

Kennedy Valve

Thank you for your interest in establishing an account with Kennedy Valve!

To open an account for your company we require the completion and return of this Credit Application, International Trade Procedure (included below), and your most current Sales Tax Exemption form for all states that we would ship to on your behalf.

Please return this completed and signed form to the Kennedy Valve Credit Manager, Michelle Moffett at michelle.moffett@kennedyvalve.com.

New Account – Current Account – Credit Application

Date: _____

Legal Business Name: _____

Address (Billing): _____
City _____ State _____ Zip _____

Address (Shipping): _____
City _____ State _____ Zip _____

Phone: _____ Fax: _____ Email: _____

Year opened: _____

Officers: Owner _____
President _____
V.P. _____
Controller _____

Please check one of the following and provide the requested information:

Corporation ___ Fed ID# _____
Partnership ___ SS# _____
Sole Proprietorship ___ SS# _____
LLC ___ Fed ID# _____

PLEASE ATTACH A COPY OF YOUR MOST RECENTLY AUDITED FINANCIAL STATEMENT.

IF YOU DO NOT HAVE A COPY OF AN AUDITED STATEMENT, PLEASE SUBMIT ANY FINANCIAL INFORMATION THAT YOU FEEL WILL SUPPORT THIS APPLICATION FOR AN OPEN LINE OF CREDIT. THE INFORMATION SUPPLIED WILL BE KEPT IN CONFIDENCE. THE FINANCIAL INFORMATION ALONG WITH THE ADDITIONAL INFORMATION SUPPLIED WILL BE USED TO DETERMINE A LINE OF CREDIT FOR YOUR BUSINESS IF YOUR APPLICATION IS APPROVED.

Kennedy Valve

Sales Tax Exemption Certificate Attached: () Yes () No

MAJOR TRADE REFERENCES:

Name _____ Phone _____
Address _____ Email _____

Name _____ Phone _____
Address _____ Email _____

Name _____ Phone _____
Address _____ Email _____

Name _____ Phone _____
Address _____ Email _____

BANKING REFERENCE:

Name _____ Phone _____
Address _____ Contact _____

BONDING AGENT:

Name _____ Phone _____
Address _____ Contact _____

BONDING SURETY:

Name _____ Phone _____
Address _____ Contact _____

I/WE, WITH FULL AUTHORITY, AUTHORIZE KENNEDY VALVE TO INVESTIGATE THE REFERENCES LISTED ABOVE PERTAINING TO MY/OUR CREDIT AND FINANCIAL RESPONSIBILITY. MY/OUR SIGNATURE ON THIS CREDIT APPLICATION ALSO CONSTITUTES AGREEMENT THAT THE MCWANE, INC. TERMS AND CONDITIONS OF SALE FOUND

AT <http://www.mcwane.com/upl/downloads/terms-and-conditions/mcwane-inc-terms-and-conditions-of-sale-us-0c044dcc.pdf> ("ONLINE TERMS"), **INCLUDING BUT NOT LIMITED TO ALL WARRANTIES, DISCLAIMERS OF IMPLIED WARRANTIES AND LIMITATIONS ON LIABILITY**, ARE INCORPORATED BY REFERENCE FOR ALL CURRENT AND FUTURE ORDERS AND SALES AND SUPERSEDE ANY OTHER TERMS. I/WE ACKNOWLEDGE THAT THE ONLINE TERMS ARE SUBJECT TO CHANGE FROM TIME TO TIME AND AGREE THAT EACH SALE WILL BE GOVERNED BY THE VERSION OF ONLINE TERMS AVAILABLE AT THE TIME OF MY/OUR ACCEPTANCE OF AN ORDER FOR SUCH SALE.

Company Name: _____

Signature: _____

Printed Name: _____

Title: _____

SALES TAX EXEMPTION CERTIFICATE(S)

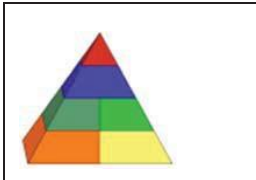
To ensure that you are not erroneously charged sales tax, we are updating our files with your most current tax exemption status. If you are NOT to be charged tax, then sales tax laws require us to have a copy of your sales tax exemption certificate on file, not only for your state, but any other state in which you have us make tax exempt deliveries. We will NOT issue any sales tax credits for taxes charged to a tax-exempt customer who failed to supply us with a copy of their tax-exempt certificate. It will be your responsibility to pay the tax and then file for a refund from the appropriate state(s).

IF YOU ARE TAX EXEMPT, PLEASE SEND US A COPY OF EACH TAX EXEMPTION CERTIFICATE FROM ANY STATE IN WHICH YOU HAVE US MAKE DELIVERIES.

If you have filed for but NOT received your certificate, please send us written notice of this; followed by a COPY OF THE CERTIFICATE upon your receipt. Supplying this information may avoid potential delays and misunderstandings.

Thank you for your assistance.

Chellie Moffett
Credit Manager – Kennedy Valve
michelle.moffett@KennedyValve.com
607-734-2211 ext. 9380



END-USE/END-USER FORM:

1. Will this product be used in/at/on a Nuclear Plant or Nuclear Proliferation, Bio-Chemical Plant or Bio-Chemical Technology, Biological Weapons, Firearms or Ammunition, Explosives, Missile or Missile Technology, or any Military Application?

