



08-10-1999

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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

08-04-1999



U.S. Patent & TMOfo/TM Mail Rcpt Dt. #66

To the Honorable Commission

101114605

the attached original documents or copy thereof.

1. Name of conveying party(ies):

PENN SPECIALITY CHEMICALS, INC.

- Individual(s)
- General Partnership
- Corporation-State - DE
- Other
- Association
- Limited Partnership

Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: June 30, 1999

2. Name and address of receiving party(ies)

Name: PNC BANK, NATIONAL ASSOCIATION

Internal Address:

Street Address: 1600 Market Street

City: Philadelphia State: PA ZIP: 19103

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State
- Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

(Designations must be a separate document from assignment)

Additional name(s) & address(es) attached? Yes No

4. Application number(s) or patent number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

See the attached document.

8-4-99

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Dolores Burton

Internal Address: c/o Corporation Service Company

Street Address: 80 State Street, 6th Floor

City: Albany State: NY ZIP: 12203

6. Total number of applications and registrations involved: 314

7. Total fee (37 CFR 3.41).....\$ 365.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

08/10/1999 DCORTES 00000066 530185

DO NOT USE THIS SPACE

FC:481 40.00 OP
FC:482 325.00 OP

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Tonya Chapple
Name of Person Signing

Tonya Chapple
Signature

8-3-99
Date

Total number of pages including cover sheet, attachments, and document:

PATENTS, TRADEMARKS, COPYRIGHTS, AND LICENSES
SECURITY AGREEMENT

This Patents, Trademarks, Copyrights, and Licenses Security Agreement ("Agreement") is made as of the 30th day of June, 1999, by PENN SPECIALITY CHEMICALS, INC. ("Penn Speciality") a Delaware corporation, having a mailing address at Five Radnor Corporate Center, 100 Matsonford Road, Suite 170, Radnor, PA 19087 and delivered to PNC Bank, National Association in its capacity as agent ("Agent") having a mailing address at 1600 Market Street, Philadelphia, PA 19103.

BACKGROUND

A. This Agreement is being executed contemporaneously with that certain Revolving Credit, Term Loan Security Agreement of even date herewith by and among Penn Speciality ("Borrower") the financial institutions parties thereto (collectively, the "Lenders"), Agent, PNC Bank, National Association, in its capacity of issuer of letters of credit ("Issuer"), and Bank of America National Trust & Savings Association, in its capacity as co-agent (as it may hereafter be supplemented, restated, amended, superseded or replaced from time to time, the "Loan Agreement"), under which Borrower is granting Agent, on behalf of and for the benefit of Lenders, a lien on and security interest in certain assets of Borrower associated with or relating to products leased or sold or services provided under Borrower's patents, trademarks, copyrights and the goodwill associated therewith, and under which Agent is entitled to foreclose or otherwise deal with such assets, patents, patents, patent rights, patent applications, goodwill, trademarks, servicemarks, tradenames, copyrights, and copyright applications under the terms and conditions set forth therein. Capitalized terms not defined herein shall have the meanings given to such terms in the Loan Agreement.

B. Borrower has adopted, used and is using (or has filed applications for the registration of) the patents, patent rights, and patent applications (collectively, "Patents"); trademark registrations, servicemarks, tradename registrations, trademark applications, and service mark applications (collectively, "Trademarks"); copyright registrations, and copyright applications and licenses (collectively "Copyrights"); and goodwill associated thereto ("Goodwill") listed on Schedule "A" attached hereto and made part hereof (all such Patents, Marks, Copyrights or Goodwill hereinafter referred to as the "Assets").

C. Pursuant to the Loan Agreement, Agent, on behalf of and for the benefit of Lenders, is acquiring a lien on, and security interest in, the Assets and the registration thereof, together with all the goodwill of Borrower associated therewith and represented thereby, as security for all of Borrower's Obligations, and desires to have its security interest in such Assets confirmed by a document identifying same and in such form that it may be recorded in the United States Patent and Trademark Office and United States Copyright Office, respectively.

NOW THEREFORE, with the foregoing Background hereinafter deemed incorporated by reference and made a part hereof, and in consideration of the premises and mutual promises herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. In consideration of and pursuant to the terms of the Loan Documents, and for other good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, and to secure Borrower's Obligations, Borrower grants a lien and security interest to Agent, on behalf of Lenders, in all of its present and future right, title and interest in and to the Assets, together with all the goodwill of Borrower associated with and represented by the Assets, and the registration thereof and the right (but not the obligation) to sue for past, present and future infringements, and the proceeds thereof, including, without limitation, license royalties and proceeds of infringement suits.

2. Borrower hereby covenants and agrees to maintain the Assets in full force and effect until all of Borrower's Obligations are indefeasibly paid and satisfied in full and the Loan Agreement is terminated to the extent such assets are necessary to the business of Borrower.

