

TRADEMARK ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE: NEW ASSIGNMENT

NATURE OF CONVEYANCE: Security Agreement

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
DelStar Technologies, Inc.		12/02/2005	CORPORATION:
US Netting, Inc.		12/02/2005	CORPORATION:

RECEIVING PARTY DATA

Name:	American Capital Financial Services, Inc.
Street Address:	461 Fifth Avenue, 25th Floor
City:	New York
State/Country:	NEW YORK
Postal Code:	10017
Entity Type:	CORPORATION:

PROPERTY NUMBERS Total: 13

Property Type	Number	Word Mark
Registration Number:	910990	DELNET
Registration Number:	2300773	DELPORÉ
Registration Number:	2300774	DELSORB
Registration Number:	2330233	DELGUARD
Registration Number:	1370201	DURONET
Registration Number:	1394059	FLEX-GUARD
Registration Number:	2685561	HAIL GUARD
Registration Number:	789254	NALTEX
Registration Number:	1394058	TEXLINER
Registration Number:	1390783	SPIRO-TEX
Registration Number:	1383814	SOFTLINER
Registration Number:	2231333	SHUR-GRIP
Registration Number:	2192570	STRATEX

CH \$340.00 910990

900037866

TRADEMARK
REEL: 003210 FRAME: 0383

CORRESPONDENCE DATA

Fax Number: (212)310-8007

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

Email: mark.mclaughlin@weil.com, phyllis.eremitaggio@weil.com

Correspondent Name: Weil, Gotshal&Manges c/o Mark McLaughlin

Address Line 1: 767 5th Avenue

Address Line 4: New York, NEW YORK 10153

ATTORNEY DOCKET NUMBER:	14082.0117
NAME OF SUBMITTER:	Mark McLaughlin
Signature:	/Mark McLaughlin/
Date:	12/14/2005
<p>Total Attachments: 6</p> <p>source=Delstar 1st Lien TM new#page1.tif</p> <p>source=Delstar 1st Lien TM new#page2.tif</p> <p>source=Delstar 1st Lien TM new#page3.tif</p> <p>source=Delstar 1st Lien TM new#page4.tif</p> <p>source=Delstar 1st Lien TM new#page5.tif</p> <p>source=Delstar 1st Lien TM new#page6.tif</p>	

TRADEMARK SECURITY AGREEMENT

TRADEMARK SECURITY AGREEMENT, dated as of December 2, 2005, by each of the entities listed on the signature pages hereof (or that becomes a party hereto pursuant to Section 7.14 of the First Lien Pledge and Security Agreement referred to below) (each a "Grantor" and, collectively, the "Grantors"), in favor of American Capital Financial Services, Inc. ("ACFS"), as agent for the Secured Parties (as defined in the First Lien Pledge and Security Agreement referred to below) (in such capacity, the "First Lien Agent").

RECITALS:

A. Pursuant to the Credit Agreement dated as of December 2, 2005 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among DelStar, Inc. (the "Parent"), DelStar Holding Corp. ("Holding"), DelStar Technologies, Inc. (the "Borrower"), the Subsidiary Guarantors (as defined in the Credit Agreement), the Lenders (as defined in the Credit Agreement) at any time party thereto, and ACFS as administrative agent and collateral agent for the Lenders, the Lenders have severally agreed to make extensions of credit to the Borrower upon the terms and subject to the conditions set forth therein;

B. Parent, Holding and the Subsidiary Guarantors have guaranteed the Obligations pursuant to that certain Guaranty dated as of December 2, 2005, by and among Parent, Holding, the Subsidiary Guarantors and each of the other entities listed on the signature pages thereof that becomes party thereto (together with Parent and Holding, the "Guarantors"), in favor of the First Lien Agent as administrative and collateral agent for the Lenders from time to time party to the Credit Agreement; and

C. All the Grantors are party to that certain First Lien Pledge and Security Agreement dated as of December 2, 2005 (the "First Lien Pledge and Security Agreement") in favor of the First Lien Agent pursuant to which the Grantors are required to execute and deliver this Trademark Security Agreement;

NOW, THEREFORE, in consideration of the premises and to induce the Lenders and the First Lien Agent to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower thereunder, each Grantor hereby agrees with the First Lien Agent as follows:

SECTION 1. DEFINED TERMS

1.1 Unless otherwise defined herein, terms defined in the Credit Agreement or in the First Lien Pledge and Security Agreement, as the case may be, and used herein have the meaning given to them in the Credit Agreement or the First Lien Pledge and Security Agreement, as the case may be.

