any time and from time to time in the sole discretion of the Secured Party and appoints the Secured Party as its attorney in fact during the existence of an Event of Default (a) to execute on behalf of the Debtor as debtor and to file financing statements and amendments and continuations thereto necessary or desirable in the Secured Party's sole discretion to perfect and to maintain the perfection and priority of the Secured Party's security interest in the Collateral, (b) to indorse and collect any cash Proceeds of the Collateral, (c) to file a carbon, photographic or other reproduction of this Agreement or any financing statement with respect to the Collateral as a financing statement in such offices as the Secured Party in its sole discretion deems necessary or desirable to perfect and to maintain the perfection and priority of the Secured Party's security interest in the Collateral, (d) to contact and enter into one or more agreements with the issuers of Collateral with financial intermediaries holding other Investment Property included in Collateral as may be necessary or advisable to give the Secured Party Control over such Securities or other Investment Property and the rights intended by this Agreement with respect to all Collateral, (e) to apply the Proceeds of any Collateral received by the Secured Party to the Secured Obligations as provided in Article VII, and (f) to discharge past due taxes, assessments, charges, fees or Liens on the Collateral, and the Debtor agrees to reimburse the Secured Party on demand for any payment made or any expense incurred by the Secured Party in connection therewith, provided that this authorization shall not relieve the Debtor of any of its obligations under this Agreement or under any other Loan Document.

8.5 Specific Performance of Certain Covenants. The Debtor acknowledges and agrees that a breach of any of the covenants contained in Sections 4.1.4, 4.1.6, 4.2 or 8.6 will cause irreparable injury to the Secured Party, that the Secured Party has no adequate remedy at law in respect of such breaches and therefore agrees, without limiting the right of the Secured Party to seek and obtain specific performance of other obligations of the Debtor contained in this Agreement, that the covenants of the Debtor contained in the Sections referred to in this Section 8.5 shall be specifically enforceable against the Debtor.

8.6 Dispositions Not Authorized. The Debtor is not authorized to sell or otherwise dispose of the Collateral except as set forth in Section 4.1.5 and notwithstanding any course of dealing between the Debtor and the Secured Party or other conduct of the Secured Party, no authorization to sell or otherwise dispose of the Collateral (except as set forth in Section 4.1.5) shall be binding upon the Secured Party unless such authorization is in writing signed by the Secured Party.

8.7 Benefit of Agreement. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the Debtor, the Secured Party and their respective successors and assigns, except that the Debtor shall not have the right to assign its rights or delegate its obligations under this Agreement or any interest herein, without the prior written consent of the Secured Party.

8.8 Survival of Representations. All representations and warranties of the Debtor contained in this Agreement shall survive the execution and delivery of this Agreement.

8.9 Taxes and Expenses. Any taxes (including income taxes) payable or ruled payable by federal or state authority in respect of this Agreement shall be paid by the Debtor, together with interest and penalties, if any. Debtor shall reimburse the Secured Party for any and all reasonable out-of-pocket expenses and internal charges (including reasonable attorneys', auditors' and accountants' fees and reasonable time charges of attorneys, paralegals, auditors and accountants who may be employees of the Secured Party) paid or incurred by the Secured Party in connection with the preparation, execution, delivery, administration, collection and enforcement of this Agreement and in the audit, analysis, administration, collection, preservation or sale of the Collateral (including the reasonable expenses and charges associated with any periodic or special audit of the Collateral). Any and all costs and expenses incurred by the Debtor in the performance of actions required pursuant to the terms hereof shall be borne solely by the Debtor.

8.10 Headings. The title of and section headings in this Agreement are for convenience of reference only, and shall not govern the interpretation of any of the terms and provisions of this Agreement.

8.11 Termination. This Agreement shall continue in effect (notwithstanding the fact that from time to time there may be no Secured Obligations outstanding) until (a) the Loan Agreement has terminated pursuant to its express terms and (b) all of the Secured Obligations have been indefeasibly paid and performed in full and no commitments of the Secured Party which would give rise to any Secured Obligations are outstanding.

8.12 Entire Agreement. This Agreement embodies the entire agreement and understanding between the Debtor and the Secured Party relating to the Collateral and supersedes all prior agreements and understandings between the Debtor and the Secured Party relating to the Collateral.

