

03-15-2001



101638140

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks

original documents or copy thereof.

1. Name of conveying party(ies):

Peerless Mfg. Co.

03-05-2001

U.S. Patent & TMO/TM Mail Rept Dt. #59

2. Name and address of receiving party(ies):

Name: Bank of America, National Association, as collateral agent or itself and The Chase Manhattan Bank

Internal Address: _____

Street Address: 901 Main Street, 6th Floor

City: Dallas State Texas ZIP: 75202

- Individual(s)
- General Partnership
- Corporation - State of Texas
- Other _____
- Association
- Limited Partnership

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

- Individual(s) citizenship
- Association National Banking Association
- General Partnership
- Limited Partnership
- Corporation- _____
- Other _____

If assignee is not domiciled in the United States, a domestic representative designation is attached:
 Yes No
(Designation must be a separate document from Assignment)
Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

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

Execution Date: February 8, 2001

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

A. Trademark Application No.(s)

03/15/2001 GTON11 00000069 942716
01 FC:481 40.00 OP
02 FC:482 125.00 OP

B. Trademark registration No.(s)

942,716
2,369,075
2,375,692
957,265
1,062,162
1,972,099

Additional numbers attached? Yes No

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

Name: Andre M. Szuwalski
Jenkins & Gilchrist, P.C.
Internal Address: _____

Street Address: 1445 Ross Avenue, Ste. 3200

City: Dallas State: Texas Zip: 75202-2799

6. Total number of applications and registrations involved: 6

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

- Enclosed \$165.00
- Authorized to be charged to deposit account.

(If check is not received with this correspondence or additional fees are required, please charge to deposit account 10-0447.)

8. Deposit Account number:

10-0447
(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

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.

Andre M. Szuwalski
Name of Person Signing

Signature

2/28/01
Date

Total number of pages comprising cover sheet: 1

TRADEMARK SECURITY AGREEMENT

WHEREAS, **PEERLESS MFG. CO.**, a Texas corporation ("Grantor"), owns the Trademarks, Trademark registrations, and Trademark applications listed on Schedule 1 annexed hereto, and is a party to the Trademark Licenses listed on Schedule 1 annexed hereto; and

WHEREAS, **BANK OF AMERICA, N.A.**, a national banking association as a lender (referred to herein in its capacity as a lender as "Bank of America") and as collateral agent for itself and The Chase Manhattan Bank (in such capacity, herein the "Secured Party") and **THE CHASE MANHATTAN BANK**, a New York bank (referred to herein as "Chase") have each extended separate credit facilities to Grantor; and

WHEREAS, pursuant to the terms of the Security Agreement dated as of November 30, 2000 (as said Agreement may be amended and in effect from time to time, the "Security Agreement"), between Grantor and Secured Party, Grantor has granted to Secured Party a security interest in all of its right, title and interest in, to and under all of its now owned and hereafter acquired Trademarks (as defined in the Security Agreement) listed on Schedule 1, Trademark registrations listed on Schedule 1, Trademark applications listed on Schedule 1 and Trademark Licenses (as defined in the Security Agreement) listed on Schedule 1, together with the goodwill of the business symbolized by such Trademarks, and all proceeds thereof, to secure the payment of all Obligations (as such term is defined in the Security Agreement);

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor does hereby grant to Secured Party a continuing security interest in all of its right, title and interest in, to and under the following (all of the following items or types of property being herein collectively referred to as the "Trademark Collateral"), whether presently existing or hereafter created or acquired:

(1) each Trademark, Trademark registration (together with any reissues, continuations or extensions thereof) and Trademark application referred to in Schedule 1 annexed hereto, and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark, Trademark registration and Trademark application referred to in Schedule 1 annexed hereto;

(2) each Trademark License and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark License referred to in Schedule 1 annexed hereto; and

(3) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future (a) infringement or dilution of any Trademark or Trademark registration referred to in Schedule 1 annexed hereto, the Trademark registrations issued with respect to the Trademark applications referred to in Schedule 1 and the Trademarks licensed under any Trademark License referred to in Schedule

1, or (b) injury to the goodwill associated with any Trademark, Trademark registration or Trademark licensed under any Trademark License referred to in Schedule 1.

