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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): May 1, 2009**

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**CECO ENVIRONMENTAL CORP.**

(Exact Name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**0-7099**  
(Commission File Number)

**13-2566064**  
(IRS Employer  
Identification No.)

**3120 Forrer Street,  
Cincinnati, OH 45209**  
(Address of principal executive offices, including zip code)

**Registrant's telephone number, including area code: (416) 593-6543**

**Not applicable**  
(Former Name or Former Address, if Changed Since Last Report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## **Item 1.01. Entry into a Material Definitive Agreement**

### Sixth Amendment to Credit Agreement

On May 1, 2009, CECO Environmental Corp. (the “Company”) entered into a Sixth Amendment to Credit Agreement (“Amendment”) effective as of March 31, 2009. The Amendment was entered into among the Company, CECO Group, Inc, CECO Filters, Inc., New Busch Co., Inc., The Kirk & Blum Manufacturing Company, Kbd/Technic, Inc., CECOaire, Inc., CECO Abatement Systems, Inc., H.M. White, Inc., Effox Inc., GMD Environmental Technologies, Inc., FKI, LLC, CECO Mexico Holdings LLC, Fisher-Klosterman, Inc., and AVC, Inc. (all of which are direct or indirect subsidiaries of the Company and collectively with the Company, the “Borrowers”) and Fifth Third Bank, an Ohio banking corporation (“Lender”). The Amendment amends the Credit Agreement entered into December 29, 2007 with Lender and certain Borrowers, as amended by the First Amendment to Credit Agreement dated as of June 8, 2006, the Second Amendment to Credit Agreement dated as of February 28, 2007, the Third Amendment to Credit Agreement dated as of February 29, 2008, the Fourth Amendment to Credit Agreement dated as of August 1, 2008, and the Fifth Amendment to Credit Agreement dated as of December 31, 2008 (as amended, the “Credit Agreement”).

The Amendment amends the Credit Agreement to (i) extend the termination date of the line of credit from January 31, 2010 to April 1, 2011; (ii) make certain changes to the interest rates applicable to the obligations under the Credit Agreement, including the implementation of a daily reset, one-month LIBOR-based rate and the unavailability of a prime-based rate except in certain circumstances, which results in an increase of the borrowing rates by one percent; (iii) consent to a one-time payment of principal on the Subordinated Convertible Promissory Note of Icarus Investment Corp., an Ontario corporation (“Icarus”), in an amount not to exceed \$3,000,000, and consent to an extension fee of CAD \$38,220 payable to Icarus, and (iv) to make certain other additional changes.

In connection with the Amendment, CECO Filters, Inc., New Busch Co., Inc., The Kirk & Blum Manufacturing Company, Kbd/Technic, Inc., CECOaire, Inc., CECO Abatement Systems, Inc., H.M. White, Inc., Effox Inc., GMD Environmental Technologies, Inc. and Fisher-Klosterman, Inc. entered into a Fourth Amended and Restated Revolving Credit Promissory Note effective March 31, 2009 (“Revolving Note”) and an Amended and Restated Term Promissory Note effective March 31, 2009 (“Term Loan C Note”) to reflect the extended maturity date and the interest rate modifications.

### Second Amendment to Subordinated Convertible Promissory Note

On May 1, 2009, the Company entered into a Second Amendment to Subordinated Convertible Promissory Note with Icarus (the “Second Amendment”), which amends the Subordinated Convertible Promissory Note dated August 14, 2008, as amended by the First Amendment to Subordinated Convertible Promissory Note dated February 13, 2009 (collectively, the “SubDebt Note”). The Second Amendment extends the maturity date of the SubDebt Note to October 1, 2011 from July 1, 2010. The Company paid a fee of CAD \$38,220 for the extension.

The descriptions set forth herein of the terms and conditions of the Amendment, the Revolving Note and the Term Loan C Note are qualified in their entirety by reference to the full text of the Amendment, the Revolving Note and the Term Loan C Note, which are filed with this report as Exhibits 10.1, 10.2 and 10.3, respectively, and incorporated by reference into this Item 1.01 and Item 2.03.

**Item 2.02. Results of Operations and Financial Condition**

On May 7, 2009, CECO Environmental Corp. (the “Company”) issued a press release announcing its financial results for the three months ended March 31, 2009. A copy of the press release is furnished as Exhibit 99.1. to this report and is incorporated herein by reference.

The information in this Item 2.02, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant**

The information provided in Item 1.01 of this current report on Form 8-K under the heading, “Sixth Amendment to Credit Agreement” and “Second Amendment to Subordinated Convertible Promissory Note” is hereby incorporated by reference into this Item 2.03.

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits.

Exhibit 10.1	Sixth Amendment to Credit Agreement dated May 1, 2009, effective date March 31, 2009
Exhibit 10.2	Fourth Amended and Restated Revolving Credit Promissory Note, effective date March 31, 2009
Exhibit 10.3	Amended and Restated Term Promissory Note, effective date March 31, 2009
Exhibit 99.1	Press Release dated May 7, 2009

**Signature(s)**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CECO ENVIRONMENTAL CORP

Date: May 7, 2009

By: /s/ Dennis W. Blazer  
Dennis W. Blazer  
Chief Financial Officer and Vice President—Finance and Administration

**SIXTH AMENDMENT  
TO  
CREDIT AGREEMENT**

THIS SIXTH AMENDMENT TO CREDIT AGREEMENT (this "Amendment"), is made and entered into on May 1, 2009 ("Signature Date") and made effective as of March 31, 2009 (the "Effective Date"), by and among, on the one hand, **CECO ENVIRONMENTAL CORP.**, a Delaware corporation ("Parent"), **CECO GROUP, INC.**, a Delaware corporation ("Group"), **FKI, LLC**, a Delaware limited liability company ("FKI, LLC"), **CECO MEXICO HOLDINGS LLC**, a Delaware limited liability company ("CECO Mexico LLC"), **AVC, INC.**, a Delaware corporation ("AVC, Inc."), and each of the following Subsidiaries of Parent as Borrowers under this Amendment and the Credit Agreement: **CECO FILTERS, INC.**, a Delaware corporation ("Filters"), **NEW BUSCH CO., INC.**, a Delaware corporation ("New Busch"), **THE KIRK & BLUM MANUFACTURING COMPANY**, an Ohio corporation ("K&B"), **KBD/TECHNIC, INC.**, an Indiana corporation ("Technic"), **CECOAIRE, INC.**, a Delaware corporation ("Aire"), **CECO ABATEMENT SYSTEMS, INC.**, a Delaware corporation ("Abatement"), **H.M. WHITE, INC.**, a Delaware corporation ("H.M. White"), **EFFOX INC.**, a Delaware corporation and formerly known as CECO ACQUISITION CORP. ("Effox"), **GMD ENVIRONMENTAL TECHNOLOGIES, INC.**, a Delaware corporation and formerly known as GMD ACQUISITION CORP. ("GMD"), and **FISHER-KLOSTERMAN, INC.**, a Delaware corporation and formerly known as FKI ACQUISITION CORP. ("Fisher-Klosterman"), and, on the other hand, **FIFTH THIRD BANK**, an Ohio banking corporation ("Lender"), is as follows:

**Preliminary Statements**

**A.** Parent, Group, and Borrowers executed and delivered to Lender that certain Credit Agreement dated as of December 29, 2005, as amended by the First Amendment to Credit Agreement dated as of June 8, 2006, the Second Amendment to Credit Agreement dated as of February 28, 2007, the Third Amendment to Credit Agreement dated as of February 29, 2008, the Fourth Amendment to Credit Agreement dated as of August 1, 2008, and the Fifth Amendment to Credit Agreement (the "Fifth Amendment") dated as of December 30, 2008 (as amended, the "Credit Agreement"). FKI, LLC and CECO Mexico LLC are additional parties to the Third Amendment, Fourth Amendment, and Fifth Amendment. Capitalized terms which are used, but not defined, in this Amendment will have the meanings given to them in the Credit Agreement.

**B.** Parent, Group, FKI, LLC, CECO Mexico LLC, AVC, Inc., and Borrowers (collectively, the "Loan Parties") have requested that Lender: (i) extend the stated Termination Date of the Line of Credit from January 31, 2010 to April 1, 2011; (ii) make certain changes to the interest rates applicable to the Obligations, including, without limitation, the implementation of a daily reset, one-month LIBOR-based rate and the unavailability of a Prime-based rate except in certain circumstances; (iii) consent to a one-time payment of principal on the Subordinated Debt in the aggregate amount not to exceed \$3,000,000, to be made by Parent to Subordinated Creditor on March 31, 2009 (the "Subordinated Debt Payment") and consent to a one-time payment of an extension fee

with respect to the Subordinated Debt in the aggregate amount not to exceed CAD \$38,220, to be made by Parent to Subordinated Creditor on the Signature Date (the "Subordinated Debt Extension Fee"); and (iv) make certain other amendments to the Credit Agreement and certain of the other Loan Documents.

C. Lender is willing to so amend the Credit Agreement and other Loan Documents, all on the terms, and subject to the conditions, of this Amendment.

### **Statement of Agreement**

In consideration of the mutual covenants and agreements set forth in this Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lender and the Loan Parties hereby agree as follows:

**1. Amendments to Credit Agreement.** Subject to the satisfaction of the conditions of this Amendment, the Credit Agreement is hereby amended as follows:

**1.1 Section 1.1** of the Credit Agreement is hereby amended by the addition of the following new definitions, in their proper alphabetical order, to provide in their entirety as follows:

"AVC, Inc." means AVC, Inc., a Delaware corporation.

"Daily LIBOR Rate" has the meaning given in the Revolving Note.

"Daily LIBOR Rate Loan" means that portion of the Loans which, as of any date, bears interest at an interest rate per annum equal to the Daily LIBOR Rate plus the applicable margin as set forth in the applicable Note.

"Sixth Amendment" means the Sixth Amendment to this Agreement dated as of May 1, 2009, to be effective as of March 31, 2009.

"Tranche LIBOR Rate" has the meaning given in the Revolving Note.

"Tranche LIBOR Rate Loan" means that portion of the Loans which, as of any date, bears interest at an interest rate per annum equal to the Tranche LIBOR Rate plus the applicable margin as set forth in the applicable Note.

**1.2** The following definitions in Section 1.1 of the Credit Agreement are hereby amended in their entirety by substituting the following in their respective places:

"Affiliate" means, as to any Person (the "Subject Person"), any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, the Subject Person. For purposes of this definition, "control" of a Person means the power, direct or indirect, (a) to vote 5% or more of the securities (or other Ownership Interests) having voting power for the election of directors (or managers in the case of a limited liability company) of the Person or (b) otherwise to direct or cause the direction of the management and policies of the Person, whether by contract or otherwise. Without limiting the generality of the foregoing, each of the following will be deemed an Affiliate of a Borrower for purposes of this Agreement, Parent, Group, FKI, LLC, CECO Mexico LLC, CECO India, Fisher Klosterman Shanghai, CECO Environmental Mexico, CECO Environmental Services, AVC, Inc., and each officer and director of a Loan Party.

“**Applicable Unused Line Fee Percentage**” means, as of any date, the applicable percentage shown in the applicable column in the table below based on the then applicable Fixed Charge Coverage Ratio. As of the Signature Date (as defined in the Sixth Amendment), the Applicable Unused Line Fee Percentage is 0.50% (i.e., Pricing Grid Level 3).

