

Exhibit B

TRADEMARKS

Inolex Investment Corp. – U.S. Trademarks

Mark	Reg No.	Reg Date.
LEXEMUL	1,062,552	4/5/1977
LEXOLUBE	1,063,692	4/19/1977
LEXOL	1,067,507	6/14/1977
LEXOREZ	1,175,640	11/3/1981
MAYPON	531,552	10/3/1950
SUPER-PRO	917,943	8/10/1971
LEXGARD	1,062,553	4/5/1977
LEXEIN	1,062,554	4/5/1977
LEXAMINE	1,067,028	6/7/1977
LEXATE	1,067,508	6/14/1977
LEXAINE	1,067,509	6/14/1977
LEXQUAT	1,542,185	6/6/1989
LEXALT	2,098,343	9/16/1997
LEXAD	2,496,765	10/9/2001
INOLEX	1,011,975	6/3/1975

Inlex Investment Corp. - U.S. Trademark Applications

Mark	Application Date	Serial Number
LEXFILM	5/8/2002	78-127,048
LEXFEEL	5/7/2002	78-126,950

PATENT AND TRADEMARK SECURITY AGREEMENT

THIS AGREEMENT, dated as of November 16, 2004, is made by and between Inolex Investment Corp., a Delaware corporation having a business location at the address set forth in §17 of the Purchase Agreement (as defined below) (the "Pledgor"), and Woodside Agency Services, LLC, a Delaware limited liability company having a business location at the address set forth below next to its signature (hereinafter, in such capacity the "Agent") for Woodside Funding Partners I., L.P. a Delaware limited partnership ("Woodside"), Lehman Commercial Paper Inc., a New York corporation ("Lehman") and any successor thereto (hereinafter, collectively, the "Lenders") which are or may become parties to that certain Securities Purchase Agreement (as amended and in effect from time to time, the "Purchase Agreement"), dated as of November 16, 2004, by and among Inolex Chemical Company, a Pennsylvania corporation (the "Debtor"), Inolex Group, Inc., the Lenders and the Agent.

Recitals

The Agent, the Lenders and the Debtor are parties to the Purchase Agreement pursuant to which the Lenders have and may make loans or advances of credit to the Debtor as evidenced by (i) that certain Senior Subordinated Note from the Debtor in favor of Woodside (the "Woodside Note") bearing even date in the maximum aggregate principal amount of Four Million Five Hundred Thousand Dollars (\$4,500,000.00) and (ii) that certain Senior Subordinated Note from the Debtor in favor of Lehman (the "Lehman Note", and together with the Woodside Note, the "Notes") of even date in the principal sum of One Million Five Hundred Thousand Dollars (\$1,500,000.00), each with interest thereon at the rate and times, in the manner and according to the terms and conditions specified in the Purchase Agreement and the Notes.

As a condition to extending credit to the Debtor, the Agent has required the execution and delivery of the Pledgor's Guaranty of even date herewith guaranteeing the payment and performance of all obligations of the Debtor arising under or pursuant to the Purchase Agreement (the "Guaranty").

As a further condition to extending credit to the Debtor under the Purchase Agreement, the Agent has required the execution and delivery of this Agreement by the Pledgor.

ACCORDINGLY, in consideration of the mutual covenants contained in the Financing Agreements and herein, the parties hereby agree as follows:

1. Definitions. All terms defined in the Recitals hereto or in the Purchase Agreement that are not otherwise defined herein shall have the meanings given to them therein. In addition, the following terms have the meanings set forth below:

"Patents" means all of the Pledgor's right, title and interest in and to patents or applications for patents, fees or royalties with respect to each, and including without limitation the right to sue for past infringement and damages therefor, and licenses thereunder, all as presently existing or hereafter arising or acquired, including without limitation the patents listed on Exhibit A.

"Security Interest" has the meaning given in Section 2.

"Trademarks" means all of the Pledgor's right, title and interest in and to: (i) trademarks, service marks, collective membership marks, registrations and applications for registration for each, and the respective goodwill associated with each, (ii) licenses, fees or royalties with respect to each, (iii) the right to sue for past, present and future infringement, dilution and damages therefor, (iv) and licenses thereunder, all as presently existing or hereafter arising or acquired, including, without limitation, the marks listed on Exhibit B.

2. Security Interest. The Pledgor hereby irrevocably pledges and assigns to, and grants the Agent a security interest (the "Security Interest"), with power of sale to the extent permitted by law, in the Patents and in the Trademarks to secure payment of the Obligations. As set forth in the Purchase Agreement, the Security Interest is coupled with a security interest in substantially all of the personal property of the Pledgor.

