

Form PTO-1594

(Rev. 10/02)

OMB No. 0651-0027 (exp. 6/30/2005)

RECORDATION FORM COVER SHEET

TRADEMARKS ONLY

U.S. DEPARTMENT OF COMMERCE  
U.S. Patent and Trademark Office

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To the Honorable Commissioner of Patents and Trademarks; Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Ellicott Machine Corporation International

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

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

3. Nature of conveyance:

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

Execution Date: January 31, 2002

2. Name and address of receiving party(ies)

Name: First International Bank

Internal Address: \_\_\_\_\_

Street Address: 280 Trumbull Street

City: Hartford State: CT Zip: 06103

- Individual(s) citizenship \_\_\_\_\_
- Association \_\_\_\_\_
- General Partnership \_\_\_\_\_
- Limited Partnership \_\_\_\_\_
- Corporation-State Connecticut
- 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 registration number(s):

A. Trademark Application No.(s) \_\_\_\_\_

B. Trademark Registration No.(s) 586,573, 586,574, 622,173, 687,887, 1,548,890, 1,549,508

Additional number(s) attached  Yes  No

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

Name: Joseph J. Corso, Esq.

Internal Address: Pearne & Gordon LLP

Street Address: 1801 East Ninth Street

Suite 1200

City: Cleveland State: OH Zip: 44114-3108

6. Total number of applications and registrations involved: \_\_\_\_\_

6

7. Total fee (37 CFR 3.41) ..... \$ 165.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

16-0820

DO NOT USE THIS SPACE

9. Signature.

Joseph J. Corso  
Name of Person Signing

  
Signature

February 25, 2004  
Date

Total number of pages including cover sheet, attachments, and document: 9

Mail documents to be recorded with required cover sheet information to:  
Commissioner of Patent & Trademarks, Box Assignments  
Washington, D.C. 20231

CH \$165.00 160820 0586573

**VOLUNTARY SURRENDER OF COLLATERAL AND GUARANTOR COLLATERAL; AUTHORIZATION TO ENTER PREMISES TO TAKE POSSESSION OF AND REMOVE COLLATERAL AND GUARANTOR COLLATERAL; AUTHORIZATION TO OCCUPY PREMISES AND LIQUIDATE COLLATERAL AND GUARANTOR COLLATERAL BY PUBLIC OR PRIVATE SALE (S) ON THE PREMISES; WAIVER OF NOTICE REGARDING DISPOSITION OF COLLATERAL AND GUARANTOR COLLATERAL; WAIVER OF RIGHT OF REDEMPTION.**

This Agreement is made as of January 31, 2002 by Ellicott Machine Corporation International, a Maryland corporation having a principal place of business at 1611 Bush Street, Baltimore, Maryland 21230 (the "Borrower"), Peter A. Bowe of 208 E. Montgomery Street, Baltimore, Maryland (the, "Guarantor"), Ellicott Plant, LLC of 1611 Bush Street, Baltimore, Maryland ("Ellicott Plant"), Wicomico Properties, LLC of 1315 W. Hamburg Street, Baltimore, Maryland ("Wicomico") to and in favor of First International Bank of 280 Trumbull Street, Hartford, Connecticut 06103 (the "Bank"), its successors and assigns.

**RECITALS:**

1. The Bank has extended to the Borrower a pre-export working capital commercial revolving loan in the principal amount of up to SEVEN MILLION FIVE HUNDRED THOUSAND AND 00/100 (\$7,500,000.00) DOLLARS (the "Transaction Specific Revolving Loan") pursuant to the terms and conditions of, and as evidenced by, a certain Export Credit and Security Agreement dated November 28, 1997, as amended (the "Transaction Specific Credit Agreement"), an Export Revolving Loan Promissory Note in said amount dated November 28, 1997, as amended (the "Transaction Specific Revolving Loan Note"), and a certain Borrower Agreement dated November 28, 1997, as amended (the "Transaction Specific Borrower Agreement").