<b>Pricing Grid Level</b>	<b>Fixed Charge Coverage Ratio</b>	<b>Applicable Unused Line Fee Percentage</b>
Level 1	£ 1.50 to 1.0	0.75%
Level 2	> 1.50 to 1.0 and £ 2.0 to 1.0	0.50%
Level 3	> 2.0 to 1.0	0.50%

“**Borrower**” means each of Filters, New Busch, K&B, Technic, Aire, Abatement, H.M. White, CECO Acquisition (now known as Effox Inc.), GMD, FKI Acquisition and the Domestic Subsidiaries of Parent or Group hereafter becoming a party to this Agreement pursuant to [Section 5.9\(b\)](#), and “**Borrowers**” means, collectively, Filters, New Busch, K&B, Technic, Aire, Abatement, H.M. White, CECO Acquisition (now known as Effox Inc.), GMD, FKI Acquisition and such additional Domestic Subsidiaries. To the extent a term or provision of this Agreement or any of the other Loan Documents is applicable to a “Borrower”, it is applicable to each and every Borrower unless the context expressly indicates otherwise. For the avoidance of doubt, none of FKI, LLC, CECO Mexico LLC, or AVC, Inc. shall be a Borrower.

“**Business Day**” means (a) any day on which commercial banks in Cincinnati, Ohio are required by law to be open for business and (b) with respect to all notices and determinations in connection with, and payments of principal and interest on, Loans bearing interest with reference to the Tranche LIBOR Rate or the Daily LIBOR Rate, any day (other than a Saturday or Sunday) on which commercial banks are open for business in New York, New York. Periods of days referred to in this Agreement will be counted in calendar days unless Business Days are expressly prescribed.

“Fixed Charges” means, for the applicable period, the total (without duplication), in Dollars, of (all as determined on a consolidated basis in accordance with GAAP): (a) the principal amount of the Parent and its Subsidiaries’ long-term Indebtedness, in each case paid during the applicable period, including those under Term Loan Note C (other than any Excess Cash Flow Payment with respect to Term Loan C) and the Subordinated Debt Note (as defined in the Subordination Agreement) (whether classified, as of any date, as long-term Indebtedness); plus (b) scheduled capital lease payments by the Parent and its Subsidiaries during the applicable period; and plus (c) the Parent and its Subsidiaries’ aggregate cash interest expense for the applicable period, including interest paid on the Obligations, all capital lease obligations, the Subordinated Debt, and any other Indebtedness for the applicable period; *provided, however*, that the following amounts will be excluded for purposes only of determining Fixed Charges: (i) that portion of the Subordinated Debt which, with Lender’s prior consent, is converted into shares of the Parent as a result of the exercise of the conversion rights of the Subordinated Creditor under the Subordinated Debt Note and (ii) the principal payment on the Subordinated Debt made on or about March 31, 2009 in an amount not to exceed \$3,000,000, made by Parent in accordance with Section 3.1.2(b) of the Subordination Agreement. The term “applicable period” in this definition means Test Period in the case of determining the Fixed Charge Coverage Ratio or the Maximum Total Funded Debt to Adjusted EBITDA Ratio and Fiscal Year in the case of determining Excess Cash Flow.

“Guaranties” means, collectively, the Borrower Guaranties, the Group Guaranty, the Parent Guaranty and each guaranty made by Fisher-Klosterman, FKI, LLC, GMD, CECO Mexico LLC and AVC, Inc. in favor of Lender and Lender’s Affiliates of the Obligations.

“Loan Party” and “Loan Parties” mean each of Borrowers, Group, Parent, FKI, LLC, CECO Mexico LLC, and AVC, Inc., and collectively, Borrowers, Group, Parent, FKI, LLC, CECO Mexico LLC, and AVC, Inc., respectively.

“Subordinated Creditor” means Icarus Investment Corp., formerly known as Can-Med Technology, Inc. and formerly doing business as Green Diamond Oil Corporation, an Ontario corporation, and, subject to the Subordination Agreement, its successors and assigns of the Subordinated Debt and any Person holding Refinancing Debt of the Subordinated Debt as permitted under this Agreement.



“Subordination Agreement” means the Subordination Agreement between the Subordinated Creditor and Lender dated as of August 14, 2008, as amended by the First Amendment to Subordination Agreement dated as of March 31, 2009.

“Termination Date” means: (a) with respect to the Line of Credit, the Letter of Credit Obligations and the other Obligations (other than Term Loan C), the earlier of (i) April 1, 2011 and (ii) the date upon which the entire outstanding balance under the Revolving Note shall become due pursuant to the provisions hereof (whether as a result of acceleration by Lender or otherwise); and (b) with respect to Term Loan C, the earliest of (i) April 1, 2011, (ii) the date upon which the entire outstanding balance under Term Loan Note C shall become due pursuant to the provisions hereof (whether as a result of acceleration by Lender or otherwise), and (iii) the date upon which Term Loan C shall be repaid in full.

1.3 Clause (vii) of the definition of “Eligible Accounts” in Section 1.1 of the Credit Agreement is hereby amended in its entirety by substituting the following in its place:

(vii) Accounts owing from any single account debtor to the extent, as of any date, that the total amount of such account debtor’s Indebtedness to any one or more Borrowers exceeds 35% of the face amount (less maximum discounts, credits and allowances which may be taken by, or granted to, such account debtor in connection therewith) of the then outstanding Eligible Accounts of such Borrower or Borrowers;

1.4 Section 2.1(c) of the Credit Agreement is hereby amended in its entirety by substituting the following in its place:

(c) On the Signature Date (as defined in the Sixth Amendment) of the Sixth Amendment, Borrowers shall execute and deliver to Lender a Fourth Amended and Restated Revolving Credit Promissory Note in the form of Exhibit 2.1 attached to the Sixth Amendment (as amended, the “Revolving Note”), dated as of the Effective Date (as defined in the Sixth Amendment), in the principal amount of the Revolving Commitment, and bearing interest at such rates, and payable upon such terms, as specified in the Revolving Note. On the Signature Date, all Prime Rate Loans outstanding under the Revolving Note will be automatically converted to bear interest as Daily LIBOR Rate Loans.

1.5 The sixth sentence of Section 2.2(a) of the Credit Agreement, commencing with the phrase “Borrowers shall execute and deliver”, is hereby amended in its entirety by substituting the following in its place:

“On the Signature Date (as defined in the Sixth Amendment) of the Sixth Amendment, Borrowers shall execute and deliver to Lender an Amended and Restated Term Promissory Note in the form of Exhibit 2.2 to the Sixth Amendment (as amended, “Term Loan Note C”), dated as of the Effective Date (as defined in the Sixth Amendment), in the original principal amount of \$3,916,666.71, and bearing interest at such rates, and payable upon such terms, as specified in Term Loan Note C. On the Signature Date, all Prime Rate Loans outstanding under Term Loan Note C will be automatically converted to bear interest as Daily LIBOR Rate Loans.”

1.6 The reference to the date of “January 1, 2010” in Section 2.3(b) of the Credit Agreement is hereby amended by substituting a reference to “March 1, 2011” for “January 1, 2010” where it appears therein.

1.7 The first sentence of Section 2.4(c) of the Credit Agreement is hereby amended in its entirety by substituting the following in its place:

“Each Business Day following a Cash Dominion Triggering Event, Lender will, or will cause the applicable Lender Affiliate, automatically and without notice, request or demand by Borrowers, in accordance with Lender’s (or as applicable, the applicable Lender Affiliate’s) automatic sweep program, transfer all collected and available funds in the Collection Account: (i) for application against the unpaid principal balance of all Revolving Loans bearing interest based on the Daily LIBOR Rate or the Prime Rate, as applicable, and (ii) to be held in the Collection Account to the extent of any Revolving Loans bearing interest based on the Tranche LIBOR Rate.”

1.8 Section 5.11 of the Credit Agreement is hereby amended in its entirety by substituting the following in its place:

5.11 Maximum Total Funded Debt to Adjusted EBITDA Ratio. Borrowers will not permit the ratio (“Maximum Total Funded Debt to Adjusted EBITDA Ratio”) resulting from dividing (a) Parent and its Subsidiaries’ total Funded Debt as of the end of the applicable Test Period by (b) Parent and its Subsidiaries’ Adjusted EBITDA for the applicable Test Period to exceed the ratios set opposite the Test Periods ending on any of the following dates or occurring during any of the following periods:

	<u>Period</u>	<u>Maximum Total Funded Debt to Adjusted EBITDA Ratio</u>
(a)	Each of the Test Periods ending on March 31, 2009, June 30, 2009, and September 30, 2009	3.20 to 1
(b)	Each of the Test Periods ending on and after December 31, 2009	3.0 to 1

**1.9 Section 5** of the Credit Agreement is hereby amended by the addition of a new **Section 5.19**, in its proper numerical order, to provide in its entirety as follows:

5.19 AVC, Inc., Notwithstanding anything to the contrary set forth in this Agreement, AVC, Inc. (A) is, and will remain, a wholly-owned Subsidiary of Fisher-Klosterman, (B) does not, and will not, have any Indebtedness except the Obligations, and (C) will not own or have any interest in property.

**1.10 Schedule 3.1** to the Credit Agreement is hereby amended in its entirety by substituting the document attached hereto as **Schedule 3.1** in its place. **Schedule 3.14** to the Credit Agreement is hereby amended in its entirety by substituting the document attached hereto as **Schedule 3.14** in its place. **Exhibit 4.3(d)** to the Credit Agreement is hereby amended in its entirety by substituting the document attached hereto as **Exhibit 4.3(d)** in its place.

**2. Amended and Restated Notes; Other Documents.** As a condition of this Amendment, Borrowers, with the signing of this Amendment, will deliver or, as applicable, shall cause to be delivered to Lender: (a) the Fourth Amended and Restated Revolving Credit Promissory Note ("Amended and Restated Revolving Note") in the form of Exhibit 2.1 attached hereto; (b) the Amended and Restated Term Promissory Note ("Amended and Restated Term Loan Note C") in the form of Exhibit 2.2 attached hereto; (c) amendments to the Mortgages with respect to the Mortgaged Properties located in Jefferson County, Kentucky and Fayette County, Kentucky, each in form and substance satisfactory to Lender; (d) a Guaranty duly executed by AVC, Inc., in form and substance satisfactory to Lender; (e) a certificate of each Loan Party of resolutions of such Loan Parties' directors evidencing the authority of each Loan Party to execute, as applicable, this Amendment, the Amended and Restated Revolving Note, the Amended and Restated Term Loan Note C and all other documents executed in connection herewith (collectively, the "Amendment Documents"), which certificates and resolutions will be in form and substance satisfactory to Lender; and (f) such other documents, instruments, and agreements deemed necessary or desirable by Lender to effect the amendments to Borrowers' credit facilities with Lender contemplated by this Amendment.

**3. Excess Availability.** Borrowers shall have Revolving Loan Availability in an aggregate amount not less than \$5,000,000 on a date which occurs (a) after the payment of the Excess Cash Flow Payment for the Fiscal Year ended on December 31, 2008 and (b) on or before June 1, 2009.

**4. Consent to Subordinated Debt Payment.** The Loan Parties have requested that Lender consent to Subordinated Debt Payment and the Subordinated Debt Extension Fee. Lender hereby consents, without representation, warranty or recourse, to the Subordinated Debt Payment and the Subordinated Debt Extension Fee. The consent provided in this Section 4, either alone or together with other consents which Lender may give from time to time, shall not, by course of dealing, implication or otherwise: (i) obligate Lender to consent to any other payment of the Subordinated Debt or any fee in connection therewith of any kind, in each case past, present or future, other than the Subordinated Debt Payment and the Subordinated Debt Extension Fee specifically consented to by this Section 4 or in the manner, and to the extent, expressly provided in the Subordination Agreement or (ii) reduce, restrict or in any way affect the discretion of Lender in considering any future consent requested by any Loan Party.

