

Docket No.: DT

FORM PTO-156a (Modified)
(Rev. 03-01)
OMB No. 0651-0027 (exp. 5/31/2002)
P08/REV03

05-30-2003

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office



102459894

Tab settings

To the Honorable Commissioner of Patents and Trademarks, please return the attached original documents or copy thereof.

1. Name of conveying party(ies):
 Thomas E. Pank S. & U3
 Additional names(s) of conveying party(ies) Yes No

2. Name and address of receiving party(ies):
 Name: Westminster Union Bank
 Internal Address: _____
 Street Address: 117 E. Main Street
 City: Westminster State: MD ZIP: 21157
 Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____
 Execution Date: April 30, 2003

4. Application number(s) or patent numbers(s):
 If this document is being filed together with a new application, the execution date of the application is:
 A. Patent Application No.(s)
 B. Patent No.(s)
6,264,835
5,746,911
20020117435
 Additional numbers attached? Yes No

6. Total number of applications and patents involved: 3
 7. Total fee (37 CFR 3.41):.....\$ 120.00
 Enclosed - Any excess or insufficiency should be credited or debited to deposit account
 Authorized to be charged to deposit account

5. Name and address of party to whom correspondence concerning document should be mailed:
 Name: Laura S. Runyeon
 Internal Address: _____
 Street Address: Miles & Stockbridge
10 Light Street
 City: Baltimore State: MD ZIP: 21202
05/29/2003 DBYRME 00000030 000052 6264835

8. Deposit account number:
20-0052
 (Attach duplicate copy of this page if paying by deposit account)

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.
Laura S. Runyeon
 Name of Person Signing
David Adams Signature
 Total number of pages including cover sheet, attachments, and document: 8

DO NOT USE THIS SPACE
 May 7, 2003
 Date

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignments

PATENT
REEL: 014108 FRAME: 0006

COLLATERAL ASSIGNMENT OF PATENTS
AS SECURITY AND SECURITY AGREEMENT

THIS COLLATERAL ASSIGNMENT OF PATENTS AS SECURITY AND SECURITY AGREEMENT (this "Assignment") is made as of this 30th day of April, 2003, Thomas E. Pank (the "Assignor"), in favor of Westminster Union Bank, and its successors and assigns (collectively the "Lender").

RECITALS

A. The Assignor and his wife, Katrina Y. Pank, have obtained from the Lender a certain term loan in the amount of ONE MILLION SIX HUNDRED THOUSAND DOLLARS (\$1,600,000.00) ("Loan #1"), with Loan #1 being evidenced by a certain Promissory Note of even date herewith in the principal amount of ONE MILLION SIX HUNDRED THOUSAND DOLLARS (\$1,600,000.00) executed and delivered by Assignor and Katrina Y. Pank in favor of the Lender ("Note #1"); and

B. The Assignor and his wife, Katrina Y. Pank have executed and delivered in favor of the Lender the following Guaranty and Indemnification Agreements (the "Guaranty Agreements") guaranteeing, among other things, payment of the following loans made by Lender to entities owned in whole or in part by the Assignor:

(i) A certain Guaranty and Indemnification Agreement of even date herewith by the Assignor in favor of the Lender guaranteeing, among other things, payment of a certain revolving line of credit facility in an amount not to exceed THREE MILLION THREE HUNDRED THOUSAND DOLLARS (\$3,300,000.00) at any one time outstanding made by the Lender to AccuBid Excavation, Inc. ("Loan #2"), with Loan #2 being evidenced by a certain Master Promissory Note Payable Upon Demand of even date herewith in the principal amount of THREE MILLION THREE HUNDRED THOUSAND DOLLARS (\$3,300,000.00) executed and delivered by AccuBid Excavation, Inc. in favor of the Lender ("Note #2"); and

(ii) A certain Guaranty and Indemnification Agreement of even date herewith by the Assignor in favor of the Lender guaranteeing, among other things, payment of a certain revolving line of credit facility in an amount not to exceed TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00) at any one time outstanding made by the Lender to BaySaver, Inc. ("Loan #3"), with Loan #3 being evidenced by a certain Promissory Note of even date herewith in the principal amount of TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00) executed and delivered by BaySaver, Inc. in favor of the Lender ("Note #3"); and

