

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
NexCycle Plastics Inc.		08/29/2008	CORPORATION: ONTARIO
RECEIVING PARTY DATA			
Name:	Comerica Bank		
Street Address:	39200 W. Six Mile Road		
City:	Livonia		
State/Country:	MICHIGAN		
Postal Code:	48152		
Entity Type:	Banking Association: TEXAS		
PROPERTY NUMBERS Total: 2			
Property Type	Number	Word Mark	
Registration Number:	3034516	NPI	
Registration Number:	3182499	NPI	
CORRESPONDENCE DATA			
Fax Number:	(734)930-2494		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	734-761-3780		
Email:	asujek@bodmanllp.com		
Correspondent Name:	Angela Alvarez Sujek - Bodman LLP		
Address Line 1:	201 S. Division Street, Suite 400		
Address Line 4:	Ann Arbor, MICHIGAN 48104		
ATTORNEY DOCKET NUMBER:	39138-1 SMI		
NAME OF SUBMITTER:	Angela Alvarez Sujek		
Signature:	/Angela Alvarez Sujek/		
Date:	09/16/2008		

OP \$65.00 3034516

Total Attachments: 6

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CANADIAN IP AGREEMENT

(Trade-mark)

THIS CANADIAN IP AGREEMENT (TRADE-MARK) (this "Agreement"), dated as of August 29, 2008 between Nexcycle Plastics Inc. (the "Debtor") and Comerica Bank, as Administrative Agent for the Lenders (as defined below), Arranger, Syndication Agent and Documentation Agent ("Secured Party").

WITNESSETH

A. WHEREAS, pursuant to that certain Revolving Credit and Term Loan Agreement made as of August 29, 2008, (as amended, restated or otherwise modified from time to time, the "Credit Agreement") by and among Strategic Materials Holding Corp., a Delaware corporation ("SMHC"), Strategic Materials, Inc., a Delaware corporation ("SMI", and together with SMHC, the "U.S. Borrowers"), and NexCycle Canada Ltd., a corporation incorporated under the laws of Ontario, Canada ("Canadian Borrower" and collectively with the U.S. Borrowers, the "Borrowers"), the financial institutions from time to time signatory thereto (individually a "Lender," and any and all such financial institutions collectively the "Lenders"), and Secured Party, the Secured Party has agreed, subject to the satisfaction of certain terms and conditions, to make Advances to the Borrowers and to provide for the issuance of Letters of Credit for the account of the Borrowers, individually, or jointly and severally, as provided therein; and

B. WHEREAS, in connection with the Credit Agreement, the Debtor has executed and delivered that certain Canadian Security Agreement, dated as of August 29, 2008 to the Secured Party (as amended or otherwise modified from time to time, the "Canadian Security Agreement"); and

C. WHEREAS, as a condition precedent to the making of the Advances under the Credit Agreement, the Debtor is required to execute and deliver this Agreement and to further confirm the grant to the Secured Party for the benefit of the Secured Party a continuing security interest in all of the Trade-mark Collateral (as defined below) to secure all Indebtedness (as defined in the Credit Agreement).

NOW, THEREFORE, for good and valuable consideration the receipt of which is hereby acknowledged, and in order to induce the Secured Party to make Advances (including the initial Advance) to the Borrowers pursuant to the Credit Agreement, the Debtor agrees, for the benefit of the Secured Party, as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided in the Canadian Security Agreement.

SECTION 2. Grant of Security Interest. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, to secure the prompt and complete payment and performance when due of all of the Indebtedness, the Debtor does hereby mortgage, pledge and hypothecate to the Secured Party, and grant to the Secured Party a security interest in, all of the following property of the Debtor (the "Trade-mark Collateral"), whether now owned or hereafter acquired or existing:

(a) all license agreements with any other Person in connection with any of the Trade-marks or such other Person's names or trade-marks, whether the Debtor is a licensor or a licensee under any such license agreement, including, without limitation, the license agreements listed on *Schedule 1.1* hereto and made a part hereof, subject, in each case, to the terms of such license agreements, and the right to prepare for sale, and to sell and advertise for sale, all inventory now or hereafter covered by such licenses;