**5. Representations.** To induce Lender to accept this Amendment, the Loan Parties hereby represent and warrant to Lender as follows:

**5.1** Each Loan Party has full power and authority to enter into, and to perform its obligations under, each Amendment Document to which it is a party, and the execution and delivery of, and the performance of their obligations under and arising out of, each Amendment Document, as applicable, have been duly authorized by all necessary corporate and, as applicable, limited liability company action.

**5.2** Each Amendment Document constitutes the legal, valid and binding obligations of each Loan Party, as applicable, enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally.

**5.3** The Loan Parties' representations and warranties contained in the Loan Documents are complete and correct as of the date of this Amendment with the same effect as though such representations and warranties had been made again on and as of the date of this Amendment, subject to those changes as are not prohibited by, or do not constitute Events of Default under, the Credit Agreement.

**5.4** No Event of Default has occurred and is continuing.

**6. Costs and Expenses.** As a condition of this Amendment, Borrowers will promptly on demand pay or reimburse Lender for the costs and expenses incurred by Lender in connection with this Amendment, including, without limitation, reasonable attorneys' fees.

**7. Entire Agreement.** This Amendment, together with the other Loan Documents, sets forth the entire agreement of the parties with respect to the subject matter of this Amendment and supersedes all previous understandings, written or oral, in respect of this Amendment and the other Loan Documents.

**8. Default.** Any default by a Loan Party in the performance of its obligations under this Amendment or the other Amendment Documents shall constitute an Event of Default under the Credit Agreement if not cured after any applicable notice and cure period under the Credit Agreement.

**9. Continuing Effect of Credit Agreement.** Except as expressly amended hereby, all of the provisions of the Credit Agreement are ratified and confirmed and remain in full force and effect.

**10. One Agreement; References; Fax Signature.** The Credit Agreement, as amended by this Amendment, will be construed as one agreement. Any reference in any of the Loan Documents to: (i) the Credit Agreement will be deemed to be a reference to the Credit Agreement as amended by this Amendment, (ii) the Revolving Note will be deemed to be a reference to the Amended and Restated Revolving Note, and (iii) the Term Loan Note C will be deemed to be a reference to the Amended and Restated Term Loan Note C. This Amendment and the other Amendment Documents may be signed by facsimile signatures or other electronic delivery of an image file reflecting the execution hereof, and, if so signed: (a) may be relied on by each party as if the document were a manually signed original and (b) will be binding on each party for all purposes.

**11. Captions.** The headings to the Sections of this Amendment have been inserted for convenience of reference only and shall in no way modify or restrict any provisions hereof or be used to construe any such provisions.

**12. Counterparts.** This Amendment may be executed in multiple counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument.

**13. Governing Law.** This Amendment shall be governed by and construed in accordance with the internal laws of the State of Ohio (without regard to Ohio conflicts of law principles).

**14. Reaffirmation of Security.** The Loan Parties and Lender hereby expressly intend that this Amendment shall not in any manner (a) constitute the refinancing, refunding, payment or extinguishment of the Obligations evidenced by the existing Loan Documents; (b) be deemed to evidence a novation of the outstanding balance of the Obligations; or (c) affect, replace, impair, or extinguish the creation, attachment, perfection or priority of the Liens on the Loan Collateral granted pursuant to any Security Document evidencing, governing or creating a Lien on the Loan Collateral. Each Loan Party ratifies and reaffirms any and all grants of Liens to Lender on the Loan Collateral as security for the Obligations, and each Loan Party acknowledges and confirms that the grants of the Liens to Lender on the Loan Collateral: (i) represent continuing Liens on all of the Loan Collateral, (ii) secure all of the Obligations, and (iii) represent valid, first and best Liens on all of the Loan Collateral except to the extent, if any, of any Permitted Liens.

**15. Reaffirmation of Guaranties.** Each Loan Party hereby: (i) ratifies and reaffirms its Guaranty dated as of December 29, 2005 (or dated as of June 8, 2006 as it respects H.M. White; dated as of February 28, 2007 as it respects Effox; or dated as of February 29, 2008 as it respects GMD, Fisher-Klosterman, FKI, LLC and CECO Mexico LLC) made by such Loan Party to Lender and (ii) acknowledges and agrees that no Loan Party is released from its obligations under its respective Guaranty by reason of this Amendment or the other Amendment Documents and that the obligations of each Loan Party under its respective Guaranty extend, among other Obligations of Borrowers to Lender, to the Obligations of Borrowers under this Amendment and the other Amendment Documents. Without limiting the generality of the foregoing, each Loan Party acknowledges and agrees that all references in any Guaranty to the Credit Agreement or the other Loan Documents shall be deemed to be references to the Credit Agreement or such other Loan Document, as amended by, or amended and restated in connection with, this Amendment.

**16. Evidence of Debt Extension; First Amendment to Subordination Agreement.** As a condition of this Amendment, the Loan Parties shall: (i) deliver to Lender evidence, in form and substance satisfactory to Lender, that the maturity of the Subordinated Debt has been extended to a date that is on or after October 1, 2011, and (ii) cause the Subordinated Creditor to execute and deliver to Lender the First Amendment to Subordination Agreement in form and substance satisfactory to Lender.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the Loan Parties and Lender have executed this Amendment by their duly authorized representatives as of the Effective Date.

**CECO ENVIRONMENTAL CORP.**

By: /s/ Dennis W. Blazer  
Dennis W. Blazer, Chief Financial Officer and Vice President

**CECO GROUP, INC.**

By: /s/ Dennis W. Blazer  
Dennis W. Blazer, Chief Financial Officer, Secretary and Treasurer

**CECO FILTERS, INC.**  
**NEW BUSCH CO., INC.**  
**THE KIRK & BLUM MANUFACTURING COMPANY**  
**KBD/TECHNIC, INC.**  
**CECOAIRE, INC.**  
**CECO ABATEMENT SYSTEMS, INC.**  
**EFFOX INC.**  
**FISHER-KLOSTERMAN, INC.**  
**H.M. WHITE, INC.**  
**GMD ENVIRONMENTAL**  
**TECHNOLOGIES, INC., formerly known as GMD**  
**ACQUISITION CORP.**  
**CECO MEXICO HOLDINGS LLC**  
**AVC, INC.**

By: /s/ Dennis W. Blazer  
Dennis W. Blazer, Secretary and Treasurer

**FKI, LLC**

By: /s/ Dennis W. Blazer  
Dennis W. Blazer, Manager

**FIFTH THIRD BANK**

By: /s/ Donald K. Mitchell  
Donald K. Mitchell, Vice President

SIGNATURE PAGE TO  
SIXTH AMENDMENT TO CREDIT AGREEMENT  
(CECO Environmental Corp. *et al.*)

**A FIFTH THIRD BANCORP BANK**  
**FOURTH AMENDED AND RESTATED**  
**REVOLVING CREDIT PROMISSORY NOTE**

OFFICER NO. 4048

NOTE No. \_\_\_\_\_

\$30,000,000.00

December 29, 2005

First Amendment and Restatement June 8, 2006

Second Amendment and Restatement February 28, 2007

Third Amendment and Restatement February 29, 2008

Fourth Amendment and Restatement March 31, 2009

(Effective Date)

Promise to Pay. On or before April 1, 2011 (the "Maturity Date"), the undersigned, CECO FILTERS, INC., a Delaware corporation, NEW BUSCH CO., INC., a Delaware corporation, THE KIRK & BLUM MANUFACTURING COMPANY, an Ohio corporation, KBD/TECHNIC, INC., an Indiana corporation, CECO AIRE, INC., a Delaware corporation, CECO ABATEMENT SYSTEMS, INC., a Delaware corporation, H.M. WHITE, INC., a Delaware corporation, EFFOX INC., formerly known as CECO Acquisition Corp., a Delaware corporation, GMD ENVIRONMENTAL TECHNOLOGIES, INC., formerly known as GMD Acquisition Corp., a Delaware corporation, and FISHER-KLOSTERMAN INC., formerly known as FKI Acquisition Corp., a Delaware corporation (each, a "Borrower", and, collectively, the "Borrowers"), for value received, hereby jointly and severally promise to pay to the order of FIFTH THIRD BANK, an Ohio banking corporation (together with its successors and assigns, "Lender"), at 38 Fountain Square Plaza, MD #10AT63, Cincinnati, Ohio 45263, or such other address as Lender may provide from time to time, the sum of THIRTY MILLION AND 00/100 Dollars (\$30,000,000.00), plus interest as provided herein, or so much thereof as is loaned by Lender to Borrowers as Revolving Loans or for which credit is extended by Lender as a Letter of Credit pursuant to the Credit Agreement among Lender, Borrowers, and certain of Borrowers' affiliates dated as of December 29, 2005, as amended by the First Amendment to Credit Agreement dated as of June 8, 2006, the Second Amendment to Credit Agreement dated as of February 28, 2007, the Third Amendment to Credit Agreement dated as of February 29, 2008, the Fourth Amendment to Credit Agreement dated as of August 1, 2008, the Fifth Amendment to Credit Agreement dated as of December 30, 2008, and the Sixth Amendment to Credit Agreement dated to be effective as of even date herewith (as amended and as the same may be further amended, renewed, consolidated, restated or replaced from time to time, the "Credit Agreement"). The outstanding balance of this Fourth Amended and Restated Revolving Credit Promissory Note (this "Note") shall appear on supplemental bank records and is not necessarily the face amount of this Note, which record shall evidence the balance due pursuant to this Note at any time. As used herein, "Local Time" means the time at the office of Lender specified in this Note.

This Note, and any request by Borrowers from time to time for an advance of a specified principal amount hereunder, shall be subject to the terms and conditions of the Credit Agreement. Capitalized terms used herein which are not otherwise defined in this Note shall have the meanings set forth in the Credit Agreement. This Note is entitled to the benefits and security of the Credit Agreement, including, without limitation, acceleration upon the terms provided therein, and of the other Loan Documents.



The entire unpaid principal balance of this Note, together with all accrued and unpaid interest and any other charges, advances and fees, if any, outstanding hereunder, shall be due and payable in full on the earlier of the Maturity Date or upon acceleration of the Indebtedness evidenced by this Note, notwithstanding any other inconsistent or contradictory provisions contained in this Note.

Upon the occurrence and during the continuance of any Event of Default, the entire unpaid principal balance of this Note, together with all accrued but unpaid interest, and all other Obligations, shall, at Lender's option, become immediately due and payable, except that if there occurs an Event of Default of the type described in Sections 6.1(d), 6.1(e), or 6.1(j) of the Credit Agreement, the entire unpaid principal balance of this Note, together with all accrued but unpaid interest, and all other Obligations shall become automatically and immediately due and payable without notice, which Borrowers hereby waive.

Interest. Principal amounts outstanding under this Note shall bear interest commencing on the Signature Date (as defined in the Sixth Amendment) at the rate or rates per annum set forth below, which rate or rates shall be designated by Borrowers as more fully set forth herein (the "Interest Rate"). Notwithstanding anything to the contrary in this Note or any other Loan Document, principal amounts outstanding under this Note shall bear interest during the period commencing on the Effective Date through, and including, the date that is the day prior to the Signature Date (as defined in the Sixth Amendment) at the rate or rates per annum set forth in the Prior Note.