3. Borrower represents, warrants and covenants that:

(a) The Assets are subsisting and have not been adjudged invalid or unenforceable;

(b) Each of the Assets is valid and enforceable;

(c) Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Assets, and each of the Assets is free and clear of any liens, claims, charges and encumbrances, including, without limitation, pledges, assignments, licenses and covenants by Borrower not to sue third persons except Permitted Encumbrances;

(d) Borrower has the unqualified right, power and authority to enter into this Agreement and perform its terms;

(e) Borrower has complied with, and will continue for the duration of this Agreement to comply with, the requirements set forth in 15 U.S.C. §§1051-1127, 17 U.S.C. §101, et seq., 35 U.S.C. §101 et seq. and any other applicable statutes, rules and regulations in connection with its use of the Assets to the extent necessary to comply with paragraph 2 set forth above; and

(f) Each of the Assets listed on Schedule "A" constitute all of the Assets, and all applications for any of the foregoing, now owned by Borrower. If, before all Obligations shall have been indefeasibly paid and satisfied in full and the Loan Agreement shall have been terminated, Borrower shall (i) obtain rights to any new or registrable inventions, trademarks, trademark registrations, tradenames, or copyrights or licenses and shall in its reasonable business judgment register any of the foregoing, or (ii) become entitled to the benefit of any patent or trademark application, trademark, trademark registration, copyright or copyright registration or application or

license renewal, or Patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement on any Patent, the provisions of this Agreement shall automatically apply thereto and such patent or trademark application, trademark, trademark registration, copyright or copyright registration or application or license renewal, or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement on any Patent shall be deemed part of the Assets. Borrower shall give Agent prompt written notice thereof along with an amended **Schedule "A."**

4. Borrower further covenants that until all of Borrower's Obligations have been indefeasibly paid and satisfied in full and the Loan Agreement is terminated, it will not enter into any agreement, including without limitation, license agreements or options, which is inconsistent with Borrower's obligations under this Agreement, except for agency, co-marketing and co-branding agreements and other license agreements entered into in the ordinary course of business which do not have a Material Adverse Effect on Borrower or on the value of the Collateral.

5. So long as this Agreement is in effect and so long as Borrower has not received notice from Agent that an Event of Default has occurred and is continuing under the Loan Agreement and that Agent and Lenders have elected to exercise their rights hereunder, and until Agent on behalf of Lenders, accelerates the Obligations of Borrower under the Loan Agreement, Borrower shall continue to have the exclusive right to use the Assets and Agent shall have no right to use the Assets or issue any exclusive or non-exclusive license with respect thereto, or assign, pledge or otherwise transfer title in the Assets to anyone else.

6. Borrower agrees not to sell, license, grant any option, assign or further encumber its rights and interest in the Assets without prior written consent of Agent and Lenders.

7. If and while an Event of Default exists under the Loan Agreement and Agent is accelerating the Obligations of Borrower under the Loan Agreement, Borrower hereby covenants and agrees that Agent, as the holder of a security interest under the Uniform Commercial Code, as now or hereafter in effect in Pennsylvania, may take such action permitted under the Loan Documents or permitted by law, in its exclusive discretion, to foreclose upon the Assets covered hereby. For such purposes, during an Event of Default under the Loan Agreement and following the acceleration by Agent of Borrower's Obligations under the Loan Agreement, Borrower hereby authorizes and empowers Agent and Lenders, their successors and assigns, and any officer or agent of Agent and Lenders as Agent or Lenders may select, in their exclusive discretion, as Borrower's true and lawful attorney-in-fact, with the power to endorse Borrower's name on all applications, assignments, documents, papers and instruments necessary for Agent, on behalf of and for the ratable benefit of Lenders, to use the Assets or to grant or issue any exclusive or non-exclusive license under the Assets to anyone else, or necessary for Agent or Lenders to assign, pledge, convey or otherwise transfer title in or dispose of the Assets to anyone else including, without limitation, the power to execute a trademark assignment in the form attached hereto as **Exhibit 1**. Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof and in accordance with the terms hereof, except for the gross negligence or wilful misconduct of such attorney. This power

of attorney shall be irrevocable for the life of this Agreement, the Loan Documents, and until all Borrowers' Obligations are indefeasibly paid and satisfied in full and the Loan Agreement is terminated.

8. This Agreement shall be subject to the terms, provisions, and conditions set forth in the Loan Agreement and may not be modified without the written consent of the party against whom enforcement is being sought.

9. All rights and remedies herein granted to Agent and Lenders shall be in addition to any rights and remedies granted under the Loan Documents. In the event of an inconsistency between this Agreement and the Loan Agreement, the language of the Loan Agreement shall control.