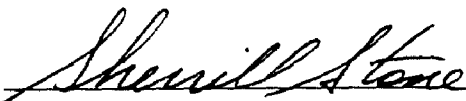
This security interest is granted in conjunction with the security interests granted to Secured Party pursuant to the Security Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of Secured Party with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be duly executed by its duly authorized officer thereunto as of the 8th day of February, 2001.

Acknowledged:

GRANTOR:

PEERLESS MFG. CO.

By: 
Sherrill Stone
Chairman and Chief Executive Officer

SECURED PARTY:

BANK OF AMERICA, N.A., as collateral agent

By: _____
Mark L. Henze
Senior Vice President

1, or (b) injury to the goodwill associated with any Trademark, Trademark registration or Trademark licensed under any Trademark License referred to in Schedule 1.

This security interest is granted in conjunction with the security interests granted to Secured Party pursuant to the Security Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of Secured Party with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be duly executed by its duly authorized officer thereunto as of the 8th day of February, 2001.

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GRANTOR:

PEERLESS MFG. CO.

By: _____
Sherrill Stone
Chairman and Chief Executive Officer

SECURED PARTY:

BANK OF AMERICA, N.A., as collateral agent

By:  _____
Mark L. Henze
Senior Vice President

ACKNOWLEDGMENT

STATE OF TEXAS)
) §.
COUNTY OF DALLAS)

On the 9th day of February, 2001, before me personally appeared Sherrill Stone, to me personally known or proved to me on the basis of satisfactory evidence to be the person described in and who executed the foregoing instrument as the Chairman and Chief Executive Officer of Peerless Mfg. Co. (the "Company"), who being by me duly sworn, did depose and say that she is the Chairman and Chief Executive Officer of the Company described in and which executed the foregoing instrument; that the said instrument was signed on behalf of said Company by order of its Board of Directors; that she signed her name thereto by like order; and that she acknowledged said instrument to be the free act and deed of said Company.



Susan L. Banner
Notary Public

My commission expires: 1-10-02

ACKNOWLEDGMENT

STATE OF TEXAS)
) §.
COUNTY OF DALLAS)

On the _____ day of February, 2001, before me personally appeared Mark L. Henze, to me personally known or proved to me on the basis of satisfactory evidence to be the person described in and who executed the foregoing instrument as Senior Vice President of Bank of America, N.A. (the "Bank"), who being by me duly sworn, did depose and say that he is the Senior Vice President of the Bank, the Bank described in and which executed the foregoing instrument; that the said instrument was signed on behalf of said bank by order of its Board of Directors; that he signed his name thereto by like order; and that he acknowledged said instrument to be the free act and deed of said Bank.

{Seal}

Notary Public

My commission expires: _____

ACKNOWLEDGMENT

STATE OF TEXAS)
) §.
COUNTY OF DALLAS)

On the _____ day of February, 2001, before me personally appeared Sherrill Stone, to me personally known or proved to me on the basis of satisfactory evidence to be the person described in and who executed the foregoing instrument as the Chairman and Chief Executive Officer of Peerless Mfg. Co. (the "Company"), who being by me duly sworn, did depose and say that she is the Chairman and Chief Executive Officer of the Company described in and which executed the foregoing instrument; that the said instrument was signed on behalf of said Company by order of its Board of Directors; that she signed her name thereto by like order; and that she acknowledged said instrument to be the free act and deed of said Company.