On and after the Signature Date, at any time and from time to time during the term of this Note, so long as no Event of Default has occurred and is continuing and so long as such outstanding principal amounts hereunder are not then subject to a LIBOR Tranche Election, Borrowers may exercise their right to adjust the Interest Rate on amounts of principal outstanding under this Note to one of the rates set forth below upon notice to Lender as set forth below; *provided, however*, that once the Interest Rate accruing against any amounts outstanding hereunder is adjusted to a Tranche LIBOR Rate for a particular LIBOR Tranche Interest Period, Borrowers may not elect to adjust such Interest Rate to a different Interest Rate until the expiration of such LIBOR Tranche Interest Period.

(a) Tranche LIBOR Rate. Upon telephonic notice to Lender by 10:00 a.m. Local Time given at least two Business Days prior to the beginning of a LIBOR Tranche Interest Period, Borrowers may, subject to the terms of this Note, elect to have advances under this Note bear interest at a rate per annum equal to the Tranche LIBOR Rate (as defined herein) plus the Applicable Tranche LIBOR Rate Margin (as defined herein) (a "LIBOR Tranche Election"). The "Tranche LIBOR Rate" is the rate of interest (rounded upwards, if necessary, to the next  $\frac{1}{8}$  of 1% and adjusted for reserves if Lender is required to maintain reserves with respect to relevant advances) fixed by the British Bankers' Association at 11:00 a.m., London, England time, relating to quotations for the one month, two month, or three month London InterBank Offered Rates, as selected by Borrowers in their LIBOR Tranche Election, on U.S. Dollar deposits as published on Bloomberg LP, or, if no longer provided by Bloomberg LP, such rate as shall be determined in good faith by Lender

from such sources as Lender shall determine to be comparable to Bloomberg LP (or any successor) as determined by Lender at approximately 10:00 a.m. Local Time on the date of request by Borrowers. Each determination by Lender of the Tranche LIBOR Rate shall be conclusive in the absence of manifest error. Interest accruing based on the Tranche LIBOR Rate shall be: (i) calculated based on a 360-day year and charged for the actual number of days elapsed and (ii) payable in arrears on the last day of the applicable LIBOR Tranche Interest Period. The Interest Rate applicable to a particular LIBOR Tranche Election shall remain at the rate elected for the remainder of the subject LIBOR Tranche Interest Period.

The “LIBOR Tranche Interest Period” for each advance bearing interest with respect to the Tranche LIBOR Rate (each such advance, a “Tranche LIBOR Rate Loan”) is a period of one month, two months, or three months, at Borrowers’ election, which period shall commence on a Business Day selected by Borrowers subject to the terms of this Note. If a LIBOR Tranche Interest Period would otherwise end on a day that is not a Business Day, such LIBOR Tranche Interest Period shall end on the next succeeding Business Day; *provided* that, if the next succeeding Business Day falls in a new month, such LIBOR Tranche Interest Period shall end on the immediately preceding Business Day.

On or before the date that is two Business Days before the making of any Tranche LIBOR Rate Loan, and on or before the date which is two Business Days prior to the expiration of any applicable LIBOR Tranche Interest Period, Borrowers shall notify Lender of each of the following: (a) the LIBOR Tranche Interest Period Borrowers have elected regarding any such Tranche LIBOR Rate Loan or any continuation of a LIBOR Tranche Election with respect to a Tranche LIBOR Rate Loan, (b) the amount of each such Tranche LIBOR Rate Loan or continuation, and (c) the commencement date of each LIBOR Tranche Interest Period. Borrowers may have Tranche LIBOR Rate Loans in minimum amounts of \$1,000,000 (and integral multiples of \$100,000) and such Tranche LIBOR Rate Loans may bear interest at the applicable Interest Rate for different LIBOR Tranche Interest Periods so long as (i) the last day of any LIBOR Tranche Interest Period does not exceed the Maturity Date hereof; (ii) no LIBOR Tranche Election with respect to any Tranche LIBOR Rate Loan commences prior to the expiration of the applicable LIBOR Tranche Interest Period in effect with respect to such Tranche LIBOR Rate Loan; and (iii) at no time may Borrowers have more than three outstanding Tranche LIBOR Rate Loans, in the aggregate, under all of their Notes. If, at any time during the term hereof, Borrowers fail to designate a LIBOR Tranche Interest Period or if Borrowers have not elected another LIBOR Tranche Interest Period in accordance with this Note at least two Business Days prior to the expiration of the LIBOR Tranche Interest Period then in effect, Lender may assume that Borrowers have elected to have the principal amount applicable to such expiring LIBOR Tranche Interest Period accrue interest based on the Daily LIBOR Rate.

(b) Daily LIBOR Rate. All amounts outstanding under this Note, as of any date, which are not then subject to a LIBOR Tranche Election, will automatically bear interest at a floating rate equal to the Daily LIBOR Rate plus the Applicable Daily LIBOR Rate Margin (as defined below). As used herein, “Daily LIBOR Rate” means the rate of interest (rounded upwards, if necessary, to the next  $\frac{1}{8}$  of 1% and adjusted for reserves if Lender is required to maintain reserves with respect to relevant advances) fixed by the British Bankers’ Association at 11:00 a.m., London, England time, relating to quotations for the one month London InterBank Offered Rate on U.S. Dollar deposits as published on Bloomberg LP, or, if no longer provided by Bloomberg LP, such rate as shall be determined in good faith by Lender from such sources as Lender shall determine to be comparable to Bloomberg LP (or any

successor) as determined by Lender at approximately 10:00 a.m. Local Time on the relevant date of determination. Each determination by Lender of the Daily LIBOR Rate shall be conclusive in the absence of manifest error. The Daily LIBOR Rate shall be reset each Business Day by Lender based on the Daily LIBOR Rate then in effect. Any adjustment in the Interest Rate resulting from a change in the Daily LIBOR Rate shall become effective as of the opening of business on the date of each change (or if not a Business Day, the beginning of the day). Lender shall not be required to notify Borrowers of any adjustment in the Daily LIBOR Rate; *however*, Borrowers may request a quote of the prevailing Daily LIBOR Rate on any Business Day. Interest accruing based on the Daily LIBOR Rate shall be: (i) calculated based on a 360-day year and charged for the actual number of days elapsed and (ii) payable in arrears on the first day of each calendar month.

(c) Pricing Grid. As used herein, the terms “Applicable Daily LIBOR Rate Margin” and “Applicable Tranche LIBOR Rate Margin” (hereafter sometimes collectively referred to as the “Applicable Margins”) mean, as of any date, the applicable per annum rate shown in the applicable column in the table below based on the then applicable Fixed Charge Coverage Ratio. “Fixed Charge Coverage Ratio” has the meaning given in the Credit Agreement.

<u>Pricing Grid Level</u>	<u>Fixed Charge Coverage Ratio</u>	<u>Applicable Daily LIBOR Rate Margin</u>	<u>Applicable Tranche LIBOR Rate Margin</u>
Level 1	£ 1.50 to 1.0	4.00%	3.50%
Level 2	> 1.50 to 1.0 and £ 2.0 to 1.0	3.75%	3.25%
Level 3	> 2.0 to 1.0	3.50%	3.00%

For purposes of determining the Applicable Margins: the Fixed Charge Coverage Ratio will, on and after the First Pricing Grid Determination Date, be determined (i) as of the end of each Fiscal Year ending on and after the First Pricing Grid Determination Date (each such date being a “Determination Date”) and (ii) in the same manner used to determine the Fixed Charge Coverage Ratio set forth in Section 5.10 of the Credit Agreement. The “First Pricing Grid Determination Date” will be December 31, 2008. On Lender’s receipt of the financial statements and Compliance Certificate required to be delivered to Lender pursuant to Sections 4.3(b) and 4.3(d) of the Credit Agreement for the Fiscal Year then ended, the Interest Rate will be subject to adjustment in accordance with the table set forth above in this subparagraph (c) based on the then Fixed Charge Coverage Ratio for such Fiscal Year then ended so long as no Event of Default is existing as of the applicable effective date of adjustment. The foregoing adjustment, if applicable, will become effective for LIBOR Tranche Elections made with respect to the Revolving Loans, the unpaid principal balance of the Revolving Loans accruing interest based on the Daily LIBOR Rate and other outstanding Obligations related to the Revolving Loans and the Letter of Credit Obligations due with respect to Letters of Credit issued or renewed, on and after the first day of the first calendar month following delivery to Lender of the financial statements and Compliance Certificate required to be delivered to Lender pursuant to Sections 4.3(b) and 4.3(d) of the Credit Agreement for the Fiscal Year then ended until the next succeeding effective date of adjustment pursuant to this subparagraph (c). Each of the financial statements and Compliance Certificate required to be delivered to Lender must be delivered to Lender in compliance with Section 4.3 of the Credit Agreement. If, however, either the financial statements or the Compliance Certificate required to be delivered to Lender pursuant to Sections 4.3(b) and 4.3(d) of the Credit Agreement have not been delivered in accordance with Section 4.3 of the Credit Agreement, then, at Lender’s option, commencing on the date upon which such financial statements or Compliance Certificate should have been delivered in accordance with Section 4.3

of the Credit Agreement and continuing until such financial statements or Compliance Certificate are actually delivered in accordance with Section 4.3 of the Credit Agreement, it shall be assumed for purposes of determining the Applicable Margins, that the Fixed Charge Coverage Ratio was 1.50 to 1.0 and the pricing associated therewith (*i.e.*, Pricing Grid Level 1) will be applicable on the then applicable Determination Date. As of the Effective Date of this Note, the Applicable Daily LIBOR Rate Margin is 3.50% per annum and the Applicable Tranche LIBOR Rate Margin is 3.00% (*i.e.*, Pricing Grid Level 3).

(d) LIBOR Rate Costs. Borrowers hereby agree to reimburse and indemnify Lender from all costs or fees incurred by Lender subsequent to the date hereof relating to the offering of rates of interest based upon the Tranche LIBOR Rate and Daily LIBOR Rate. Without limiting the generality of the foregoing, if any change in any law, regulation or official directive, or in the interpretation thereof, by any governmental body charged with the administration thereof, shall:

(i) increase the cost to Lender, by an amount which Lender deems to be material, of making, converting into, continuing or maintaining Tranche LIBOR Rate Loans or Daily LIBOR Rate Loans, as applicable, or to reduce any amount receivable hereunder in respect thereof, or

(ii) have the effect of reducing the rate of return on Lender's capital as a consequence of its obligations hereunder to a level below that which Lender could have achieved but for such change by an amount deemed by Lender to be material,

then, in any such case, after submission by Lender to Borrowers of a written request therefor, Borrowers shall pay Lender any additional amounts necessary to compensate Lender for such increased cost or reduction. Lender agrees that, upon the occurrence of any event giving rise to the operation of this paragraph, it will use reasonable efforts to designate another lending office (if possible) for any Tranche LIBOR Rate Loans or Daily LIBOR Rate Loans affected by such event with the object of avoiding the consequences of such event; *provided* that no such designation shall be required unless such designation can be made on terms that, in the reasonable judgment of Lender, cause Lender and its lending office(s) to suffer no material economic, legal or regulatory disadvantage.