(iii) A certain Guaranty and Indemnification Agreement of even date herewith by the Assignor in favor of the Lender guaranteeing, among other things, (a) payment of a certain term loan in the amount of TWO MILLION FIVE HUNDRED FIFTY THOUSAND DOLLARS (\$2,550,000.00) made by the Lender to Mt. Airy Equipment, Inc. ("Loan #4"), with Loan #4 being evidenced by a certain Promissory Note of even date herewith in the principal amount of TWO MILLION FIVE HUNDRED FIFTY THOUSAND DOLLARS (\$2,550,000.00) executed and delivered by Mt. Airy Equipment, Inc. in favor of the Lender ("Note #4"); and (b) payment of a certain revolving credit facility in an amount not to exceed ONE MILLION DOLLARS (\$1,000,000.00) at any one time outstanding made by the Lender to Mt. Airy Equipment, Inc. ("Loan #5"), with Loan #5 being governed and evidenced by a Line of Credit Agreement - Equipment of even date herewith by and between Mt. Airy Equipment, Inc. and the Lender (the "Credit Agreement"); and

C. The Assignor's liabilities and obligations under Note #1, the Guaranty Agreements, and under all documents described as "Loan Documents" in Note #1 are hereinafter referred to as the "Obligations", with the term Loan Documents as used anywhere herein referring to all instruments and documents described as "Loan Documents" in Note #1; and

D. The Assignor is the owner of, and has adopted, used and is using certain patents as listed on **SCHEDULE A** attached hereto and made a part hereof, and has applied for or has pending the patents also as listed on **SCHEDULE A** (collectively, the "Patents"), with the Patents listed on **SCHEDULE A** constituting all intellectual property of every kind and description owned by the Assignor as of the date hereof; and

E. The Assignor has granted unto the Lender pursuant to separate security agreements and indemnity security agreements of even date herewith a continuing security interest in and to, among other things, all of the Assignor's general intangibles, including, without limitation, all of the Assignor's right, title and interest in and to all patents and intellectual property owned by Assignor, whether now owned or hereafter acquired, in order to secure the Obligations; and

F. The Lender desires to have the interest of the Lender in the Patents confirmed by a document identifying the same and in such form that it may be recorded in the United States Patent and Trademark Office; and

G. As collateral security for the Obligations, whether arising under the Loan Documents or otherwise, the Assignor has agreed to assign to the Lender the Patents and the goodwill of the business associated therewith.

NOW, THEREFORE, with the foregoing Recitals being 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:

ARTICLE I ASSIGNMENT

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 all of the Obligations, the Assignor hereby grants, assigns and conveys to the Lender all of its present and future right, title and interest in and to, and grants to the Lender a security interest in, lien on, and collateral assignment of, the Patents, together with all of the Assignor's rights, title and interest in and to (a) any and all inventions and improvements described and claimed in such Patents and patent applications, (b) reissues, divisions, continuations, renewals, extensions and continuations-in-part of any Patents and patent applications, (c) income, royalties, damages, claims and payments now or hereafter due and/or payable under and with respect to any patents or patent applications, including, without limitation, damages and payments for past and future infringements, (d) rights to sue for past, present and future infringements of patents, and (e) all rights corresponding to any of the foregoing throughout the world.

The foregoing grant, security interest and assignment is a present grant of a collateral assignment and, upon the occurrence of an Event of Default (as defined in Note #1 and the Guaranty Agreements) and notice to the Assignor from the Lender, and subject to the filing with and notice to the United States Patent and Trademark Office, shall become an absolute assignment in favor of the Lender or in favor of such person as

the Lender may designate, and may be the subject of such confirmatory instruments as the Lender may elect, which instruments shall be conclusive evidence of the Event of Default and absolute assignment.

ARTICLE II REPRESENTATIONS AND WARRANTIES

Section 2.1 Patent Existence. The Assignor represents and warrants to the Lender, that based on the records of the United States Patent and Trademark Office and on the Assignor's actual knowledge:

2.1.1 The Patents are subsisting and have not been adjudged invalid or unenforceable in the United States.

2.1.2 Each of the Patents is valid and enforceable in the United States.

2.1.3 The Assignor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to the Patents, each of the Patents is free and clear of any liens, security interests, licenses, and other encumbrances, including, without limitation, covenants by the Assignor not to sue third persons in the United States.

