

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
NITRAM ENERGY, INC.	04/30/2008
RECEIVING PARTY DATA	
Name:	PROSPECT CAPITAL CORPORATION
Street Address:	10 EAST 40TH STREET, 44TH FLOOR
City:	NEW YORK
State/Country:	NEW YORK
Postal Code:	10016
PROPERTY NUMBERS Total: 1	
Property Type	Number
Patent Number:	7185678
CORRESPONDENCE DATA	
Fax Number:	(973)624-7070
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	973-622-4444
Email:	rsmith@mccarter.com, kknoll@mccarter.com
Correspondent Name:	Robert W. Smith
Address Line 1:	McCarter & English, LLP 100 Mulberry St.
Address Line 2:	4 Gateway Center
Address Line 4:	Newark, NEW JERSEY 07101
ATTORNEY DOCKET NUMBER:	101804/00018
NAME OF SUBMITTER:	Robert W. Smith

Total Attachments: 6

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THE SECURITY INTERESTS GRANTED HEREUNDER AND THE RIGHTS AND OBLIGATIONS CREATED HEREBY ARE SUBJECT TO THE PROVISIONS OF THE SUBORDINATION AND INTERCREDITOR AGREEMENT, DATED AS OF DATE HEREOF, BY AND AMONG COMERICA BANK, THE SENIOR LENDERS (AS DEFINED THEREIN) AND PROSPECT CAPITAL CORPORATION

AGREEMENT

(Patent)

THIS AGREEMENT (PATENT) (this "Agreement"), dated as of April 30, 2008 between the undersigned (individually each the "Debtor" and collectively the "Debtors") and Prospect Capital Corporation, as Agent for the Lenders (as defined below) ("Secured Party").

WITNESSETH

A. WHEREAS, pursuant to that certain Senior Subordinated Loan Agreement made as of the date hereof (as the same may be amended or otherwise modified from time to time, the "Loan Agreement") by and among PMFG, Inc. ("Holdings"), Peerless Mfg. Co. (the "Company"), PMC Acquisition, Inc. ("PMC"; and following the execution and delivery by any Subsidiary, and acceptance by the Agent, from time to time, of a Joinder Agreement from such Subsidiary, PMC and Company together with such Subsidiaries; individually, a "Borrower" and collectively, the "Borrowers"), and the Secured Party, the Secured Party has agreed, subject to the satisfaction of certain terms and conditions, to make a Term Loan to the Borrowers, as provided therein; and

B. WHEREAS, in connection with the Loan Agreement, the Debtors have executed and delivered that certain Security Agreement, dated as of the date hereof to the Secured Party (as amended or otherwise modified from time to time, the "Security Agreement"); and

C. WHEREAS, as a condition precedent to the making of the Term Loan under the Loan Agreement, the Debtors are required to execute and deliver this Agreement and to further confirm the grant to the Secured Party for the benefit of the Secured Party a continuing security interest in all of the Patent Collateral (as defined below) to secure all Indebtedness (as defined in the Loan Agreement).

NOW, THEREFORE, for good and valuable consideration the receipt of which is hereby acknowledged, and in order to induce the Secured Party to make the Term Loan to the Borrower pursuant to the Loan Agreement, Debtors agree, for the benefit of the Secured Party, as follows:

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

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

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

(b) all letters patent, patent applications and patentable inventions, including, without limitation, all patents and patent applications identified on Schedule 1.1 attached hereto and made a part hereof, and including without limitation, (a) all inventions and improvements described and claimed therein, and patentable inventions, (b) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (c) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all Patent Licenses entered into in connection therewith, and damages and payments for past or future infringements thereof), and (d) all rights corresponding thereto and all other rights of any kind whatsoever of a Debtor accruing thereunder or pertaining thereto.

(c) all reissues, divisions, continuations, continuations in part, extensions, renewals, improvements and re-examinations of any of the items described in clauses (a) and (b); and

(d) all proceeds of, and rights associated with, the foregoing, including any right to sue or claim by the Debtors against third parties for past, present, or future infringement of any patent, patent applications, or Patent Licenses, including any patents, patent applications or Patent License including any Patent License referred to in Schedule 1.1 and all rights corresponding thereto throughout the world referred to in Schedule 1.1 attached hereto, or for breach or enforcement of any Patent License.

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

SECTION 4. Release of Security Interest. The Agent shall, upon the written request of the Debtors, execute and deliver to the Debtors a proper instrument or instruments

acknowledging the release of the security interest and Liens established hereby on any Patent Collateral: (a) if the sale or other disposition of such Patent Collateral is permitted under the terms of the Loan Agreement and, at the time of such proposed release, both before and after giving effect thereto, no Default or Event of Default has occurred and is continuing, (b) if the sale or other disposition of such Patent Collateral is not permitted under the terms of the Loan Agreement, provided that the requisite Lenders under such Loan Agreement shall have consented to such sale or disposition in accordance with the terms thereof, or (c) if such release has been approved by the requisite Lenders in accordance with Section 12.3 of the Loan Agreement.

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

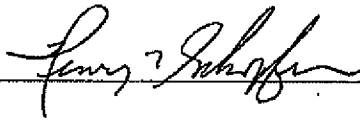
SECTION 6. Loan Documents, etc. This Agreement is a Loan Document executed pursuant to the Loan Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions of the Loan Agreement.

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

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

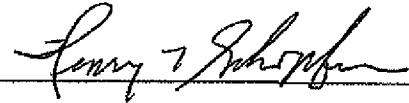
DEBTORS:

NITRAM ENERGY, INC.

By: 

Its: Vice President

BURGESS - MANNING, INC.

By: 

Its: Vice President

Signature Page to Subordinated Patent Security Agreement (Nitram)

SECURED PARTY:

**PROSPECT CAPITAL CORPORATION, as
Agent**

By:  _____

Its: PRESIDENT & COO

Signature Page to Subordinated Patent Security Agreement (Nitram)

SCHEDULE 1.1

PATENT COLLATERAL

Title	App. No.	Reg. No.	Filing Date	Date Granted	Owner	Issues
Orifice plate diffuser	10/734053	7185678	12/11/03	3/6/07	Nitram Energy, Inc.	None
Silencer assembly having single strand fiberglass acoustic pack material	09/455693	6332511	12/7/99	12/25/01	Burgess - Manning, Inc.	None