In addition, if any amount as to which a LIBOR Tranche Election is in effect is repaid on a day other than the last day of the applicable LIBOR Tranche Interest Period, or becomes payable on a day other than the last day of the applicable LIBOR Tranche Interest Period due to acceleration or otherwise, Borrowers, whether or not a debtor in a proceeding under Title 11, United States Code, shall pay, on demand by Lender, such amount (as determined by Lender) as is required to compensate Lender for any losses, costs or expenses ("LIBOR Breakage Fee"), which Lender may incur as a result of such payment or acceleration, including, without limitation, any loss, cost or expense (including loss of profit) incurred by reason of liquidation or reemployment of deposits or other funds acquired by Lender to fund or maintain such amount bearing interest with respect to the Tranche LIBOR Rate.

A certificate of Lender setting forth the amount or amounts necessary to compensate Lender as specified in this paragraph (d) and delivered to Borrowers shall be conclusive absent manifest error. Borrowers shall pay Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(e) Availability of Tranche LIBOR Rate and Daily LIBOR Rate. Notwithstanding anything herein contained to the contrary, if:

(i) any change in any law, regulation or official directive, or in the interpretation thereof, by any governmental body charged with the administration thereof, shall make it unlawful for Lender to fund or maintain its funding in Eurodollars of any portion of the advances subject to the Tranche LIBOR Rate or the Daily LIBOR Rate, as applicable, or otherwise to give effect to Lender's obligations as contemplated hereby, or

(ii) Lender, by telephonic notice, shall notify Borrowers that: (A) with respect to Tranche LIBOR Rate Loans, Eurodollar deposits with a maturity corresponding to the maturity of the LIBOR Tranche Interest Period, in an amount equal to the advances to be subject to the LIBOR Tranche Election are not readily available in the London Inter-Bank Offered Rate Market, (B) with respect to Daily LIBOR Rate Loans, one-month Eurodollar deposits in an amount equal to the unpaid principal balance of this Note not subject to a LIBOR Tranche Election are not readily available in the London Inter-Bank Offered Rate Market, (C) by reason of circumstances affecting the London Inter-Bank Offered Rate Market or other economic conditions, adequate and reasonable methods do not exist for ascertaining (1) the rate of interest applicable to such deposits for the proposed LIBOR Tranche Interest Period or, as applicable, (2) the Daily LIBOR Rate, or (D) the Tranche LIBOR Rate or, as applicable, the Daily LIBOR Rate as determined by Lender will not adequately and fairly reflect the cost to Lender of making or maintaining the unpaid principal balance of this Note at an interest rate based on the Tranche LIBOR Rate or, as applicable, the Daily LIBOR Rate, or

(iii) an Event of Default exists:

(1) Lender may, by written notice to Borrowers, declare Lender's obligations in respect of the Tranche LIBOR Rate and the Daily LIBOR Rate, as applicable, to be immediately terminated (an "Immediate LIBOR Rate Termination"), and (2) upon such Immediate LIBOR Rate Termination, (x) the Tranche LIBOR Rate and the Daily LIBOR Rate, as applicable, with respect to Lender shall cease to be in effect and (y) the unpaid principal balance of this Note shall bear interest from and after such notice at a floating rate equal to the rate of interest per annum established from time to time by Lender at its principal office as its "Prime Rate" (the "Prime Rate") plus 1.0% (it being understood by Borrowers that such Prime Rate is established for reference purposes only and not as Lender's best loan rate) or such other rate of interest as may be agreed to between Lender and Borrowers.

Any adjustment in the Interest Rate resulting from a change in Lender's Prime Rate shall become effective as of the opening of business on the date of change (or if not a Business Day, the beginning of the day). Interest based on the Prime Rate shall be calculated based on a 360-day year and charged for the actual number of days elapsed, and shall be payable in arrears on the first day of each calendar month.

Maximum Rate. In no event shall the Interest Rate provided for hereunder, together with all fees and charges as provided for herein or in any other Loan Document which are treated as interest under applicable law (collectively with interest, the "Charges"), exceed the

maximum rate legally chargeable by Lender under applicable law for loans of the type provided for hereunder (the "Maximum Rate"). If, in any month, the Charges, absent such limitation, would have exceeded the Maximum Rate, then the Charges for that month shall be at the Maximum Rate, and, if in future months, such Charges would otherwise be less than the Maximum Rate, then such Charges shall remain at the Maximum Rate until such time as the amount of Charges paid hereunder and under the other Loan Documents equals the amount of Charges which would have been paid if the same had not been limited by the Maximum Rate. In the event that, upon payment in full of the Obligations, the total amount of Charges paid or accrued in respect of the Indebtedness evidenced by this Note and the other Obligations is less than the total amount of Charges which would, but for this paragraph, have been paid or accrued if the Charges otherwise set forth in this Note and in the other Loan Documents had at all times been in effect, then Borrowers shall, to the extent permitted by applicable law, pay to Lender an amount equal to the difference between: (a) the lesser of: (i) the amount of Charges which would have been charged if the Maximum Rate had, at all times, been in effect or (ii) the amount of Charges which would have accrued had such Charges otherwise provided for in this Note and in the other Loan Documents at all times been in effect and (b) the amount of Charges actually paid or accrued in respect of the Indebtedness evidenced by this Note or any of the other Loan Documents. In the event that a court of competent jurisdiction determines that Lender has received any Charges in respect of the Indebtedness evidenced by this Note and the other Loan Documents in excess of the Maximum Rate, such excess shall be deemed received on account of, and shall automatically be applied to reduce, the Obligations owed to Lender other than any Charges, in the inverse order of maturity, and if there are no Obligations to Lender outstanding, Lender shall refund to Borrowers (or to such Person to which Lender is directed by a court of competent jurisdiction) such excess.

Use of Proceeds. Borrowers certify that the proceeds of the Revolving Loans will be used for the purposes set forth in the Credit Agreement.

Default Rate; Fees. To the extent any payment is not made within 15 days after the date when due under this Note and, at or before the end of such 15-day period, there was insufficient Revolving Loan Availability to charge the full amount of such payment to the loan account with Lender as an advance of the Revolving Loans, Borrowers shall pay to Lender a late payment fee equal to two percent (2%) of that portion of any payment not paid when due (whether by maturity, acceleration or otherwise). After the occurrence and during the continuation of an Event of Default, Borrowers agree that Lender may, without notice, increase the Interest Rate by an additional 2.0% per annum (the "Default Rate"); *provided* that this paragraph shall not be deemed to constitute a waiver of any Event of Default or an agreement by Lender to permit any late payments whatsoever.

Prepayment. Borrowers will make each mandatory prepayment of the principal of this Note required by the Credit Agreement. Subject to Section 6.4(b) of the Credit Agreement, Borrowers may prepay all of this Note at any time; *provided* that if any prepayment results in any LIBOR Breakage Fee or a Termination Fee (as defined in Section 6.4(b) of the Credit Agreement), Borrowers will pay such LIBOR Breakage Fee due in accordance with this Note and, as applicable, the Termination Fee.

Entire Agreement. Borrowers agree that there are no conditions or understandings which are not expressed in this Note or the other Loan Documents.

Severability. If any provision of this Note is held to be invalid by a court of competent jurisdiction in a final order, the invalid provision will, subject to the provisions of this Note with respect to the Maximum Rate, be deemed severed from this Note and shall not affect any part of the remainder of the provisions of this Note.

Joint Obligations. All of the obligations of Borrowers hereunder are joint, several and primary. No Borrower shall be or be deemed to be an accommodation party with respect to this Note.

Assignment. Borrowers agree not to assign any of any Borrower's rights, remedies or obligations described in this Note without the prior written consent of Lender, which consent may be withheld in Lender's sole discretion. Borrowers agree that Lender may assign some or all of its rights and remedies described in this Note without prior consent from Borrowers, *provided* that Lender will promptly notify Borrowers of a total assignment of this Note.

Prior Note. This Note is issued, not as a refinancing or refunding of or payment toward, but as a continuation of, the Obligations of Borrowers to Lender pursuant to that certain Third Amended and Restated Revolving Credit Promissory Note dated as of February 29, 2008 in the principal amount of \$30,000,000 (as amended, and together with all prior amendments thereto or restatements thereof, the "Prior Note"), together with any and all additional Revolving Loans incurred under this Note; *provided* that the unpaid principal balance of such Indebtedness under the Prior Note, together with any and all such additional Revolving Loans incurred under this Note, shall not exceed the maximum principal amount of this Note (the "Principal Amount Cap"). Accordingly, this Note shall not be construed as a novation or extinguishment of the Obligations arising under the Prior Note, and its issuance shall not affect the priority of any Lien granted in connection with the Prior Note. Interest accrued under the Prior Note prior to the date of this Note remains accrued and unpaid under this Note and does not constitute any part of the principal amount of the Indebtedness evidenced hereby. The entire unpaid principal balance created or existing under, pursuant to, as a result of, or arising out of, the Prior Note shall, together with any and all additional Revolving Loans incurred under this Note, continue in existence under this Note up to the Principal Amount Cap, which Obligations Borrowers acknowledge, affirm, and confirm to Lender. The Indebtedness evidenced by this Note will continue to be secured by all of the collateral and other security granted to Lender under the Prior Note and the other Loan Documents.

Modification; Waiver of Lender. The modification or waiver of any of Borrowers' obligations or Lender's rights under this Note must be contained in a writing signed by Lender and Borrowers. Lender may perform a Borrower's obligations, or delay or fail to exercise any of Lender's rights or remedies, without causing a waiver of those obligations or rights. A waiver on one occasion shall not constitute a waiver on another occasion. Borrowers' obligations under this Note shall not be affected if Lender amends, compromises, exchanges, fails to exercise, impairs or releases: (i) any of the obligations belonging to any co-borrower, indorser or guarantor, (ii) any of its rights against any co-borrower, guarantor or indorser, or (iii) any of the Loan Collateral.

**Waivers of Borrowers.** To the extent not prohibited by law or required by the Credit Agreement, demand, presentment, protest and notice of dishonor, notice of protest and notice of default are hereby waived by each Borrower, and any indorser or guarantor hereof. Borrowers and all co-makers and accommodation makers of this Note hereby waive all suretyship defenses, including, but not limited to, all defenses based upon impairment of collateral and all suretyship defenses described in Section 3-605 of the Uniform Commercial Code (the "UCC"). Such waiver is entered to the fullest extent permitted by Section 3-605 of the UCC.

**Governing Law; Consent to Jurisdiction.** This Note is delivered in, is intended to be performed in, will be construed and enforceable in accordance with and governed by the internal laws of, the State of Ohio, without regard to principles of conflicts of law. Each Borrower agrees that the state and federal courts in Hamilton County, Ohio shall, at Lender's sole option, have exclusive jurisdiction over all matters arising out of this Note, **WITHOUT LIMITATION ON THE ABILITY OF LENDER, ITS SUCCESSORS AND ASSIGNS, TO INITIATE AND PROSECUTE IN ANY APPLICABLE JURISDICTION ACTIONS RELATED TO THE REPAYMENT AND COLLECTION OF THE OBLIGATIONS AND THE EXERCISE OF ALL OF LENDER'S RIGHTS AGAINST EACH BORROWER WITH RESPECT THERETO AND ANY SECURITY OR PROPERTY OF EACH BORROWER, INCLUDING, WITHOUT LIMITATION, DISPOSITIONS OF THE LOAN COLLATERAL,** and that service of process in any such proceeding shall be effective if mailed to Borrowers in accordance with the Credit Agreement.

**JURY WAIVER. EACH BORROWER, ANY INDORSER OR GUARANTOR HEREOF, AND LENDER WAIVE THE RIGHT TO A TRIAL BY JURY OF ANY MATTERS ARISING OUT OF THIS NOTE OR THE TRANSACTIONS CONTEMPLATED HEREBY.**

*[Signature Page Follows]*



IN WITNESS WHEREOF, each Borrower has executed this Note by its duly authorized officer as of the date first above written.