2.1.4 The Assignor has the right to enter into this Assignment and perform its terms.

ARTICLE III COVENANTS AND AGREEMENTS

Section 3.1 New Agreements, Patents and Consents. The Assignor covenants that until all the Obligations have been paid and performed in full:

3.1.1. It will not enter into any agreement, including without limitation, license agreements that would have a material adverse effect on the Lender's rights under this Assignment.

3.1.2 It will exercise reasonable supervision over each of its present and future employees, agents and consultants which will enable the Assignor to comply with the covenants herein contained.

3.1.3 If the Assignor obtains rights or becomes entitled to the benefit of any patent, patent application, or patentable invention (other than the Patents), or becomes entitled to the benefit of any patent application or patent for any reissue, division, continuation, renewal, extension, the provisions of this Assignment shall automatically apply thereto, and the Assignor shall give the Lender prompt written notice thereof along with an amended **SCHEDULE A** which shall be annexed to this Assignment.

3.1.4 The Assignor shall, at the Lender's request, obtain consents to this Assignment where the Assignor's right to assign any Patents requires such consent.

Section 3.2 Maintenance.

3.2.1 The Assignor hereby covenants and agrees to maintain the Patents in full force and effect until all of the Obligations are satisfied in full.

3.2.2 The Assignor shall have the duty to (a) prosecute diligently any patent application that is part of the Patents pending as of the date of this Assignment or thereafter to the extent the value of such application in the Assignor's business justifies such prosecution until the Obligations shall have been satisfied in full, (b) preserve and maintain all rights in such applications and/or Patents, including, but not limited to, the payment of registration and renewal fees, if any, and (c) upon reasonable written request of the Lender, to make federal patent application for patentable inventions. Any expenses incurred in connection with such applications shall be paid by the Assignor. The Assignor shall not abandon any Patent or any pending application for patent registration, without the consent of the Lender.

3.2.3 Prior to an Event of Default, the Assignor shall have the right to bring suit in its own name to enforce the Patents, in which event the Lender may, if necessary, at its own expense, be joined as a nominal party to such suit if the Lender shall have been satisfied that it is not thereby incurring any risk of liability because of such joinder. If suit is brought subsequent to an Event of Default, the Assignor shall promptly, upon demand, reimburse and indemnify the Lender for all damages, costs and reasonable expenses, including attorneys' fees, as they arise incurred by the Lender in the fulfillment of the provisions of this paragraph.

3.2.4 If the Assignor fails to comply with any of its obligations hereunder in any material respect, the Lender may do so in the Assignor's name or in the Lender's name, but at the Assignor's expense, and the Assignor hereby agrees to reimburse and indemnify the Lender in full for all reasonable expenses, including reasonable attorneys' fees, incurred by the Lender in protecting, defending and maintaining the Patents.

3.2.5 The Assignor will continue to use, for the duration of this Assignment, proper statutory identification in connection with its use of the Patents.

Section 3.3 Fees and Expenses. The Assignor agrees to pay to the Lender upon demand any and all reasonable fees, costs and expenses, of whatever kind or nature, including attorneys' fees and legal expenses incurred by the Lender in connection with the preparation of this Assignment and of 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, counsel fees, maintenance fees, encumbrances or costs otherwise incurred in protecting, maintaining or preserving the Patents, or in enforcing the Lender's rights therein or in defending or prosecuting any actions or proceedings arising out of or related to the Patents, shall be borne and paid by the Assignor on demand by the Lender.

ARTICLE IV EVENTS OF DEFAULT; RIGHTS AND REMEDIES

Section 4.1 Assignor Use. Prior to an Event of Default (a) the Assignor shall have an exclusive nontransferable right and license to use the Patents, and (b) the Lender shall have no right to use the Patents or issue any exclusive or non-exclusive license under the Patents, or assign, pledge or otherwise transfer title in the Patents to any other party. The Assignor agrees not to sell or assign its interest in, or grant any sublicense under, except in the ordinary course of the Assignor's business and only if such sublicensee is provided notice that the sublicense is subject to the terms of this Assignment, or allow any lien or security interest to attach to, the license granted to the Assignor in this section, without the prior written consent of the Lender.