2. The Bank has extended to the Borrower a pre-export working capital commercial revolving loan in the original principal amount of up to ELEVEN MILLION AND 00/100 (\$11,000,000.00) DOLLARS (the "Working Capital Revolving Loan") pursuant to the terms and conditions of, and as evidenced by, a certain Export Credit and Security Agreement dated September 30, 1996, as amended (the "Working Capital Credit Agreement"), an Export Revolving Loan Promissory Note in said amount dated September 30, 1996, as amended (the "Working Capital Revolving Loan Note"), and a certain Borrower Agreement dated September 30, 1996, as amended (the "Working Capital Borrower Agreement"). The Transaction Specific Revolving Loan and the Working Capital Revolving Loan are hereafter jointly referred to as the "Revolving Loans". The Transaction Specific Credit Agreement, Transaction Specific Revolving Loan Note, Transaction Specific Borrower Agreement, Working Capital Credit Agreement Working Capital Revolving Loan Note and Working Capital Borrower Agreement are hereafter jointly referred to as the "Loan Documents".

3. The Revolving Loans are secured by all of the Borrower's assets pursuant to the terms and conditions of, and as evidenced by the Transaction Specific Credit Agreement and the Working Capital Credit Agreement (the "Collateral"), including, without limitation three certain 28 inch Non-self Propelled Cutter Suction Dredges, identified as Hull No.: E1005-ABS Project No. 38453VE; Hull No.: E1006-ABS Project No. 38454 VE; and Hull No.:E1007-ABS Project No. 38456VE, and related parts and accessories.

4. On September 30, 1996 and November 28, 1997 the Guarantor entered into guarantees (the "Bowe Guarantees") to guarantee the Revolving Loans, secured by the Merrill Lynch Pledged Collateral Account Control Agreement dated February 23, 1997 over Merrill Lynch Pierce Fenner & Smith Incorporated account 78F30956 in the name of Peter A. Bowe (the "Guarantor Collateral").

5. On November 28, 1997 and April 19, 1999 Ellicott Plant entered into guarantees (the "Ellicott Plant Guarantees") to guarantee the Revolving Loans, secured by Deeds of Trust (the "Ellicott Plant Deeds of Trust") dated March 19, 1998 and April 19, 1999.

6. On November 28, 1997 and April 19, 1999 Wicomico entered into guarantees to guarantee the Revolving Loans, secured by Deeds of Trust dated March 19, 1998 and April 19, 1999.

7. On February 11, 2001, the Bank, the Borrower, the Guarantor, Ellicott Plant, and Wicomico entered into an Offer In Compromise and Further Compliance Agreement.

8. The Borrower is in default on the Revolving Loans.

9. The Bank intends to exercise its rights with respect to the Collateral and Guarantor Collateral and, in particular to take possession of the Collateral and Guarantor Collateral, and in addition thereto: (a) to enter upon the Borrower's premises on which the Collateral or Guarantor Collateral or any part thereof may be situated, (b) to occupy the Borrower's premises for the purposes of liquidating the Collateral and Guarantor Collateral, including, without limitation, conducting an auction thereon; and (c) so liquidating the Collateral and Guarantor Collateral, by either a public and/or private sale(s) thereof.

10. The Borrower desires to effectuate a peaceable surrender of the Collateral and Guarantor Collateral.

#### AGREEMENT

NOW, THEREFORE, in consideration of the recitals, which are incorporated herein, and for other good and fair consideration, the receipt of which is hereby acknowledged, the Bank, the Borrower, the Guarantor, Ellicott Plant and Wicomico do hereby agree and represent as follows:

1. The Borrower, the Guarantor, Ellicott Plant and Wicomico acknowledge and affirm that the Revolving Loans are in default, and that the Bank has duly given

notice of said default and demanded the immediate payment of the entire outstanding indebtedness under the Loan Documents in full.

2. The Borrower voluntarily surrenders possession of the Collateral, set forth on Exhibit A. The Guarantor voluntarily surrenders possession of the Guarantor Collateral. The Borrower, the Guarantor, Ellicott Plant and Wicomico expressly and irrevocably authorize the Bank to: (a) enter upon the Borrower's premises, (b) take possession of and remove the Collateral (to the extent that the same is moveable) and the Guarantor Collateral; (c) occupy the Borrower's Premises rent free for the purposes of liquidating the Collateral and the Guarantor Collateral, including, without limitation, conducting an auction thereon; and (d) so liquidating the Collateral and the Guarantor Collateral, by either a public and/or private sale(s) thereof.