(b) all trade-marks, service marks, trade names, trade dress or other indicia of trade origin, trade-mark and service mark registrations, and applications for trade-mark or service mark registrations (except for "intent to use" applications for trade-mark or service mark registrations filed pursuant to Section 1(b) of the Lanham Act, unless and until an Amendment to Allege Use or a Statement of Use under Sections 1(c) and 1(d) of said Act has been filed), and any renewals thereof, including, without limitation, each registration and application identified on *Schedule 1.1* attached hereto and made a part hereof, and including without limitation (a) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (b) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all Trade-mark Licenses entered into in connection therewith, and damages and payments for past or future infringements thereof) and (c) all rights corresponding thereto and all other rights of any kind whatsoever of the Debtor accruing thereunder or pertaining thereto, together in each case with the goodwill of the business connected with the use of, and symbolized by, each such trade-mark, service mark, trade name, trade dress or other indicia of trade origin;

(c) all renewals of any of the items described in clauses (a) and (b);

(d) all of the goodwill of the business connected with the use of, and symbolized by each of the items described in, clauses (a), (b) and (c); and

(e) all proceeds of, and rights associated with, the foregoing, including any right to sue or claim by the Debtor against third parties for past, present, or future infringement or dilution of any Trade-mark, Trade-mark registration, or Trade-mark license, including any Trade-mark, Trade-mark registration or Trade-mark license referred to in Schedule 1.1 attached hereto, or for any injury to the goodwill associated with the use of any Trade-mark or for breach or enforcement of any Trade-mark license.

Notwithstanding this Section 2, any Debtor's grant of security in Trade-marks (as defined in the *Trade-marks Act* (Canada)) under this Agreement shall be limited to a grant by the Debtor of a security interest in all of the Debtor's right, title and interest in such Trade-marks.

SECTION 3. Canadian Security Agreement. This Agreement has been executed and delivered by the Debtor for the purpose of registering the security interest of the Secured Party in the Trade-mark Collateral with the United States Patent and Trademark Office and the Canadian Intellectual Property Office, as applicable. The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to the Secured Party under the Canadian Security Agreement as security for the discharge and performance of the Indebtedness. The Canadian Security Agreement (and all rights and remedies of the Secured Party thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 4. Release of Security Interest. The Agent shall, upon the written request of the Debtor, execute and deliver to the Debtor a proper instrument or instruments acknowledging the release of the security interest and Liens established hereby on any Trade-mark Collateral: (a) if the sale or other disposition of such Trade-mark Collateral is permitted under the terms of the Credit Agreement and, at the time of such proposed release, both before and after giving effect thereto, no Default or Event of Default has occurred and is continuing, (b) if the sale or other disposition of such Trade-mark Collateral is not permitted under the terms of the Credit Agreement, provided that the requisite Lenders under such Credit Agreement shall have consented to such sale or disposition in accordance with the terms thereof, or (c) if such release has been approved by the requisite Lenders in accordance with Section 16.11 of the Credit Agreement.

SECTION 5. Acknowledgment. The Debtor does hereby further acknowledge and affirm that the rights and remedies of the Secured Party with respect to the security interest in the Trade-mark Collateral granted hereby are more fully set forth in the Canadian Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

SECTION 6. Loan Documents, etc. This Agreement is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions of the Credit Agreement.


SECTION 7. Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

SECTION 8. Governing Law. The law governing this Agreement shall be as set forth in the Canadian Security Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the day and year first above written.

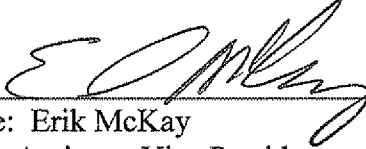
DEBTOR:

NEXCYCLE PLASTICS INC.

By: 
Name: J. Travis Spoede
Title: Vice President

SECURED PARTY:

COMERICA BANK, as Administrative Agent

By: 
Name: Erik McKay
Title: Assistant Vice President

SCHEDULE 1.1

TRADE-MARK COLLATERAL

Mark	App. No.	Reg. No.	Filing Date	Reg. Date	Owner
NPI	1194655 (Canadian Trade-mark)	TMA623 050	10/27/03	10/20/04	NexCycle Plastics Inc.
NPI & Design	1194654 (Canadian Trade-mark)	TMA623 227	10/27/03	10/22/04	NexCycle Plastics Inc.
NPI	78/408842 (U.S. Trade-mark)	3,034,516	4/27/04	12/27/05	Nexcycle Plastics Inc., a Canada corp.
NPI (and Design)	78/408868 (U.S. Trade-mark)	3,182,499	4/27/04	12/12/06	Nexcycle Plastics Inc., a Canada corp.