10. Upon Borrower's performance of all of the obligations under the Loan Documents and full and unconditional satisfaction of all of Borrower's Obligations, Agent shall execute and deliver to Borrower all documents reasonably necessary to terminate Agent's security interest in the Assets.

11. Any and all reasonable fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by Agent and Lenders in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or costs otherwise incurred in protecting, maintaining, preserving the Assets, or in defending or prosecuting any actions or proceedings arising out of or related to the Assets, or defending, protecting or enforcing Agent's and Lenders' rights hereunder, in each case in accordance with the terms of this Agreement, shall be borne and paid by Borrower on demand by Agent and until so paid shall be added to the principal amount of Borrower's Obligations and shall bear interest at the Revolving Interest Rate prescribed in the Loan Agreement.

12. Subject to the terms of the Loan Agreement, Borrower shall have the duty to prosecute diligently any trademark application with respect to the Assets pending as of the date of this Agreement or thereafter, until Borrower's Obligations shall have been indefeasibly paid and satisfied in full and the Loan Agreement is terminated, to preserve and maintain all rights in the Assets, and upon reasonable request of Agent or Lenders, Borrower shall make federal application on registrable but unregistered patents, trademarks, copyrights or licenses belonging to Borrower. Any reasonable expenses incurred in connection with such applications shall be borne by Borrower. Borrower shall not abandon any Patent, Trademark or Copyright without the prior written consent of the Agent and Lenders.

13. Borrower shall have the right to bring suit in its own name to enforce the Assets, in which event Agent may, if Borrower reasonably deems it necessary, be joined as a nominal party to such suit if Agent and Lenders shall have been satisfied, in their sole discretion, that they are not thereby incurring any risk of liability because of such joinder. Borrower shall promptly, upon

demand, reimburse and indemnify Agent for all damages, reasonable costs and expenses, including attorneys' fees, incurred by Agent in the fulfillment of the provisions of this paragraph.

14. During the existence of an Event of Default under the Loan Agreement, Agent may, without any obligation to do so, complete any obligation of Borrower hereunder, in Borrower's name or in Agent's name, but at Borrower's expense, and Borrower hereby agrees to reimburse Agent and Lenders in full for all reasonable costs and expenses, including attorneys' fees, incurred by Agent and Lenders in protecting, defending and maintaining the Assets.

15. No course of dealing among Borrower, Agent and Lenders nor any failure to exercise, nor any delay in exercising, on the part of Agent and Lenders, any right, power or privilege hereunder, shall operate as a waiver thereof, and all of Agent's and Lenders' rights and remedies with respect to the Assets, whether established hereby or by the Loan Documents, or by any other future agreements between Borrower, Agent and Lenders or by law, shall be cumulative and may be exercised singularly or concurrently.

16. The provisions of this Agreement are severable and the invalidity or unenforceability of any provision herein shall not affect the remaining provisions which shall continue unimpaired and in full force and effect.

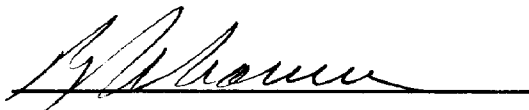
17. This Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

18. This Agreement shall be governed by and construed in conformity with the laws of the Commonwealth of Pennsylvania without regard to its otherwise applicable principles of conflicts of laws.

19. **Borrower, Agent and Lenders each waive any and all rights it may have to a jury trial in connection with any litigation, proceeding or counterclaim arising with respect to rights and obligations of the parties hereto or under the Loan Documents.**

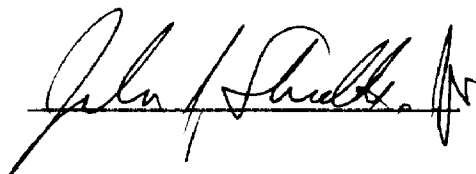
IN WITNESS WHEREOF, the parties hereto have executed this Patents, Trademarks, Licenses and Copyrights Security Agreement, under seal, the day and year first above written.

PENN SPECIALTY CHEMICALS, INC.

By: 

Approved and Accepted:

PNC BANK, NATIONAL ASSOCIATION, as Agent

By: 

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
COMMONWEALTH OF PENNSYLVANIA : SS
COUNTY OF PHILADELPHIA :

On this 30th of June, 1999, before me personally appeared Brian The Namara and the President to me known and being duly sworn, deposes and says that s/he is the the President of Penn Speciality Chemicals, Inc., the Borrower corporation described in the foregoing Agreement; that s/he know the seal of the corporation; that the seal so affixed to the Agreement is such corporate seal; that s/he signed the Agreement and affixed the seal of the corporation thereto as such officer pursuant to the authority vested in him/her by law; that the within Agreement is the voluntary act of such corporation; and s/he desires the same to be recorded as such.