**CECO FILTERS, INC.**  
**NEW BUSCH CO., INC.**  
**THE KIRK & BLUM MANUFACTURING COMPANY**  
**KBD/TECHNIC, INC.**  
**CECOAIRE, INC.**  
**CECO ABATEMENT SYSTEMS, INC.**  
**EFFOX INC., formerly known as CECO Acquisition Corp.**  
**FISHER-KLOSTERMAN, INC., formerly known as FKI**  
**Acquisition Corp.**  
**H.M. WHITE, INC.**  
**GMD ENVIRONMENTAL**  
**TECHNOLOGIES, INC., formerly known as GMD**  
**Acquisition Corp.**

By: /s/ Dennis W. Blazer

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Dennis W. Blazer, Secretary and Treasurer

SIGNATURE PAGE TO  
FOURTH AMENDED AND RESTATED REVOLVING CREDIT PROMISSORY NOTE  
(Sixth Amendment to Credit Agreement)

**A FIFTH THIRD BANCORP BANK**AMENDED AND RESTATED TERM PROMISSORY NOTE  
(TERM LOAN C)

OFFICER NO. 4048

NOTE No. \_\_\_\_\_

\$3,916,666.71

February 29, 2008  
First Amendment and Restatement March 31, 2009  
(Effective Date)

Promise to Pay. On or before April 1, 2011 (the "Maturity Date"), the undersigned, CECO FILTERS, INC., a Delaware corporation, NEW BUSCH CO., INC., a Delaware corporation, THE KIRK & BLUM MANUFACTURING COMPANY, an Ohio corporation, KBD/TECHNIC, INC., an Indiana corporation, CECO AIRE, INC., a Delaware corporation, CECO ABATEMENT SYSTEMS, INC., a Delaware corporation, H.M. WHITE, INC., a Delaware corporation, EFFOX INC., formerly known as CECO Acquisition Corp., a Delaware corporation, GMD ENVIRONMENTAL TECHNOLOGIES, INC., formerly known as GMD Acquisition Corp., a Delaware corporation, and FISHER-KLOSTERMAN INC., formerly known as FKI Acquisition Corp., a Delaware corporation (each, a "Borrower", and, collectively, the "Borrowers"), for value received, hereby jointly and severally promise to pay to the order of FIFTH THIRD BANK, an Ohio banking corporation (together with its successors and assigns, "Lender"), at 38 Fountain Square Plaza, MD #10AT63, Cincinnati, Ohio 45263, or such other address as Lender may provide from time to time, the sum of THREE MILLION NINE HUNDRED SIXTEEN THOUSAND SIX HUNDRED SIXTY-SIX AND 71/100 Dollars (\$3,916,666.71), plus interest as provided herein. The outstanding balance of this Amended and Restated Term Promissory Note (this "Note") shall appear on supplemental bank records and is not necessarily the face amount of this Note, which record shall evidence the balance due pursuant to this Note at any time. As used herein, "Local Time" means the time at the office of Lender specified in this Note.

Notwithstanding the Effective Date of this Note of March 31, 2009, the unpaid principal balance of this Note reflects a principal payment made by Borrowers in accordance with the Prior Note in an amount equal to \$83,333.33.

This Note shall be subject to the terms and conditions of the Credit Agreement dated as of December 29, 2005 among Lender, Borrowers, and certain of Borrowers' affiliates, as amended by the First Amendment to Credit Agreement dated as of June 8, 2006, the Second Amendment to Credit Agreement dated as of February 28, 2007, the Third Amendment to Credit Agreement dated as of February 29, 2008, the Fourth Amendment to Credit Agreement dated as of August 1, 2008, the Fifth Amendment to Credit Agreement dated as of December 30, 2008, and the Sixth Amendment to Credit Agreement dated to be effective as of even date herewith (as amended and as the same may be further amended, renewed, consolidated, restated or replaced from time to time, the "Credit Agreement"). Capitalized terms used herein which are not otherwise defined in this Note shall have the meanings set forth in the Credit Agreement. This Note is entitled to the benefits and security of the Credit Agreement, including, without limitation, acceleration upon the terms provided therein, and of the other Loan Documents.

Borrowers shall make the following principal payments (each a “Scheduled Payment”) commencing on May 1, 2009 and continuing on the same day of each and every calendar month thereafter until this Note has been paid in full:

<u>Period</u>	<u>Payment</u>
Each calendar month from and including May 1, 2009 through, and including, April 1, 2011	\$83,333.33

The entire unpaid principal balance of this Note, together with all accrued and unpaid interest and any other charges, advances and fees, if any, outstanding hereunder, shall be due and payable in full on the earlier of the Maturity Date or upon acceleration of the Indebtedness evidenced by this Note, notwithstanding any other inconsistent or contradictory provisions contained in this Note. No part of the Indebtedness evidenced by this Note may, on the repayment thereof, be redrawn or reborrowed by Borrowers.

Upon the occurrence and during the continuance of any Event of Default, the entire unpaid principal balance of this Note, together with all accrued but unpaid interest, and all other Obligations, shall, at Lender’s option, become immediately due and payable, except that if there occurs an Event of Default of the type described in Sections 6.1(d), 6.1(e), or 6.1(j) of the Credit Agreement, the entire unpaid principal balance of this Note, together with all accrued but unpaid interest, and all other Obligations shall become automatically and immediately due and payable without notice, which Borrowers hereby waive.

Interest. Principal amounts outstanding under this Note shall bear interest commencing on the Signature Date (as defined in the Sixth Amendment) at the rate or rates per annum set forth below, which rate or rates shall be designated by Borrowers as more fully set forth herein (the “Interest Rate”). Notwithstanding anything to the contrary in this Note or any other Loan Document, principal amounts outstanding under this Note shall bear interest during the period commencing on the Effective Date through, and including, the date that is the day prior to the Signature Date (as defined in the Sixth Amendment) at the rate or rates per annum set forth in the Prior Note.

On and after the Signature Date, at any time and from time to time during the term of this Note, so long as no Event of Default has occurred and is continuing and so long as such outstanding principal amounts hereunder are not then subject to a LIBOR Tranche Election, Borrowers may exercise their right to adjust the Interest Rate on amounts of principal outstanding under this Note to one of the rates set forth below upon notice to Lender as set forth below; *provided, however*, that once the Interest Rate accruing against any amounts outstanding hereunder is adjusted to a Tranche LIBOR Rate for a particular LIBOR Tranche Interest Period, Borrowers may not elect to adjust such Interest Rate to a different Interest Rate until the expiration of such LIBOR Tranche Interest Period.

(a) Tranche LIBOR Rate. Upon telephonic notice to Lender by 10:00 a.m. Local Time given at least two Business Days prior to the beginning of a LIBOR Tranche Interest Period, Borrowers may, subject to the terms of this Note, elect to have a portion or portions of the unpaid principal balance of this Note bear interest at a rate per annum equal to the Tranche LIBOR Rate (as defined herein) plus the Applicable Tranche LIBOR Rate Margin (as defined herein) (a "LIBOR Tranche Election"). The "Tranche LIBOR Rate" is the rate of interest (rounded upwards, if necessary, to the next  $\frac{1}{8}$  of 1% and adjusted for reserves if Lender is required to maintain reserves with respect to portions of this Note subject to a LIBOR Tranche Election) fixed by the British Bankers' Association at 11:00 a.m., London, England time, relating to quotations for the one month, two month, or three month London InterBank Offered Rates, as selected by Borrowers in their LIBOR Tranche Election, on U.S. Dollar deposits as published on Bloomberg LP, or, if no longer provided by Bloomberg LP, such rate as shall be determined in good faith by Lender from such sources as Lender shall determine to be comparable to Bloomberg LP (or any successor) as determined by Lender at approximately 10:00 a.m. Local Time on the date of request by Borrowers. Each determination by Lender of the Tranche LIBOR Rate shall be conclusive in the absence of manifest error. Interest accruing based on the Tranche LIBOR Rate shall be: (i) calculated based on a 360-day year and charged for the actual number of days elapsed and (ii) payable in arrears on the last day of the applicable LIBOR Tranche Interest Period. The Interest Rate applicable to a particular LIBOR Tranche Election shall remain at the rate elected for the remainder of the subject LIBOR Tranche Interest Period.

The "LIBOR Tranche Interest Period" for each portion or portions of the unpaid principal balance of this Note bearing interest with respect to the Tranche LIBOR Rate (each such portion or portions, a "Tranche LIBOR Rate Loan") is a period of one month, two months, or three months, at Borrowers' election, which period shall commence on a Business Day selected by Borrowers subject to the terms of this Note. If a LIBOR Tranche Interest Period would otherwise end on a day that is not a Business Day, such LIBOR Tranche Interest Period shall end on the next succeeding Business Day; *provided* that, if the next succeeding Business Day falls in a new month, such LIBOR Tranche Interest Period shall end on the immediately preceding Business Day.

On or before the date that is two Business Days before the making of any Tranche LIBOR Rate Loan, and on or before the date which is two Business Days prior to the expiration of any applicable LIBOR Tranche Interest Period, Borrowers shall notify Lender of each of the following: (a) the LIBOR Tranche Interest Period Borrowers have elected regarding any such Tranche LIBOR Rate Loan or any continuation of a LIBOR Tranche Election with respect to a Tranche LIBOR Rate Loan, (b) the amount of each such Tranche LIBOR Rate Loan or continuation, and (c) the commencement date of each LIBOR Tranche Interest Period. Borrowers may have Tranche LIBOR Rate Loans in minimum amounts of \$1,000,000 (and integral multiples of \$100,000) and such Tranche LIBOR Rate Loans may bear interest at the applicable Interest Rate for different LIBOR Tranche Interest Periods so long as (i) the last day of any LIBOR Tranche Interest Period does not exceed the Maturity Date hereof; (ii) no LIBOR Tranche Election with respect to any Tranche LIBOR Rate Loan commences prior to the expiration of the applicable LIBOR Tranche Interest Period in effect with respect to such Tranche LIBOR Rate Loan; and (iii) at no time may Borrowers have more than three outstanding Tranche LIBOR Rate Loans, in the aggregate, under all of their Notes. If, at any time during the term hereof, Borrowers fail to designate a LIBOR Tranche

Interest Period or if Borrowers have not elected another LIBOR Tranche Interest Period in accordance with this Note at least two Business Days prior to the expiration of the LIBOR Tranche Interest Period then in effect, Lender may assume that Borrowers have elected to have the principal amount applicable to such expiring LIBOR Tranche Interest Period accrue interest based on the Daily LIBOR Rate.

(b) **Daily LIBOR Rate.** All amounts outstanding under this Note, as of any date, which are not then subject to a LIBOR Tranche Election, will automatically bear interest at a floating rate equal to the Daily LIBOR Rate plus the Applicable Daily LIBOR Rate Margin (as defined below). As used herein, “**Daily LIBOR Rate**” means the rate of interest (rounded upwards, if necessary, to the next 1/8 of 1% and adjusted for reserves if Lender is required to maintain reserves with respect to portions of this Note bearing interest based upon the Daily LIBOR Rate) fixed by the British Bankers’ Association at 11:00 a.m., London, England time, relating to quotations for the one month London InterBank Offered Rate on U.S. Dollar deposits as published on Bloomberg LP, or, if no longer provided by Bloomberg LP, such rate as shall be determined in good faith by Lender from such sources as Lender shall determine to be comparable to Bloomberg LP (or any successor) as determined by Lender at approximately 10:00 a.m. Local Time on the relevant date of determination. Each determination by Lender of the Daily LIBOR Rate shall be conclusive in the absence of manifest error. The Daily LIBOR Rate shall be reset each Business Day by Lender based on the Daily LIBOR Rate then in effect. Any adjustment in the Interest Rate resulting from a change in the Daily LIBOR Rate shall become effective as of the opening of business on the date of each change (or if not a Business Day, the beginning of the day). Lender shall not be required to notify Borrowers of any adjustment in the Daily LIBOR Rate; *however*, Borrowers may request a quote of the prevailing Daily LIBOR Rate on any Business Day. Interest accruing based on the Daily LIBOR Rate shall be: (i) calculated based on a 360-day year and charged for the actual number of days elapsed and (ii) payable in arrears on the first day of each calendar month.