3. Representations, Warranties and Agreements. The Pledgor represents, warrants and agrees as follows:

(a) **Existence; Authority.** The Pledgor is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, and this Agreement has been duly and validly authorized by all necessary corporate action on the part of the Pledgor.

(b) **Patents.** Exhibit A accurately lists all Patents owned or controlled by the Pledgor as of the date hereof, or to which the Pledgor has a right as of the date hereof to have assigned to it, and accurately reflects the existence and status of applications and letters patent pertaining to the Patents as of the date hereof. If after the date hereof, the Pledgor owns, controls or has a right to have assigned to it any Patents not listed on Exhibit A, or if Exhibit A ceases to accurately reflect the existence and status of applications and letters patent pertaining to the Patents, then the Pledgor shall within 60 days provide written notice to the Agent with a replacement Exhibit A, which upon acceptance by the Agent shall become part of this Agreement.

(c) **Trademarks.** Exhibit B accurately lists all Trademarks owned or controlled by the Pledgor as of the date hereof and accurately reflects the existence and status of Trademarks and all applications and registrations pertaining thereto as of

the date hereof; provided, however, that Exhibit B need not list common law marks (i.e., Trademarks for which there are no applications or registrations) which are not material to the Pledgor's or any Affiliate's business(es). If after the date hereof, the Pledgor owns or controls any Trademarks not listed on Exhibit B (other than common law marks which are not material to the Pledgor's or any Affiliate's business(es)), or if Exhibit B ceases to accurately reflect the existence and status of applications and registrations pertaining to the Trademarks, then the Pledgor shall promptly provide written notice to the Agent with a replacement Exhibit B, which upon acceptance by the Agent shall become part of this Agreement.

(d) **Affiliates.** As of the date hereof, no Affiliate owns, controls, or has a right to have assigned to it any items that would, if such item were owned by the Pledgor, constitute Patents or Trademarks. If after the date hereof any Affiliate owns, controls, or has a right to have assigned to it any such items, then the Pledgor shall promptly either: (i) cause such Affiliate to assign all of its rights in such item(s) to the Pledgor; or (ii) notify the Agent of such item(s) and cause such Affiliate to execute and deliver to the Agent a patent and trademark security agreement substantially in the form of this Agreement.

(e) **Title.** The Pledgor has absolute title to each Patent and each Trademark listed on Exhibits A and B, free and clear of all Liens except Permitted Liens. The Pledgor (i) will have, at the time the Pledgor acquires any rights in Patents or Trademarks hereafter arising, absolute title to each such Patent or Trademark free and clear of all Liens except Permitted Liens, and (ii) will keep all Patents and Trademarks free and clear of all Liens except Permitted Liens.

(f) **No Sale.** Except as permitted in the Purchase Agreement, the Pledgor will not assign, transfer, encumber or otherwise dispose of the Patents or Trademarks, or any interest therein, without the Agent's prior written consent.

(g) **Defense.** The Pledgor will at its own expense and using commercially reasonable efforts, protect and defend the Patents and Trademarks against all claims or demands of all Persons other than those holding Permitted Liens.

(h) **Maintenance.** The Pledgor will at its own expense maintain the Patents and the Trademarks to the extent reasonably advisable in its business including, but not limited to, filing all applications to obtain letters patent or trademark registrations and all affidavits, maintenance fees, annuities, and renewals possible with respect to letters patent, trademark registrations and applications therefor. The Pledgor covenants that it will not abandon nor fail to pay any maintenance fee or annuity due and payable on any Patent or Trademark, nor fail to file any required affidavit or renewal in support thereof, without first providing the Agent: (i) sufficient written notice, of at least 30 days, to allow the Agent to timely pay any such maintenance fees or annuities which may become due on any Patents or Trademarks, or to file any

affidavit or renewal with respect thereto, and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit or renewal, should such be necessary or desirable, except to the extent that such abandonment or failure is not reasonably likely to have a material adverse effect on the Pledgor.

(i) **Agent's Right to Take Action.** If the Pledgor fails to perform or observe any of its covenants or agreements set forth in this Section 3, and if such failure continues for a period of ten (10) calendar days after the Agent gives the Pledgor written notice thereof (or, in the case of the agreements contained in subsection (h), immediately upon the occurrence of such failure, without notice or lapse of time), or if the Pledgor notifies the Agent that it intends to abandon a Patent or Trademark, the Agent may (but need not) perform or observe such covenant or agreement or take steps to prevent such intended abandonment on behalf and in the name, place and stead of the Pledgor (or, at the Agent's option, in the Agent's own name) and may (but need not) take any and all other actions which the Agent may reasonably deem necessary to cure or correct such failure or prevent such intended abandonment.