Carolyn Elliott
Notary Public

My Commission Expires:

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
COMMONWEALTH OF PENNSYLVANIA : SS
COUNTY OF PHILADELPHIA :

On this 20th day of June, 1999, before me personally appeared John J. Shueppert to me known and being duly sworn, deposes and says that s/he is Vice President of PNC BANK, NATIONAL ASSOCIATION, the Agent described in the foregoing Agreement; that s/he signed the Agreement as such officer pursuant to the authority vested in him by law; that the within Agreement is the voluntary act of such corporation; and s/he desires the same to be recorded as such.

Carolyn Elliott
Notary Public

My Commission Expires:

Notarial Seal
Carolyn Elliott, Notary Public
Philadelphia, Philadelphia County
My Commission Expires Jan. 8, 2000

Intellectual Property and Licenses**TRADEMARKS****Registered**

<u>Trademark</u>	<u>Country</u>	<u>Registration No.</u>	<u>Renewal Date</u>
FA (Stylized)	United States	530,185	September 5, 2000
FACT	United States	1,865,126	November 29, 2004
FA-ROK	United States	1,235,560	April 26, 2003
Furafil	United States	539,064	March 6, 2001
Farcz	United States	1,471,106	January 5, 2008
FurCarb (Stylized)	United States	1,254,951	October 25, 2003
Furset	United States	710,399	January 31, 2001
Polymeg	Australia	480,952	February 5, 2009
Polymeg	Benelux	452,051	February 4, 2008
Polymeg	China	860,145	August 6, 2006
Polymeg	Portugal	245,852	December 19, 2001
Polymeg	Spain	1,234,454	February 5, 2011
Polymeg	Sweden	224,741	July 5, 2001
Polymeg	United States	1,471,844	January 12, 2008
QO	United States	586,336	March 2, 2004
QO Chemicals & Design	Benelux	435,302	June 30, 2007
QO Chemicals & Design	Canada	348,878	December 9, 2003
QO Chemicals & Design	Denmark	VA04.580 1989	August 4, 1999
QO Chemicals & Design	Portugal	242,170	April 1, 2006
QO Chemicals & Design	Sweden	214,294	July 7, 1999
QO Chemicals & Design	Great Britain	1,312,788	June 12, 2008
QO Chemicals & Design	United States	1,454,790	September 1, 2007
QO FA-ROK	Benelux	377,756	January 13, 2002
QO FA-ROK	France	1,709,851	December 5, 2001
QO FA-ROK	Germany	1,035,136	January 14, 2002
QO FA-ROK	Great Britain	B81,167,806	January 12, 2003
QO FA-ROK	Italy	402,093	January 27, 2002

<u>Trademark</u>	<u>Country</u>	<u>Registration No.</u>	<u>Renewal Date</u>
QO Polymeg	Austria	76,441	February 28, 2004
QO Polymeg	Benelux	321,184	September 27, 2003
QO Polymeg	Denmark	VR01.751 1974	May 31, 2004
QO Polymeg	France	1,242,926	August 8, 2003
QO Polymeg	Germany	951,641	September 26, 2003
QO Polymeg	Great Britain	B1,018,478	October 3, 2008
QO Polymeg	Italy	687,388	March 28, 2004
QO Polymeg	Norway	90,880	April 26, 2004
QO Polymeg	Switzerland	407, 192	March 22, 2013
Quacorr	Austria	76,442	February 28, 2004
Quacorr	Benelux	408,340	May 7, 2005
Quacorr	Denmark	VR00.986 1975	March 7, 2005
Quacorr	Finland	71,619	January 21, 2000
Quacorr	France	1,211,856	August 26, 2002
Quacorr	Germany	909,022	October 13, 2002
Quacorr	Great Britain	992,008	May 12, 2007
Quacorr	Italy	644,987	December 15, 2002
Quacorr	Norway	90,370	February 14, 2004
Quacorr	Spain	696,420	December 14, 2002
Quacorr	Switzerland	402,113	October 23, 2012
Quacorr	United States	926,071	December 28, 2001
Sure-Strip	United States	877,590	September 30, 1999
THFA	United States	520,039	January 17, 2000

Applications

<u>Trademark</u>	<u>Country</u>	<u>Application No.</u>	<u>Application Date</u>
THF	China	94,106,778	October 14, 1994