8.13 CHOICE OF LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF TEXAS, BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

8.14 INDEMNITY. THE DEBTOR HEREBY AGREES TO INDEMNIFY SECURED PARTY AND ITS RESPECTIVE SUCCESSORS, ASSIGNS, AGENTS, ATTORNEYS, AND EMPLOYEES, FROM AND AGAINST ANY AND ALL LIABILITIES, DAMAGES, PENALTIES, SUITS, COSTS, AND EXPENSES OF ANY KIND AND NATURE (INCLUDING, WITHOUT LIMITATION, ALL EXPENSES OF LITIGATION OR PREPARATION THEREFOR WHETHER OR NOT SECURED PARTY IS A PARTY THERETO) IMPOSED ON, INCURRED BY OR ASSERTED AGAINST SECURED PARTY OR THEIR RESPECTIVE SUCCESSORS, ASSIGNS, AGENTS, ATTORNEYS, AND EMPLOYEES, IN ANY WAY RELATING TO OR ARISING OUT OF THIS AGREEMENT, OR THE MANUFACTURE, PURCHASE, ACCEPTANCE, REJECTION, OWNERSHIP, DELIVERY, LEASE, POSSESSION, USE, OPERATION, CONDITION, SALE, RETURN OR OTHER DISPOSITION OF ANY COLLATERAL (INCLUDING, WITHOUT LIMITATION, LATENT AND OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE BY THE SECURED PARTY OR THE DEBTOR, AND ANY CLAIM FOR PATENT, TRADEMARK OR COPYRIGHT INFRINGEMENT). WITHOUT LIMITING ANY PROVISION OF THIS AGREEMENT, IT IS THE EXPRESS INTENTION OF THE PARTIES HERETO THAT EACH PERSON TO BE INDEMNIFIED UNDER THIS SECTION SHALL BE INDEMNIFIED FROM AND HELD HARMLESS AGAINST ANY AND ALL LOSSES, LIABILITIES, CLAIMS, DAMAGES, PENALTIES, JUDGMENTS, DISBURSEMENTS, COSTS, AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) ARISING OUT OF OR RESULTING FROM THE SOLE CONTRIBUTORY OR ORDINARY NEGLIGENCE OF SUCH PERSON; PROVIDED, HOWEVER, NO PERSON SHALL BE INDEMNIFIED HEREUNDER FOR ITS OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

ARTICLE IX

NOTICES

9.1 Sending Notices. Any notice required or permitted to be given under this Agreement shall be sent (and deemed received) to the addresses set forth on the signature pages hereto in the manner set forth in the Loan Agreement. All such notices to the Debtor hereunder shall be given or made at the appropriate address or telecopier number of the Debtor in accordance with the Loan Agreement.

9.2 Change in Address for Notices. The Debtor and the Secured Party may change the address for service of notice upon it by a notice in writing to the other parties.

IN WITNESS WHEREOF, the Debtor and the Secured Party have executed this Agreement as of the date first above written.

DEBTOR:

EARTH911, INC.,
a Delaware corporation

By: /s/ Laurie L. Latham

Name: Laurie L. Latham
Title: CFO

Address for Notices:

6175 Main Street, Suite 420
Frisco, Texas 75034
Attn: Laurie L. Latham
Fax No.: 866-892-7478
Telephone No: 972-464-0011

with a copy to:

Greenberg Traurig, LLP
2375 E. Camelback Road, Suite 700
Phoenix, Arizona 85016
Attn: Robert S. Kant
Fax No.: 602-445-8100
Telephone No: 602-445-8302

Signature Page to Pledge Agreement

SECURED PARTY:

REGIONS BANK

By: /s/ Catherine M. Young
Name: Catherine M. Young
Title: SVP

Address for Notices: 1717 McKinney Avenue, Suite
1100 Dallas, Texas 75202

Fax No.: _____
Telephone No.: 469-608-2731
Attention: Catherine M. Young

Signature Page to Security Agreement

SCHEDULE 1

List of Membership Interests

Debtor: EARTH911, INC., a Delaware corporation

Issuer Name: QUEST RESOURCE MANAGEMENT GROUP, LLC

Jurisdiction of Organization of Issuer: Delaware

Issuer Entity Type: Limited Liability Company

Equity Interests of issuer owned by Debtor: 100%; provided, however, that only 50% are pledged pursuant to the terms of this Agreement

Certificates representing

Equity Interest of issuer: NONE

Organization documents of issuer

provide that Equity Interest of issuer

is a security: NO

Schedule 1 – Page 1

SCHEDULE 2

Principal Place of Business and Mailing Address; Location of Records

Principal Place of Business and Mailing Address:

6175 Main Street
Suite 420
Frisco, Texas 75034

Location of Records (if different from Principal Place
of Business above):

Same

Other Business Locations, if any:

1375 N. Scottsdale Road
Suite 140
Scottsdale, Arizona 85257