3. The Borrower, the Guarantor, Ellicott Plant and Wicomico hereby renounce and waive right to notification of any intended sale or other disposition of the Collateral or the Guarantor Collateral as may be required under Article 9 of the Uniform Commercial Code as in effect in the State of Maryland (the "UCC"), and waive any right to redeem the Collateral or the Guarantor Collateral, as may be permitted pursuant to the UCC.

4. The liability of Ellicott Plant under the Ellicott Plant Guarantees shall be reduced to the sum of \$300,000.00 payable in accordance with the terms of the promissory note appended hereto as Exhibit C, which liability shall continue to be secured by the Ellicott Plant Deeds of Trust, the terms of which are hereby modified accordingly.

5. The Bowe Guarantees shall be released on the date five (5) years after the date hereof.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and seals this 13<sup>th</sup> day of MARCH, 2002.

Signed, sealed and delivered in the presence of:

ELLICOTT MACHINE INTERNATIONAL CORPORATION

Meyna LaBare (witness)  
Meyna LaBare (witness)

By Peter A. Bowe  
Peter A. Bowe  
Its President

PETER A. BOWE

Meyna LaBare (witness)

Peter A. Bowe

\_\_\_\_\_  
(witness)

Peter A. Bowe

ELLICOTT PLANT, LLC

\_\_\_\_\_  
(witness)  
*Muzina LaBare*  
\_\_\_\_\_  
(witness)

By *Peter A. Bowe*  
Peter A. Bowe  
Member duly authorized

WICOMICO PROPERTIES, LLC

\_\_\_\_\_  
(witness)  
*Muzina LaBare*  
\_\_\_\_\_  
(witness)

By *Peter A. Bowe*  
Peter A. Bowe  
Member duly authorized

Exhibit A  
(Collateral Description)

## Debtor:

Ellicott Machine Corporation International  
1611 Bush Street  
Baltimore, Maryland

## Secured Party:

First International Bank  
280 Trumbull Street  
Hartford, CT 06103

All tangible and intangible personal property of the Debtor, including without limitation:

(a) all Accounts, as that term is defined in Article 9 of the Uniform Commercial Code as in effect from time-to-time in the State of Maryland (the "UCC"), now owned or hereafter acquired, and, in any event, shall include any right to payment held by Debtor, whether in the form of accounts receivable, notes, drafts, acceptances, letters of credit (including proceeds of letters of credit) or other forms of obligations and receivables, including rights in, to and under purchase orders, contracts or receipts for goods or services, now owned or hereafter received or acquired by or belonging or owing to the Debtor (including, without limitation, under any trade name, style or division thereof) for inventory sold or leased or services rendered by it whether or not earned by performance, together with all guarantees and security there for and all proceeds thereof, whether cash proceeds or otherwise, including, without limitation, all right, title and interest of Debtor in the inventory which gave rise to any such accounts, including, without limitation, unpaid seller's rights of rescission, replevin, reclamation and stoppage in transit and rights to returned, reclaimed rejected or repossessed inventory or other goods; and all instruments, documents and writings evidencing or supporting the foregoing.

(b) all Chattel Paper, as that term is defined in Article 9 of the UCC, now owned or hereafter acquired, and, in any event, shall include any writing or writings which evidence both a monetary obligation and a security interest in or a lease of specific goods, whether now or hereafter held by Debtor;

(c) all Contracts, undertakings, franchise agreements or other agreements (other than rights evidenced by chattel paper, documents or instruments, as those terms are defined above and below), now owned or hereafter acquired, in or under which the Debtor may now or hereafter have any right, title or interest, including, without limitation, with respect to an account, and any agreement relating to the terms of payment or the terms of performance thereof;

(d) all Documents, as that term is defined in Article 9 of the UCC now owned or hereafter acquired;