(c) **Pricing Grid.** As used herein, the terms “**Applicable Daily LIBOR Rate Margin**” and “**Applicable Tranche LIBOR Rate Margin**” (hereafter sometimes collectively referred to as the “**Applicable Margins**”) mean, as of any date, the applicable per annum rate shown in the applicable column in the table below based on the then applicable Fixed Charge Coverage Ratio. “Fixed Charge Coverage Ratio” has the meaning given in the Credit Agreement.

<b>Pricing Grid Level</b>	<b>Fixed Charge Coverage Ratio</b>	<b>Applicable Daily LIBOR Rate Margin</b>	<b>Applicable Tranche LIBOR Rate Margin</b>
Level 1	£ 1.50 to 1.0	4.25%	3.75%
Level 2	> 1.50 to 1.0 and £ 2.0 to 1.0	4.00%	3.50%
Level 3	> 2.0 to 1.0	3.75%	3.25%

For purposes of determining the Applicable Margins: the Fixed Charge Coverage Ratio will, on and after the First Pricing Grid Determination Date, be determined (i) as of the end of each Fiscal Year ending on and after the First Pricing Grid Determination Date (each such date being a “Determination Date”) and (ii) in the same manner used to determine the Fixed Charge Coverage Ratio set forth in Section 5.10 of the Credit Agreement. The “**First Pricing Grid Determination Date**” will be December 31, 2008. On Lender’s receipt of the financial statements and Compliance Certificate required to be delivered to Lender pursuant to Sections 4.3(b) and 4.3(d) of the Credit Agreement for the Fiscal Year then ended, the Interest Rate will be subject to adjustment in accordance with the

table set forth above in this subparagraph (c) based on the then Fixed Charge Coverage Ratio for such Fiscal Year then ended so long as no Event of Default is existing as of the applicable effective date of adjustment. The foregoing adjustment, if applicable, will become effective for LIBOR Tranche Elections made with respect to the portion or portions of the unpaid principal balance of this Note and the unpaid principal balance of this Note accruing interest based on the Daily LIBOR Rate, on and after the first day of the first calendar month following delivery to Lender of the financial statements and Compliance Certificate required to be delivered to Lender pursuant to Sections 4.3(b) and 4.3(d) of the Credit Agreement for the Fiscal Year then ended until the next succeeding effective date of adjustment pursuant to this subparagraph (c). Each of the financial statements and Compliance Certificate required to be delivered to Lender must be delivered to Lender in compliance with Section 4.3 of the Credit Agreement. If, however, either the financial statements or the Compliance Certificate required to be delivered to Lender pursuant to Sections 4.3(b) and 4.3(d) of the Credit Agreement have not been delivered in accordance with Section 4.3 of the Credit Agreement, then, at Lender's option, commencing on the date upon which such financial statements or Compliance Certificate should have been delivered in accordance with Section 4.3 of the Credit Agreement and continuing until such financial statements or Compliance Certificate are actually delivered in accordance with Section 4.3 of the Credit Agreement, it shall be assumed for purposes of determining the Applicable Margins, that the Fixed Charge Coverage Ratio was £ 1.50 to 1.0 and the pricing associated therewith (*i.e.*, Pricing Grid Level 1) will be applicable on the then applicable Determination Date. As of the Effective Date of this Note, the Applicable Daily LIBOR Rate Margin is 3.75% per annum and the Applicable Tranche LIBOR Rate Margin is 3.25% (*i.e.*, Pricing Grid Level 3).

(d) LIBOR Rate Costs. Borrowers hereby agree to reimburse and indemnify Lender from all costs or fees incurred by Lender subsequent to the date hereof relating to the offering of rates of interest based upon the Tranche LIBOR Rate and Daily LIBOR Rate. Without limiting the generality of the foregoing, if any change in any law, regulation or official directive, or in the interpretation thereof, by any governmental body charged with the administration thereof, shall:

(i) increase the cost to Lender, by an amount which Lender deems to be material, of making, converting into, continuing or maintaining Tranche LIBOR Rate Loans or Daily LIBOR Rate Loans, as applicable, or to reduce any amount receivable hereunder in respect thereof, or

(ii) have the effect of reducing the rate of return on Lender's capital as a consequence of its obligations hereunder to a level below that which Lender could have achieved but for such change by an amount deemed by Lender to be material,

then, in any such case, after submission by Lender to Borrowers of a written request therefor, Borrowers shall pay Lender any additional amounts necessary to compensate Lender for such increased cost or reduction. Lender agrees that, upon the occurrence of any event giving rise to the operation of this paragraph, it will use reasonable efforts to designate another lending office (if possible) for any Tranche LIBOR Rate Loans or Daily LIBOR Rate Loans affected by such event with the object of avoiding the consequences of such event; provided that no such designation shall be required unless such designation can be made on terms that, in the reasonable judgment of Lender, cause Lender and its lending office(s) to suffer no material economic, legal or regulatory disadvantage.

In addition, if any amount as to which a LIBOR Tranche Election is in effect is repaid on a day other than the last day of the applicable LIBOR Tranche Interest Period, or becomes payable on a day other than the last day of the applicable LIBOR Tranche Interest Period due to acceleration or otherwise, Borrowers, whether or not a debtor in a proceeding under Title 11, United States Code, shall pay, on demand by Lender, such amount (as determined by Lender) as is required to compensate Lender for any losses, costs or expenses ("LIBOR Breakage Fee"), which Lender may incur as a result of such payment or acceleration, including, without limitation, any loss, cost or expense (including loss of profit) incurred by reason of liquidation or reemployment of deposits or other funds acquired by Lender to fund or maintain such amount bearing interest with respect to the Tranche LIBOR Rate.

A certificate of Lender setting forth the amount or amounts necessary to compensate Lender as specified in this paragraph (d) and delivered to Borrowers shall be conclusive absent manifest error. Borrowers shall pay Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(e) Availability of Tranche LIBOR Rate and Daily LIBOR Rate. Notwithstanding anything herein contained to the contrary, if:

(i) any change in any law, regulation or official directive, or in the interpretation thereof, by any governmental body charged with the administration thereof, shall make it unlawful for Lender to fund or maintain its funding in Eurodollars of any portion of unpaid principal balance of this Note subject to the Tranche LIBOR Rate or the Daily LIBOR Rate, as applicable, or otherwise to give effect to Lender's obligations as contemplated hereby, or

(ii) Lender, by telephonic notice, shall notify Borrowers that: (A) with respect to Tranche LIBOR Rate Loans, Eurodollar deposits with a maturity corresponding to the maturity of the LIBOR Tranche Interest Period, in an amount equal to the portion or portions of the unpaid principal balance of this Note to be subject to the LIBOR Tranche Election are not readily available in the London Inter-Bank Offered Rate Market, (B) with respect to Daily LIBOR Rate Loans, one-month Eurodollar deposits in an amount equal to the unpaid principal balance of this Note not subject to a LIBOR Tranche Election are not readily available in the London Inter-Bank Offered Rate Market, (C) by reason of circumstances affecting the London Inter-Bank Offered Rate Market or other economic conditions, adequate and reasonable methods do not exist for ascertaining (1) the rate of interest applicable to such deposits for the proposed LIBOR Tranche Interest Period or, as applicable, (2) the Daily LIBOR Rate, or (D) the Tranche LIBOR Rate or, as applicable, the Daily LIBOR Rate as determined by Lender will not adequately and fairly reflect the cost to Lender of making or maintaining the unpaid principal balance of this Note at an interest rate based on the Tranche LIBOR Rate or, as applicable, the Daily LIBOR Rate, or

(iii) an Event of Default exists:

(1) Lender may, by written notice to Borrowers, declare Lender's obligations in respect of the Tranche LIBOR Rate and the Daily LIBOR Rate, as applicable, to be immediately terminated (an "Immediate LIBOR Rate Termination"), and (2) upon such Immediate LIBOR Rate Termination, (x) the Tranche LIBOR Rate and the Daily LIBOR Rate, as applicable, with respect to Lender shall cease

to be in effect and (y) the unpaid principal balance of this Note shall bear interest from and after such notice at a floating rate equal to the rate of interest per annum established from time to time by Lender at its principal office as its "Prime Rate" (the "Prime Rate") plus 1.0% (it being understood by Borrowers that such Prime Rate is established for reference purposes only and not as Lender's best loan rate) or such other rate of interest as may be agreed to between Lender and Borrowers.

Any adjustment in the Interest Rate resulting from a change in Lender's Prime Rate shall become effective as of the opening of business on the date of change (or if not a Business Day, the beginning of the day). Interest based on the Prime Rate shall be calculated based on a 360-day year and charged for the actual number of days elapsed, and shall be payable in arrears on the first day of each calendar month.

Maximum Rate. In no event shall the Interest Rate provided for hereunder, together with all fees and charges as provided for herein or in any other Loan Document which are treated as interest under applicable law (collectively with interest, the "Charges"), exceed the maximum rate legally chargeable by Lender under applicable law for loans of the type provided for hereunder (the "Maximum Rate"). If, in any month, the Charges, absent such limitation, would have exceeded the Maximum Rate, then the Charges for that month shall be at the Maximum Rate, and, if in future months, such Charges would otherwise be less than the Maximum Rate, then such Charges shall remain at the Maximum Rate until such time as the amount of Charges paid hereunder and under the other Loan Documents equals the amount of Charges which would have been paid if the same had not been limited by the Maximum Rate. In the event that, upon payment in full of the Obligations, the total amount of Charges paid or accrued in respect of the Indebtedness evidenced by this Note and the other Obligations is less than the total amount of Charges which would, but for this paragraph, have been paid or accrued if the Charges otherwise set forth in this Note and in the other Loan Documents had at all times been in effect, then Borrowers shall, to the extent permitted by applicable law, pay to Lender an amount equal to the difference between: (a) the lesser of: (i) the amount of Charges which would have been charged if the Maximum Rate had, at all times, been in effect or (ii) the amount of Charges which would have accrued had such Charges otherwise provided for in this Note and in the other Loan Documents at all times been in effect and (b) the amount of Charges actually paid or accrued in respect of the Indebtedness evidenced by this Note or any of the other Loan Documents. In the event that a court of competent jurisdiction determines that Lender has received any Charges in respect of the Indebtedness evidenced by this Note and the other Loan Documents in excess of the Maximum Rate, such excess shall be deemed received on account of, and shall automatically be applied to reduce, the Obligations owed to Lender other than any Charges, in the inverse order of maturity, and if there are no Obligations to Lender outstanding, Lender shall refund to Borrowers (or to such Person to which Lender is directed by a court of competent jurisdiction) such excess.

Use of Proceeds. Borrowers certify that the proceeds of Term Loan C have been used for the purposes set forth in the Credit Agreement.