Section 4.2 Certain Lender Rights. The Assignor hereby covenants and agrees that the Lender, as assignee hereunder and as the holder of a security interest under the Uniform Commercial Code, as now or hereafter in effect in the State of Maryland, and under any other applicable law, following an Event of Default, upon notice to the Assignor, may terminate the license set forth in Section 4.1 and may take such other action permitted hereunder or under the other Loan Documents or permitted by applicable laws, in its exclusive discretion, to foreclose upon the Patents covered hereby. For such purposes, and in the event of an Event of Default hereunder or in the Obligations, the Assignor upon the occurrence of an Event of Default hereby authorizes and empowers the Lender to make, constitute and appoint any officer of Lender as the Lender may select, in its exclusive discretion (with full power of substitution and delegation, in its exclusive discretion), as the Assignor's true and lawful attorney-in-fact, with the power, without notice to the Assignor, to endorse the Assignor's name on all applications, documents, papers and instruments in the name of the Lender or in the name of the Assignor or otherwise, for the use and benefit of the Lender to use the Patents or to grant or issue any exclusive or non-exclusive license under the Patents to anyone else, or necessary for the Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Patents to anyone else. This power of attorney shall be irrevocable for the life of this Assignment and the Loan Documents and other obligations and until all of the Obligations to the Lender are satisfied in full.

Section 4.3 Rights and Remedies. All rights and remedies herein granted to the Lender shall be in addition to any rights and remedies granted to the Lender under the Loan Documents.

Section 4.4 Re-Vesting of Assignor's Rights. Upon the full payment and performance of all of the Obligations, the Lender shall, upon the Assignor's request and at the Assignor's expense, execute and deliver to the Assignor all documents reasonably necessary to terminate this Assignment and re-vest in the Assignor full title to the Patents.

Section 4.5 No Waiver. No course of dealing between the Assignor and the Lender, nor any failure to exercise, nor any delay in exercising, on the part of the Lender, any right, power or privilege hereunder or under the Loan Documents shall operate as a waiver thereof, and all of the Lender's rights and remedies with respect to the Patents, whether established hereby or by the Loan Documents, or by any other future agreements between the Assignor and the Lender or by law shall be cumulative and may be exercised singularly or concurrently.

ARTICLE V MISCELLANEOUS

Section 5.1 Severability. The provisions of this Assignment 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.

Section 5.2 Successors and Assigns. This Assignment shall inure to the benefit of and be binding upon the respective personal representatives, heirs, successors and permitted assigns of the parties and shall specifically inure, without limitation, to the benefit of each person who may from time to time be a holder of the notes evidencing the Obligations.


Section 5.3 Modification. This Assignment is subject to modification only by a writing signed by the parties and shall be subject to the terms, provisions and conditions set forth in the Loan Documents and may not be modified without the written consent of the party against whom enforcement is being sought.

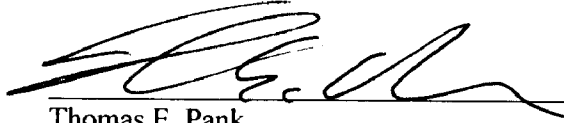
Section 5.4 Captions and Headings. The section headings in this Assignment are for convenience only, and shall not limit or otherwise affect any of the terms hereof.

Section 5.5 Governing Law. This Assignment shall be governed by and construed in conformity with the laws of the State of Maryland.

IN WITNESS WHEREOF, the parties hereto have executed these presents under seal, as a specialty, pursuant to Section 5-102 of the Courts and Judicial Proceedings Article of the Annotated Code of Maryland, on the day and year first above written.

WITNESS:



 (SEAL)
Thomas E. Pank


APPROVED AND ACCEPTED:

BY: _____
Name: _____
Title: _____

STATE OF MARYLAND, COUNTY OF FREDERICK, TO WIT:

I HEREBY CERTIFY that on this 3rd day of April, 2003, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Thomas E. Pank, who acknowledged the foregoing instrument to be his act and deed.

WITNESS my hand and Notarial Seal.



NOTARY PUBLIC

My Commission Expires: July, 2005

SCHEDULE A

LIST OF PATENTS

Patent Number

Description

- | | |
|----------------|---|
| 1. 6,264,835 | Apparatus for separating a light from a heavy fluid |
| 2. 5,746,911 | Apparatus for separating a light from a heavy fluid |
| 3. 20020117435 | Filtering System for Runoff Water |

LAW OFFICES

MILES & STOCKBRIDGE, P.C.

30 WEST PATRICK STREET, SUITE 600

FREDERICK, MARYLAND 21701

RECORDED: 05/08/2003

PATENT
REEL: 014108 FRAME: 0013