SECTION 2. GRANT OF SECURITY INTEREST IN TRADEMARK COLLATERAL

2.1 Each Grantor, as collateral security for the full, prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Obligations of such Grantor, hereby mortgages, pledges and hypothecates to the First Lien Agent, for the benefit of the Secured Parties, and grants to the First Lien Agent, for the benefit of the Secured Parties, a lien on and security interest in, all of its right, title and interest in, to and under the following Collateral of such Grantor (the "Trademark Collateral"):

(a) all of its Trademarks and Trademark Licenses to which it is a party, including, without limitation, those referred to on Schedule I hereto;

(b) all reissues, continuations or extensions of such Trademarks and Trademark Licenses;

(c) all goodwill of the business connected with the use of, and symbolized by, each Trademark and each Trademark License; and

(d) all Proceeds of such Trademarks and Trademark Licenses, including, without limitation, any claim by Grantor against third parties for past, present, future (i) infringement or dilution of any Trademark or Trademark licensed under any Trademark License or (ii) injury to the goodwill associated with any Trademark or any Trademark licensed under any Trademark License.

SECTION 3. FIRST LIEN PLEDGE AND SECURITY AGREEMENT

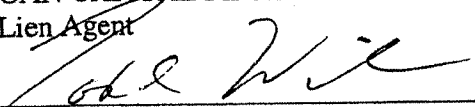
3.1 The security interest granted pursuant to this Trademark Security Agreement is granted in conjunction with the security interest granted to the First Lien Agent pursuant to the First Lien Pledge and Security Agreement and each Grantor hereby acknowledges and affirms that the rights and remedies of the First Lien Agent with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the First Lien Pledge and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

* * *

[Signatures Pages Follow]

ACCEPTED AND AGREED
as of the date first above written:

AMERICAN CAPITAL FINANCIAL SERVICES, INC.,
as First Lien Agent

By 

Name:

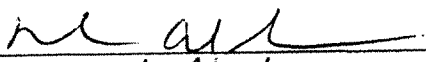
Title:

First Lien IP Security Agreement Signature Page

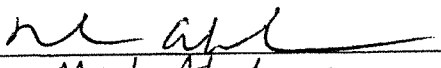
IN WITNESS WHEREOF, each Grantor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

Very truly yours,

DELSTAR TECHNOLOGIES, INC.
as Grantor

By 
Name: Mark Abraham
Title: President + CEO

U.S. NETTING, INC.
as Grantor

By 
Name: Mark Abraham
Title: President + CEO

**SCHEDULE
TO
TRADEMARK SECURITY AGREEMENT
INTELLECTUAL PROPERTY**

Trademark	Country	Owner	Status	Registration Number	Registration Date
DELNET	United States	DelStar Technologies, Inc.	Registered	910,990	April 6, 1971
DELPORÉ	United States	DelStar Technologies, Inc.	Registered	2,300,773	December 14, 1999
STRATEX	United States	DelStar Technologies, Inc.	Registered	2,192,570	September 29, 1998
DELSORB	United States	DelStar Technologies, Inc.	Registered	2,300,774	December 14, 1999
DELGUARD	United States	DelStar Technologies, Inc.	Registered		
DURONET	United States	U.S. Netting, Inc.	Registered	1,370,201	November 12, 1985
FLEX-GUARD	United States	U.S. Netting, Inc.	Registered	1,394,059	May 20, 1986
HAIL GUARD	United States	U.S. Netting, Inc.	Registered	2,685,561	February 11, 2003
NALTEX	United States	U.S. Netting, Inc.	Registered	789,254	May 11, 1965
TEXLINER	United States	U.S. Netting, Inc.	Registered	1,394,058	May 20, 1986
SPIRO-TEX	United States	U.S. Netting, Inc.	Registered	1,390,783	April 22, 1986
SOFTLINER	United States	U.S. Netting, Inc.	Registered	1,383,814	February 18, 1986
SHUR-GRIP	United States	U.S. Netting, Inc.	Registered	2,231,333	March 16, 1999