Default Rate; Fees. To the extent any payment is not made within 15 days after the date when due under this Note and, at or before the end of such 15-day period, there was insufficient Revolving Loan Availability to charge the full amount of such payment to the loan account with Lender as an advance of the Revolving Loans, Borrowers shall pay to Lender a late payment fee equal to two



percent (2%) of that portion of any payment not paid when due (whether by maturity, acceleration or otherwise). After the occurrence and during the continuation of an Event of Default, Borrowers agree that Lender may, without notice, increase the Interest Rate by an additional 2.0% per annum (the "Default Rate"); *provided* that this paragraph shall not be deemed to constitute a waiver of any Event of Default or an agreement by Lender to permit any late payments whatsoever.

Prepayment. In addition to the Scheduled Payments set forth in this Note, Borrowers will make each mandatory prepayment of the principal of this Note required by the Credit Agreement, including, without limitation, the mandatory prepayments of the principal of this Note in the form of Excess Cash Flow Payments in the manner and to the extent set forth in the Credit Agreement. Subject to Section 6.4(b) of the Credit Agreement, Borrowers may prepay all of this Note at any time; *provided* that if any prepayment results in any LIBOR Breakage Fee or a Termination Fee (as defined in Section 6.4(b) of the Credit Agreement), Borrowers will pay such LIBOR Breakage Fee due in accordance with this Note and, as applicable, the Termination Fee.

Entire Agreement. Borrowers agree that there are no conditions or understandings which are not expressed in this Note or the other Loan Documents.

Severability. If any provision of this Note is held to be invalid by a court of competent jurisdiction in a final order, the invalid provision will, subject to the provisions of this Note with respect to the Maximum Rate, be deemed severed from this Note and shall not affect any part of the remainder of the provisions of this Note.

Joint Obligations. All of the obligations of Borrowers hereunder are joint, several and primary. No Borrower shall be or be deemed to be an accommodation party with respect to this Note.

Assignment. Borrowers agree not to assign any of any Borrower's rights, remedies or obligations described in this Note without the prior written consent of Lender, which consent may be withheld in Lender's sole discretion. Borrowers agree that Lender may assign some or all of its rights and remedies described in this Note without prior consent from Borrowers, *provided* that Lender will promptly notify Borrowers of a total assignment of this Note.

Prior Note. This Note is issued, not as a refinancing or refunding of or payment toward, but as a continuation of, the Obligations of Borrowers to Lender pursuant to that certain Term Promissory Note dated as of February 29, 2008 in the original principal amount of \$5,000,000 (as amended, and together with all prior amendments thereto or restatements thereof, the "Prior Note"). Accordingly, this Note shall not be construed as a novation or extinguishment of the Obligations arising under the Prior Note, and its issuance shall not affect the priority of any Lien granted in connection with the Prior Note. Interest accrued under the Prior Note prior to the date of this Note remains accrued and unpaid under this Note and does not constitute any part of the principal amount of the Indebtedness evidenced hereby. The entire unpaid principal balance created or existing under, pursuant to, as a result of, or arising out of, the Prior Note shall continue in existence under this Note, which Obligations Borrowers acknowledge, affirm, and confirm to Lender. The Indebtedness evidenced by this Note will continue to be secured by all of the collateral and other security granted to Lender under the Prior Note and the other Loan Documents.

**Modification; Waiver of Lender.** The modification or waiver of any of Borrowers' obligations or Lender's rights under this Note must be contained in a writing signed by Lender and Borrowers. Lender may perform a Borrower's obligations, or delay or fail to exercise any of Lender's rights or remedies, without causing a waiver of those obligations or rights. A waiver on one occasion shall not constitute a waiver on another occasion. Borrowers' obligations under this Note shall not be affected if Lender amends, compromises, exchanges, fails to exercise, impairs or releases: (i) any of the obligations belonging to any co-borrower, indorser or guarantor, (ii) any of its rights against any co-borrower, guarantor or indorser, or (iii) any of the Loan Collateral.

**Waivers of Borrowers.** To the extent not prohibited by law or required by the Credit Agreement, demand, presentment, protest and notice of dishonor, notice of protest and notice of default are hereby waived by each Borrower, and any indorser or guarantor hereof. Borrowers and all co-makers and accommodation makers of this Note hereby waive all suretyship defenses, including, but not limited to, all defenses based upon impairment of collateral and all suretyship defenses described in Section 3-605 of the Uniform Commercial Code (the "UCC"). Such waiver is entered to the fullest extent permitted by Section 3-605 of the UCC.

**Governing Law; Consent to Jurisdiction.** This Note is delivered in, is intended to be performed in, will be construed and enforceable in accordance with and governed by the internal laws of, the State of Ohio, without regard to principles of conflicts of law. Each Borrower agrees that the state and federal courts in Hamilton County, Ohio shall, at Lender's sole option, have exclusive jurisdiction over all matters arising out of this Note, **WITHOUT LIMITATION ON THE ABILITY OF LENDER, ITS SUCCESSORS AND ASSIGNS, TO INITIATE AND PROSECUTE IN ANY APPLICABLE JURISDICTION ACTIONS RELATED TO THE REPAYMENT AND COLLECTION OF THE OBLIGATIONS AND THE EXERCISE OF ALL OF LENDER'S RIGHTS AGAINST EACH BORROWER WITH RESPECT THERETO AND ANY SECURITY OR PROPERTY OF EACH BORROWER, INCLUDING, WITHOUT LIMITATION, DISPOSITIONS OF THE LOAN COLLATERAL,** and that service of process in any such proceeding shall be effective if mailed to Borrowers in accordance with the Credit Agreement.

**JURY WAIVER.** EACH BORROWER, ANY INDORSER OR GUARANTOR HEREOF, AND LENDER WAIVE THE RIGHT TO A TRIAL BY JURY OF ANY MATTERS ARISING OUT OF THIS NOTE OR THE TRANSACTIONS CONTEMPLATED HEREBY.

[Signature Page Follows]

IN WITNESS WHEREOF, each Borrower has executed this Note by its duly authorized officer as of the date first above written.

**CECO FILTERS, INC.**  
**NEW BUSCH CO., INC.**  
**THE KIRK & BLUM MANUFACTURING COMPANY**  
**KBD/TECHNIC, INC.**  
**CECOAIRE, INC.**  
**CECO ABATEMENT SYSTEMS, INC.**  
**EFFOX INC., formerly known as CECO Acquisition Corp.**  
**FISHER-KLOSTERMAN, INC., formerly known as FKI**  
**Acquisition Corp.**  
**H.M. WHITE, INC.**  
**GMD ENVIRONMENTAL**  
**TECHNOLOGIES, INC., formerly known as GMD**  
**Acquisition Corp.**

By: /s/ Dennis W. Blazer

Dennis W. Blazer, Secretary and Treasurer

SIGNATURE PAGE TO  
AMENDED AND RESTATED TERM PROMISSORY NOTE  
(Sixth Amendment to Credit Agreement)  
(Term Loan C)



NasdaqGM:CECE

NEWS RELEASE

**CECO ENVIRONMENTAL REPORTS  
FIRST QUARTER 2009 RESULTS**

**Quarterly Gross Profit Increases by 38%  
Operating Income Increases by \$1.5 Million**

**CINCINNATI, OHIO, May 7, 2009**—CECO Environmental Corp. (NasdaqGM:CECE), a leading provider of industrial ventilation and pollution control systems, today announced first quarter results for the period ended March 31, 2009.

**Financial highlights for the first quarter of 2009 compared to the first quarter of 2008 include:**

- Gross profit increased by \$2.4 million or 38.1% from \$6.3 million to \$8.7 million;
- Gross profit as a percentage of sales increased to 21.9% from 13.4%;
- Operating income increased \$1.5 million to \$0.8 million from an operating loss of \$0.7 million in the first quarter of 2008;
- Net income increased by \$1.0 million to \$0.4 million compared to a net loss of \$0.6 million in 2008;
- Income per diluted share was \$0.03 compared to a loss of (\$0.04) per diluted share in the prior year quarter; and
- Net sales decreased by \$7.1 million or 15.1% from \$46.9 million to \$39.8 million.

Backlog as of March 31, 2009 was \$63.2 million compared to \$68.0 million as of December 31, 2008.

Richard Blum, President and COO stated, "We are especially pleased with the results for our first quarter of 2009. The first quarter is typically our weakest quarter due to the seasonality of our business. Of interest is the fact that almost 20 percent of our backlog, and almost 20 percent of our bookings, as of the end of the first quarter were from customers outside the United States. We did business with customers in 16 different countries in the first quarter. At the end of the first quarter, the five largest components of our backlog were the power, refining, chemical, ethanol, and steel industries."

Chairman and CEO, Phillip DeZwirek, stated, "Although our revenues for the quarter were lower compared to 2008 it is important to note that our gross profit and operating income are significantly higher in the current quarter. Our recent series of acquisitions has resulted in an expansion of our equipment group which is typically higher margin business and we expect this trend to continue. The higher selling and administrative costs in this quarter are due to three new acquisitions not fully reflected in the comparative quarter. The higher income is also the result of our aggressive cost cutting program to reduce overhead costs in line with volume and to continue integration of our acquisitions to eliminate duplication and one time charges. We anticipate that the full effect of this cost cutting will be reflected in our fourth quarter."

CECO will host a conference call on Thursday, May 7, 2009, at 10:30 a.m. EDT to review its financial results for the quarter. Conferencing details are as follows:

Dial in number: 800.901.5247

International dial in number: 617.786.4501

Participant pass code: 98484209

Replay: 888-286-8010

International: 617-801-6888

Passcode: 14200214

#### **ABOUT CECO ENVIRONMENTAL**

CECO Environmental Corp. is North America's largest independent air pollution control company. Through its subsidiaries CECO provides a wide spectrum of air quality services and products including: industrial air filters, environmental maintenance, monitoring and management services, and air quality improvements systems. CECO is a full-service provider to the steel, military, aluminum, automotive, ethanol, aerospace, electric power, semiconductor, chemical, cement, metalworking, glass, foundry and virtually all industrial process industries.

For more information on CECO Environmental please visit the company's website at <http://www.cecoenviro.com>

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## CECO ENVIRONMENTAL CORP.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(unaudited)

Dollars in thousands, except per share data

	THREE MONTHS ENDED	
	MARCH 31,	
	2009	2008
Net sales	\$ 39,751	\$ 46,862
Cost of sales	31,084	40,567
Gross profit	8,667	6,295
Selling and administrative	7,513	6,816
Amortization	313	214
Income (loss) from operations	841	(735)
Other income, net	89	—
Interest expense (including related party interest of \$109 and \$0, respectively)	(362)	(209)
Income (loss) before income taxes	568	(944)
Income tax (benefit) expense	199	(369)
Net income (loss)	\$ 369	\$ (575)
Per share data:		
Basic net (loss) income	\$ 0.03	\$ (0.04)
Diluted net (loss) income	\$ 0.03	\$ (0.04)
Weighted average number of common shares outstanding:		
Basic	14,322,777	14,690,212
Diluted	14,332,929	14,690,212

This press release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All forward-looking statements are subject to certain risks, uncertainties and assumptions. These risks and uncertainties, which are more fully described in CECO's Annual and Quarterly Reports filed with the Securities and Exchange Commission, include changes in economic conditions and changes in market conditions in the industries in which the Company operates. Should one or more of these risks or uncertainties materialize, or should the assumptions prove incorrect, actual results may vary in material aspects from those currently anticipated.