OO Chemicals

Case No.	Country	Patent No.	Issue Date	Serial Number	Filing Date	Status	Title
GL00-01 (65467)	U.S.-CIP	5,741,914	4/21/98	08/437,169	5/8/95	Issued Exp. 4/21/15	Resinous Binder Compositions
	U.S.-DIV	5,849,858	12/15/98	09/054,297	4/21/98	Issued Exp. 2/2/13	
	Argentina	249 902	7/16/96	327273	1/27/94	Issued exp. 7/16/11	
	Australia	674,734	4/29/97	60950/94	1/21/94	Issued exp. 1/21/14	
	Brazil			P19405679-0		Pending	
	Canada			2155216	1/21/94	Pending	
	China			94181466.6	1/21/94	Pending	
	Europe:			94907311.8	1/21/95	Pending, appl. accepted	
	Belgium,					translations and grant fees due	
	Denmark,					8/20/99	
	France,					reported 6/2/99.	
	Germany,					Annulies due	
	Ireland, Italy,					1/21 each year.	
	Switzer/Liech.,						
	Luxembourg,						
	Netherlands,						
	Spain, Sweden,						
	U.K.						
	Finland			953662		Pending	
	Japan			518082/94	1/21/94	Pending	
	Norway			953032	8/1/95	Pending	
	Russian Fed.			95122822	8/1/95	Pending	
	Israel			108362	1/18/94	PENDING	
GL00-02 (66732)	U.S.-CON	5,703,144	12/30/97	08/609,419	3/1/96	ISSUED EXP. 12/30/14	Solid Furan Binders for Composite Articles
GL00-03 (66739)	U.S.	5,486,557	1/23/96	08/291,170	8/16/94	ISSUED, EXP. 8/16/14	Furfuryl Alcohol- Formaldehyde Resins

Case No.	Country	Patent No.	Issue Date	Serial Number	Filing Date	Status	Title
GLQO-06 (52324)	U.S.	4,430,459	2/7/84	346,309	2/5/82	Issued, Exp. 2/7/01	Method and Composition for A Furan-Modified Phenolic Novolak Binder System.
GLQO-07 (52328)	U.S.	4,317,763	3/2/82	132,894	3/24/80	Issued, Exp. 3/24/2000	Catalysis and Binder Systems for Manufacturing Sand Shapes
GLQO-11 (52336)	Canada	1164141	3/20/84	352555	5/23/80	Issued exp. 3/20/01	Liquid Novolak Resin and Products Made Therefrom
	U.K.	2053250	3/23/83	8017431	5/28/80	Issued Exp. 5/28/00	
GLQO-12 (52332)	Canada	1,229,779	12/7/87			Issued, Exp. 12/1/04	Metal Cleaning
GLQO-23 (52349)	U.S.	4,255,554	3/10/81	84,801	10/15/79	Issued Exp. 10/15/99	Process for Preparing Phenol- Formaldehyde-Furfuryl Alcohol Terpolymers
GLQO-24 (52350)	Canada	1,200,336	2/4/86			Issued Exp. 2/4/03	Improvements in Making Composite Articles
GLQO-26 (52352)	U.S.	4,320,043	3/16/82	224,150	1/12/81	Issued Exp. 1/12/01	Furfuryl Alcohol-Dialdehyde Foundry Binders
GLQO-27 (52353)	Canada	1,160,142	1/10/84			Issued Exp. 1/10/01	Primer for Portland Cement Concrete
GLQO-30 (52326)	U.S.	4,478,269	10/23/84	349,354	2/16/82	Issued Exp. 2/16/02	Resin Coated Aggregate
GLQO-31 (52326)	U.S.	4,348,343	9/7/82	194,118	10/6/80	Issued, Exp. 10/6/00	Method and Composition for a Furan-Modified Phenolic Novolak Binder System
GLQO-32 (52326)	U.S.	4,391,946	7/5/83	06/322,489	11/18/81	Issued, Exp. 11/18/01	Polymer Concrete

Case No.	Country	Patent No.	Issue Date	Serial Number	Filing Date	Status	Title
GLQO-33 (52327)	U.S.	4,318,999	3/9/82	206,419	11/13/80	Issued Exp. 11/13/00	Low Hazard Rigid Urethane Insulation Foam, Polyol Mixtures Used in the Manufacture Thereof & Method for Manufacture Thereof.
GLQO-36 (52330)	U.S.	4,376,208	3/8/83	293,533	8/17/81	Issued, Exp. 8/17/00	Hydroformylation of Dihydrofuran
GLQO-37 (52331)	U.S.	4,308,191	12/29/81	123,877	2/25/80	Issued Exp. 2/25/00	Foundry Sand Mixes with Improved Bench Life for Curing with Sulphur Dioxide or Other Oxidizing
GLQO-40 (52334)	U.S.	4,543,374	9/24/85	669,648	11/8/84	Issued, Exp. 11/8/04	Furan Foundry Binder System Containing a Curing Promoter
GLQO-48 (52363)	U.S.	4,451,577	5/29/84			Issued, Exp. 5/6/01	Catalyst Composition and Method for Curing Furan- Based Foundry Binders
GLQO-49 (53091)	U.S.	4,577,035		675,710	3/5/93	Issued Exp. 11/28/04	2,2'-Isopropylidene Bis(Tetrahydrofuran)
GLQO-50 (53110)	U.S.	4,439,348	3/27/84	346,353	2/5/82	Issued, Exp. 2/5/02	Catalyst System for Furan Resins