(j) **Costs and Expenses.** Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, the Pledgor shall pay the Agent on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees and disbursements) incurred by the Agent in connection with or as a result of the Agent's taking action under subsection (i) or exercising its rights under Section 6, together with interest thereon from the date expended or incurred by the Agent at a rate of 21% per annum.

(k) **Power of Attorney.** To facilitate the Agent's taking action under subsection (i) and exercising its rights under Section 6, the Pledgor hereby irrevocably appoints (which appointment is coupled with an interest) the Agent, or its delegate, as the attorney-in-fact of the Pledgor with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of the Pledgor, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by the Pledgor under this Section 3, or, necessary for the Agent, after an Event of Default, to enforce or use the Patents or Trademarks or to grant or issue any exclusive or non-exclusive license under the Patents or Trademarks to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Patents or Trademarks to any third party. The Pledgor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of the Purchase Agreement as provided therein and the payment and performance of all Obligations.

4. Pledgor's Use of the Patents and Trademarks. The Pledgor shall be permitted to control and manage the Patents and Trademarks, including the right to exclude others from making, using or selling items covered by the Patents and Trademarks and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default occurs and remains uncured.

5. Events of Default. Each of the following occurrences shall constitute an event of default under this Agreement (herein called "Event of Default"): (a) an Event of Default, as defined in the Purchase Agreement, shall occur; or (b) the Pledgor shall fail promptly to observe or perform any covenant or agreement herein binding on it; or (c) any of the representations or warranties contained in Section 3 shall prove to have been incorrect in any material respect when made.

6. Remedies. Upon the occurrence and during the continuance of an Event of Default and at any time thereafter, the Agent may, at its option, take any or all of the following actions:

(a) The Agent may exercise any or all remedies available under the Purchase Agreement.

(b) The Agent may sell, assign, transfer, pledge, encumber or otherwise dispose of the Patents and Trademarks.

(c) The Agent may enforce the Patents and Trademarks and any licenses thereunder, and if Agent shall commence any suit for such enforcement, the Pledgor shall, at the request of Agent, do any and all lawful acts and execute any and all proper documents required by Agent in aid of such enforcement.

7. Miscellaneous. This Agreement can be waived, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by the Agent. A waiver signed by the Agent shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Agent's rights or remedies. This Agreement may only be amended or modified in writing, signed by the Agent and the Pledgor. All rights and remedies of the Agent shall be cumulative and may be exercised singularly or concurrently, at the Agent's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices to be given to Pledgor under this Agreement shall be given in the manner and with the effect provided in the Security Agreement of even date herewith by and between Pledgor and Agent. The Agent shall not be obligated to preserve any rights the Pledgor may have against prior parties, to realize on the Patents and Trademarks at all or in any particular manner or order, or to apply any cash proceeds of Patents and Trademarks in any particular order of application. This Agreement shall be binding upon and inure to the benefit of the Pledgor and the Agent and their respective participants, successors and assigns and shall take effect when

signed by the Pledgor and delivered to the Agent, and the Pledgor waives notice of the Agent's acceptance hereof. The Agent may execute this Agreement if appropriate for the purpose of filing, but the failure of the Agent to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon, photographic or other reproduction of this Agreement or of any financing statement signed by the Pledgor shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal law of the Commonwealth of Massachusetts without regard to conflicts of law provisions. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations.

THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.

PAYMENT OF PRINCIPAL AND INTEREST ON THE NOTES AND OTHER AMOUNTS RELATING TO THE PURCHASE AGREEMENT HAS BEEN SUBORDINATED TO PRIOR PAYMENT OF THE SENIOR DEBT (AS DEFINED IN THE PURCHASE AGREEMENT) IN THE MANNER AND TO THE EXTENT SET FORTH IN THE INTERCREDITOR AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Patent and Trademark Security Agreement as of the date written above.

INOLEX INVESTMENT CORP.

By *MJC*
Name: Michael J. Chutkan Jr
Title: President

**WOODSIDE AGENCY SERVICES LLC,
as Collateral Agent**

By: Woodside Capital Management, LLC, its
Manager

By: _____
Name:
Title:

STATE OF DELAWARE)
COUNTY OF New Castle)

The foregoing instrument was acknowledged before me this 15 day of November, 2004, by Michael J. Chutkan Jr, the President of Inolex Investment Corp., a Delaware corporation, on behalf of the corporation.

Todd C Schick
Notary Public
TODD C SCHICK, Esq.

Inolex Investment Corp. Patent and Trademark Security Agreement