{Seal}

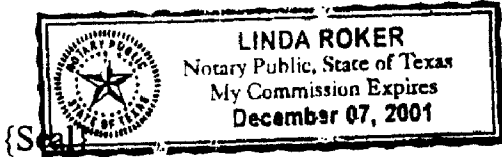
Notary Public

My commission expires: _____

ACKNOWLEDGMENT

STATE OF TEXAS)
) §.
COUNTY OF DALLAS)

On the 9th day of February, 2001, before me personally appeared Mark L. Henze, to me personally known or proved to me on the basis of satisfactory evidence to be the person described in and who executed the foregoing instrument as Senior Vice President of Bank of America, N.A. (the "Bank"), who being by me duly sworn, did depose and say that he is the Senior Vice President of the Bank, the Bank described in and which executed the foregoing instrument; that the said instrument was signed on behalf of said bank by order of its Board of Directors; that he signed his name thereto by like order; and that he acknowledged said instrument to be the free act and deed of said Bank.



Linda Roker
Notary Public

My commission expires: 12/7/01

Schedule 1
to
Trademark Security Agreement

Peerless Mfg. Co.

TRADEMARK APPLICATIONS			
Mark	Application/ Registration/ Serial Number	Filing Date	Country of Registration
None			

TRADEMARK REGISTRATIONS			
Mark	Serial Number/ Registration Number	Filing or Issue Date	Country of Registration
"P" & Design	1,545,651	11/30/94	Argentina
"P" & Design	1,081,377	07/02/84	Argentina
"P" & Design	1,081,378	07/05/71	Argentina
"P" & Design	A246,074	2/10/92	Australia
"P" & Design	69,566	07/31/91	Austria
"P" & Design	72742	10/8/97	Benelux
"P" & Design	C-26287	10/21/71	Bolivia
"P" & Design	006248934	3/10/76	Brazil
"P" & Design	365,154	2/9/90	Canada
"P" & Design	389410	7/27/92	Chile
"P" & Design	77387	9/1/92	Colombia
"P" & Design	1,166,296	3/22/91	France
"P" & Design	901 417	2/12/91	Germany
"P" & Design	331 540	4/9/82	Italy
"P" & Design	2037069	4/26/88	Japan
"P" & Design	165027	7/5/71	Mexico
"P" & Design	7095	6/30/87	Peru
"P" & Design	1266/91	2/28/98	Singapore
"P" & Design	671,122	1/31/96	Spain
"P" & Design	633,487	1/31/96	Spain
"P" & Design	P285,071	6/16/96	Switzerland
"P" DESIGNERS FABRICATORS & Design	942,716	9/12/72	United States of America
"P" & Design	73020-F	5/15/73	Venezuela
"P" & Design	75260-F	2/11/89	Venezuela
LISP	2,369,075	7/18/00	United States of America
LISP (stylized)	2,375,692	8/8/00	United States of America
MP	188,773	2/23/88	Canada

MP	957,265	4/17/73	United States of America
P & Flame Design	184,580	7/28/72	Canada
PEERLESS	1276795	1/3/88	Argentina
PEERLESS	1,231,686	4/27/87	Argentina
PEERLESS	1027954	4/11/74	Australia
PEERLESS	B380,064	8/23/89	Australia
PEERLESS	103,604	9/30/93	Austria
PEERLESS	602825	4/11/74	Benelux
PEERLESS	C29859	10/10/74	Bolivia
PEERLESS	204,658	1/17/75	Canada
PEERLESS	288,496	8/24/84	Chile
PEERLESS	1 271 776	5/7/84	France
PEERLESS	941 331	4/27/94	Germany
PEERLESS	290847	9/20/96	Italy
PEERLESS	377,622	8/16/94	Mexico
PEERLESS	27694	1/22/80	Peru
PEERLESS	126791	2/28/88	Singapore
PEERLESS	753,185	5/17/74	Spain
PEERLESS	287,615	12/7/96	Switzerland
PEERLESS	1027954	4/11/95	United Kingdom
PEERLESS	1,062,162	3/29/77	United States of America
PEERLESS MFG. CO.	1,972,099	5/7/96	United States of America
PEERLESS	185716	4/24/74	Venezuela

TRADEMARK LICENSES

Mark	Application/Registration/ Serial Number	Filing Date
None		