Intellectual Property and Licenses

Licenses:

- License Agreement with Ashland Chemical, dated June 25, 1992.
- License Agreement with Borden (f/k/a Acme Resins), dated October 6, 1992.
- License Agreement with Interstate Chemical Company, dated September 11, 1992.
- License Agreement with Cronyng, , dated December 14, 1998
- Technical Agreement with Schuller International, dated November 8, 1990. The Agreement provides certain rights and restrictions in patented technology and confidential information, and may restrict Borrower's rights concerning the same technology and information.

Exhibit 1

PATENTS, TRADEMARKS, LICENSES AND COPYRIGHTS ASSIGNMENT

WHEREAS, Penn Speciality Chemicals, Inc., a Delaware corporation ("Grantor") is the registered owner of the United States patents, patent rights, and patent applications, trademarks, servicemarks, tradenames, service trademark applications, and service tradenames, copyrights, and copyright applications and licenses listed on Schedule A attached hereto and made a part hereof (the "Assets"), which are registered in the United States Patent and Trademark Office and United States Copyright Office, respectively; and

WHEREAS, _____ ("Grantee"), having a place of business at _____, is desirous of acquiring said Assets;

NOW THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound hereby, Grantor, its successors and assigns, does hereby transfer, assign and set over unto Grantee, its successors, transferees and assigns, subject to the terms of the Patents, Trademarks, Licenses and Copyrights Security Agreement, of even date herewith, between Grantor and Grantee, all of its present and future right, title and interest in and to the Assets and all proceeds thereof and all goodwill associated therewith.

IN WITNESS WHEREOF, the undersigned has caused this Patents, Trademarks, Licenses and Copyrights Assignment to be executed as of the ____ day of _____.

PENN SPECIALITY CHEMICALS, INC.

By: _____
Attorney-in-fact

Witness:

UNITED STATES OF AMERICA :
STATE OF : S.S.
COUNTY OF :

On this _____ day of _____ 19____ , before me, a Notary Public for the said County and State, personally appeared _____ known to me or satisfactorily proven to me to be attorney-in-fact on behalf of Penn Speciality Chemicals, Inc., and s/he acknowledged to me that s/he executed the foregoing Patents, Trademarks, Licenses, and Copyrights Assignment on behalf of Grantor, and as the act and deed of Grantor for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

POWER OF ATTORNEY

PENN SPECIALITY CHEMICALS, INC., a Delaware corporation, ("Grantor"), hereby authorizes PNC BANK, NATIONAL ASSOCIATION, as Agent its successors and assigns, and any officer or agent thereof (collectively "Grantee") as Grantor's true and lawful attorney-in-fact, with the power to endorse Grantor's name on all applications, assignments, documents, papers and instruments necessary for Grantee to enforce and effectuate its rights under a certain Patents, Trademarks, Licenses and Copyrights Security Agreement between Grantor and Grantee dated the date hereof (as it may hereafter be supplemented, restated, superseded, amended or replaced, the "Agreement"), including, without limitation, the power to use the Assets (as defined in the Agreement) and listed on Schedule A attached hereto and made a part hereof, to grant or issue any exclusive or nonexclusive license under the Assets to anyone else, or to assign, pledge, convey or otherwise transfer title in or dispose of the Assets, in each case subject to the terms of the Agreement.


This Power of Attorney is given and any action taken pursuant hereto is intended to be so given or taken pursuant to and subject to the provisions of a certain Loan and Security Agreement bearing even date herewith among Grantor, Grantee, certain Lenders (as defined therein), and Co-Agent (as defined therein), as each document may be hereinafter supplemented, restated, superseded, amended or replaced.

Grantor hereby unconditionally ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof and in accordance with the terms of the Agreement.

This Power of Attorney shall be irrevocable for the life of the Agreement.

30th IN WITNESS WHEREOF, the Grantor has executed this Power of Attorney, under seal, this day of June, 1999.

PENN SPECIALITY CHEMICALS, INC.

By: 

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
COMMONWEALTH OF PENNSYLVANIA : SS
COUNTY OF PHILADELPHIA :

On this 31st of June, 1999, before me personally appeared Brian The Namore to me known and being duly sworn, deposes and says that s/he is the President of Penn Speciality Chemicals, Inc., the Grantor corporation described in the foregoing Power of Attorney; that s/he knows the seal of the corporation; that the seal so affixed to the Power of Attorney is such corporate seal; that s/he signed the Power of Attorney and affixed the seal of the corporation thereto as such officer pursuant to the authority vested in her/him by law; that the within Power of Attorney is the voluntary act of such corporation; and s/he desires the same to be recorded as such.