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(e) all Equipment, as that term is defined in Article 9 of the UCC, and, in any event, shall include, without limitation, all machinery, tools, dies, equipment, furnishings, fixtures, leasehold improvements, vehicles (other than motor vehicles) and computers and other electronic data processing and other office equipment, now owned or hereafter acquired, including, but not limited to, the items of equipment, if any, listed on Exhibit B attached hereto and made a part hereof, any and all additions, substitutions and replacements of any of the foregoing, wherever located, together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto, and all contracts, contract rights and chattel paper arising out of any lease of any of the foregoing;

(f) all General Intangibles, as that term is defined in Article 9 of the UCC, now owned or hereafter acquired, and, in any event, shall include all right, title and interest which the Debtor may now or hereafter have in or under any contract, all customer lists, trademarks, patents, rights in intellectual property, interests in partnerships, joint ventures and other business associations, licenses, permits, copyrights, trade secrets, proprietary or confidential information, inventions (whether or not patented or patentable), technical information, procedures, designs, knowledge, know-how, software, data bases, data, skill, expertise, recipes, experience, processes, models, drawings, blueprints, catalogs, materials and records, goodwill (including, without limitation, the goodwill associated with any trademark, trademark registration or trademark licensed under any trademark license, claims in or under insurance policies, including unearned premiums, uncertificated securities, deposit accounts, rights to receive tax refunds and other payments and rights of indemnification;

(g) all Instruments, as that term is defined in Article 9 of the UCC, now owned or hereafter acquired, and, in any event, shall include any negotiable instrument or certificated security, as defined in Article 8 of the UCC, or any other writing which evidences a right to the payment of money and is not itself an instrument that constitutes, or is a part of a group or writings that constitute, chattel paper, and is of a type which, in the ordinary course of business, is transferred by delivery with any necessary endorsement or assignment, whether now or hereafter held by Debtor;

(h) all Inventory, as that term is defined in Article 9 of the UCC, now owned or hereafter acquired, wherever located, and, in any event, shall include all inventory, merchandise, goods and other personal property which are held by or on behalf of the Debtor for sale or lease or are furnished or are to be furnished under a contract of service or which constitute raw materials, work in process or materials used or consumed or to be used or consumed in the Debtor's business, or the processing, packaging, promotion, delivery or shipping of the same, and all finished goods, whether or not the same is in transit or in the constructive, actual or exclusive occupancy or possession of the Debtor or is held by the Debtor or by others for the Debtor's account, including, without limitation, all goods covered by purchase orders and contracts with suppliers and all goods billed and held by suppliers and all inventory

which may be located on premises of the Debtor or of any carriers, forwarding agents, truckers, warehousemen, vendors, selling agents or other persons;

(i) all Proceeds, as that term is defined in Article 9 of the UCC, now owned or hereafter acquired, and, in any event, shall include (a) any and all accounts, chattel paper, instruments, cash and other proceeds payable to the Debtor from time-to-time in respect of any of the foregoing collateral security, (b) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to the Debtor from time-to-time with respect to any of the collateral security, (c) any and all payments (in any form whatsoever) made or due and payable to the Debtor from time-to-time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the collateral security by any governmental body, authority, bureau or agency (or any person acting under color of governmental authority), and (d) any and all other amounts from time-to-time paid or payable under or in connection with any of the collateral security;

(j) all other collateral in which the Debtor may hereafter grant to the Secured Party a security interest; and

(k) all renewals, substitutions, replacements, additions, accessions and products of any and all of the foregoing.



Exhibit B  
(Specific Equipment Description)

Reference is made to that certain APPRAISAL OF ELLICOTT MACHINE CORPORATION INTERNATIONAL T/A ELLICOTT INTERNATIONAL, 1611 BUSH STREET, BALTIMORE, MARYLAND 21230. As of: 7 January 2002 by BSC America/Atlantic Auctions, 802 Belair Road, Bel Air, Maryland 21014-0516 for a specific itemization of machinery and equipment, said appraisal report being incorporated herein by reference.

And including three certain 28 inch Non-self Propelled Cutter Suction Dredges, identified as Hull No.: E1005-ABS Project No. 38453VE; Hull No.: E1006-ABS Project No. 38454VE; and Hull No.:E1007-ABS Project No. 38456VE and related parts and accessories.