Carolyn Elliott

Notary Public

My Commission Expires:

Notarial Seal
Carolyn Elliott, Notary Public
Philadelphia, Philadelphia County
My Commission Expires Jan. 8, 2000

Intellectual Property and Licenses**TRADEMARKS****Registered**

<u>Trademark</u>	<u>Country</u>	<u>Registration No.</u>	<u>Renewal Date</u>
FA (Stylized)	United States	530,185	September 5, 2000
FACT	United States	1,865,126	November 29, 2004
FA-ROK	United States	1,235,560	April 26, 2003
Furafil	United States	539,064	March 6, 2001
Farcz	United States	1,471,106	January 5, 2008
FurCarb (Stylized)	United States	1,254,951	October 25, 2003
Furset	United States	710,399	January 31, 2001
Polymeg	Australia	480,952	February 5, 2009
Polymeg	Benelux	452,051	February 4, 2008
Polymeg	China	860,145	August 6, 2006
Polymeg	Portugal	245,852	December 19, 2001
Polymeg	Spain	1,234,454	February 5, 2011
Polymeg	Sweden	224,741	July 5, 2001
Polymeg	United States	1,471,844	January 12, 2008
QO	United States	586,336	March 2, 2004
QO Chemicals & Design	Benelux	435,302	June 30, 2007
QO Chemicals & Design	Canada	348,878	December 9, 2003
QO Chemicals & Design	Denmark	VA04.580 1989	August 4, 1999
QO Chemicals & Design	Portugal	242,170	April 1, 2006
QO Chemicals & Design	Sweden	214,294	July 7, 1999
QO Chemicals & Design	Great Britain	1,312,788	June 12, 2008
QO Chemicals & Design	United States	1,454,790	September 1, 2007
QO FA-ROK	Benelux	377,756	January 13, 2002
QO FA-ROK	France	1,709,851	December 5, 2001
QO FA-ROK	Germany	1,035,136	January 14, 2002
QO FA-ROK	Great Britain	B81,167,806	January 12, 2003
QO FA-ROK	Italy	402,093	January 27, 2002

<u>Trademark</u>	<u>Country</u>	<u>Registration No.</u>	<u>Renewal Date</u>
QO Polymeg	Austria	76,441	February 28, 2004
QO Polymeg	Benelux	321,184	September 27, 2003
QO Polymeg	Denmark	VR01.751 1974	May 31, 2004
QO Polymeg	France	1,242,926	August 8, 2003
QO Polymeg	Germany	951,641	September 26, 2003
QO Polymeg	Great Britain	B1,018,478	October 3, 2008
QO Polymeg	Italy	687,388	March 28, 2004
QO Polymeg	Norway	90,880	April 26, 2004
QO Polymeg	Switzerland	407,192	March 22, 2013
Quacorr	Austria	76,442	February 28, 2004
Quacorr	Benelux	408,340	May 7, 2005
Quacorr	Denmark	VR00.986 1975	March 7, 2005
Quacorr	Finland	71,619	January 21, 2000
Quacorr	France	1,211,856	August 26, 2002
Quacorr	Germany	909,022	October 13, 2002
Quacorr	Great Britain	992,008	May 12, 2007
Quacorr	Italy	644,987	December 15, 2002
Quacorr	Norway	90,370	February 14, 2004
Quacorr	Spain	696,420	December 14, 2002
Quacorr	Switzerland	402,113	October 23, 2012
Quacorr	United States	926,071	December 28, 2001
Sure-Strip	United States	877,590	September 30, 1999
THFA	United States	520,039	January 17, 2000

Applications

<u>Trademark</u>	<u>Country</u>	<u>Application No.</u>	<u>Application Date</u>
THF	China	94,106,778	October 14, 1994

OO Chemicals

Case No.	Country	Patent No.	Issue Date	Serial Number	Filing Date	Status	Title
GL00-01 (65467)	U.S.-CIP	5,741,914	4/21/98	08/437,169	5/8/95	Issued Exp.	Resinous Binder Compositions
	U.S.-DIV	5,849,858	12/15/98	09/054,297	4/2/98	Issued Exp.	
	Argentina	249,902	7/16/96	327273	1/27/94	Issued exp.	
	Australia	674,734	4/29/97	60950/94	1/21/94	Issued exp.	
	Brazil			P19405679-0		1/21/94	
	Canada			2155216		1/21/94	
	China			94191466.6		1/21/94	
	Europe:			94907311.8		1/21/95	
	Belgium,						
	Denmark,						
	France,						
	Germany,						
	Ireland, Italy,						
	Switzer/Liech.,						
	Luxembourg,						
	Netherlands,						
	Spain, Sweden,						
	U.K.						
	Finland			953662			Pending
	Japan			518082/94		1/21/84	Pending
	Norway			953032		8/1/85	Pending
	Russian Fed.			95122822		8/1/85	Pending
	Israel			108362		1/18/94	PENDING
GL00-02 (66732)	U.S.-CON	5,703,144	12/30/97	08/609,419	3/1/96	ISSUED EXP.	Solid Furan Binders for Composite Articles
GL00-03 (66739)	U.S.	5,486,557	1/23/96	08/291,170	8/16/94	ISSUED, EXP	Furfuryl Alcohol-Formaldehyde Resins

Case No.	Country	Patent No.	Issue Date	Serial Number	Filing Date	Status	Title
GLQO-06 (52324)	U.S.	4,430,459	2/7/84	346,309	2/5/82	Issued, Exp. 2/7/01	Method and Composition for A Furan-Modified Phenolic Novolak Binder System.
GLQO-07 (52328)	U.S.	4,317,763	3/2/82	132,894	3/24/80	Issued, Exp. 3/24/2000	Catalysts and Binder Systems for Manufacturing Sand Shapes
GLQO-11 (52336)	Canada	1164141	3/20/84	352555	5/23/80	Issued exp. 3/20/01	Liquid Novolak Resin and Products Made Therefrom
	U.K.	2053250	3/23/83	8017431	5/28/80	Issued Exp. 5/28/00	
GLQO-12 (52332)	Canada	1,229,779	12/7/87			Issued, Exp. 12/1/04	Metal Cleaning
GLQO-23 (52249)	U.S.	4,255,554	3/10/81	84,801	10/15/79	Issued Exp. 10/15/99	Process for Preparing Phenol- Formaldehyde-Furfuryl Alcohol Terpolymers
GLQO-24 (52250)	Canada	1,200,336	2/4/86			Issued Exp. 2/4/03	Improvements in Making Composite Articles
GLQO-26 (52252)	U.S.	4,320,043	3/16/82	224,150	1/12/81	Issued Exp. 1/12/01	Furfuryl Alcohol-Dialdehyde Foundry Binders
GLQO-27 (52253)	Canada	1,160,142	1/10/84			Issued Exp. 1/10/01	Primer for Portland Cement Concrete
GLQO-30 (52326)	U.S.	4,478,269	10/23/84	349,354	2/16/82	Issued Exp. 2/16/02	Resin Coated Aggregate
GLQO-31 (52325)	U.S.	4,348,343	9/7/82	194,118	10/6/80	Issued, Exp. 10/6/00	Method and Composition for a Furan-Modified Phenolic Novolak Binder System
GLQO-32 (52326)	U.S.	4,391,946	7/5/83	06322,489	11/18/81	Issued, Exp. 11/18/01	Polymer Concrete

Case No.	Country	Patent No.	Issue Date	Serial Number	Filing Date	Status	Title
GLQO-33 (62327)	U.S.	4,318,999	3/9/82	206,419	11/13/80	Issued Exp. 11/13/00	Low Hazard Rigid Urethane Insulation Foam, Polyol Mixtures Used in the Manufacture Thereof & Method for Manufacture Thereof.
GLQO-36 (62330)	U.S.	4,376,208	3/8/83	293,533	8/17/81	Issued, Exp. 8/17/00	Hydroformylation of Dihydrofuran
GLQO-37 (62331)	U.S.	4,308,191	12/29/81	123,877	2/25/80	Issued Exp. 2/25/00	Foundry Sand Mixes with Improved Bench Life for Curing with Sulphur Dioxide or Other Oxidizing
GLQO-40 (62334)	U.S.	4,543,374	9/24/85	669,648	11/8/84	Issued, Exp. 11/8/04	Furan Foundry Binder System Containing a Curing Promoter
GLQO-48 (62363)	U.S.	4,451,577	5/29/84			Issued, Exp. 6/6/01	Catalyst Composition and Method for Curing Furan- Based Foundry Binders
GLQO-49 (53091)	U.S.	4,577,035		675,710	3/5/93	Issued Exp. 11/28/04	2,2'-Isopropylidene Bis(Tetrahydrofuran)
GLQO-50 (53110)	U.S.	4,439,348	3/27/84	346,353	2/5/82	Issued, Exp. 2/5/02	Catalyst System for Furan Resins

Intellectual Property and Licenses

Licenses:

- License Agreement with Ashland Chemical, dated June 25, 1992.
- License Agreement with Borden (f/k/a Acme Resins), dated October 6, 1992.
- License Agreement with Interstate Chemical Company, dated September 11, 1992.
- License Agreement with Cronyng, , dated December 14, 1998
- Technical Agreement with Schuller International, dated November 8, 1990. The Agreement provides certain rights and restrictions in patented technology and confidential information, and may restrict Borrower's rights concerning the same technology and information.