YES NO

If yes, explain: _____

2. Do you or the company own, or are you or the company involved with any other entity, that qualifies under (1) above?

YES NO

If yes, explain: _____

3. Is the final destination, or will this product pass through, any of the following countries; Afghanistan, Belarus, Burma, China, Cuba, Cote d'Ivoire, Cyprus, Democratic Republic of the Congo, Eritrea, Fiji, Haiti, Iraq, Iran, Lebanon, Liberia, Libya, North Korea, Sierra Leone, Somalia, Sri Lanka, Sudan, Syria, Venezuela, Vietnam, Yemen, and Zimbabwe or any other country that is listed on the Department of State country sanction and embargoes list located at; http://www.pmdtc.state.gov/embargoed_countries/index.html

YES NO

If yes, explain: _____

Signed: _____

Title: _____

McWane, Inc. Terms and Conditions of Sale - US

1. ENTIRE AGREEMENT. Each party agrees that all sales of goods ("Goods") by McWane, Inc. ("Seller") to Buyer are governed by these Terms and Conditions of Sale (the "Terms and Conditions") which supersede any other or inconsistent terms of Buyer or Seller. Each party agrees that the Terms and Conditions will also govern all sales of Goods to Buyer by any McWane, Inc. subsidiary, affiliate or division, in which case such subsidiary, affiliate or division will be the "Seller" under this Agreement (unless otherwise agreed in writing by such subsidiary, affiliate or division). Buyer acknowledges that these Terms and Conditions are subject to change from time to time and the parties agree that each sale of Goods will be governed by the version of Terms and Conditions available online at www.mcwane.com at the time of acceptance by Seller of an order for such Goods. The Terms and Conditions and the order for Goods from Buyer and agreed by Seller ("Order") or other contract documents to which they apply constitute the entire agreement between the parties with respect to Goods ("Agreement"). All references by Seller to Buyer's specifications and similar requirements are only to describe Goods and work covered hereby and no warranties or other terms will have any force or effect. No other or inconsistent terms of Buyer, no modification, amendment or waiver to this Agreement and no cancellation, change or return of any Order under this Agreement will be binding on Seller until agreed in writing by Seller's authorized representative. Buyer may not rely on any representation, promise or term not set forth herein and Seller expressly objects to and rejects all terms not contained in this Agreement. Seller's acceptance of Orders, whether oral or written, and/or its delivery of Goods to Buyer is based on the express condition that Buyer agrees to all of these Terms and Conditions.

2. QUOTATIONS. Where this Agreement is used by Seller to place a bid, Seller's quotation is for prompt acceptance and Seller may change and/or withdraw without notice. Buyer's prompt acceptance of the quotation is a material term of the bid and any subsequent agreement. In cases where freight allowance is included in the quotation, Buyer is liable for any rate increase and/or additional expense over the calculated allowance resulting from compliance with Buyer's shipping instructions.

3. DELIVERY. Delivery terms (stated in Incoterms[®] 2010) are as stated on each Order. All shipping dates are approximate and any time period indicated for a shipment will not begin until receipt at Seller's plant of complete manufacturing, shipping and credit information. Tender of delivery is deemed to occur at the earliest of (A) acceptance of shipment by designated shipper, (B) allocation of Goods to Buyer at premises other than Seller's, (C) delivery to Buyer's representative or designee or (D) mailing of an invoice to Buyer. Title to Goods will pass to Buyer on tender of delivery, subject to Seller's right of stoppage in transit and to any interest of Seller reserved to secure Buyer's payment or performance, irrespective of any freight allowance or prepayment of freight. If Seller holds Goods per Buyer's instructions or because Buyer has failed to supply shipping instructions or because Seller, in its sole discretion, determines that any part of Goods should be held for Buyer's account, Seller may invoice for the Goods and Buyer agrees to make payment at the maturity of the invoice rendered. Goods invoiced and held at any location for whatever reason will be at Buyer's risk and Seller may charge for (but is not obligated to carry) insurance, storage and other expenses incident to such delay at its prevailing rates. Partial deliveries will be accepted by Buyer and paid for at Agreement prices and terms. When Buyer has declared or manifested an intention not to accept delivery, no tender will be necessary, but Seller may, at its option, give written notice to Buyer that Seller is ready and willing to deliver and such notice will constitute a valid tender of delivery. Buyer must report any shortages in shipments within three (3) calendar days of receipt of the initial shipment. Buyer may not make any deduction from any payment due hereunder by reason of loss or damage to Goods in transit. On Buyer's written request, Seller, in its sole discretion, may agree as a service to Buyer to process Buyer's claim against the carrier for any loss or damage in transit, provided that Seller receives such claim within five (5) days of delivery of the Goods. All claims must be accompanied by a delivery receipt, signed by carrier's agent at time of delivery, on which receipt the loss or damage has been noted, or such claims will be waived.

4. PRICES; PAYMENT. Prices and payment terms are stated on Seller's Order or invoice document. Seller may make partial shipments and payment for that portion will be due as provided on Seller's Order or invoice document based on time of shipment. If, at any time or for any reason, Seller has cause to question Buyer's ability to perform, Seller may demand such assurances of Buyer's performance as Seller deems necessary in its discretion, including payment in advance for all shipments. In the event (A) Buyer fails within ten (10) calendar days of Seller's demand to provide Seller with such assurance, or (B) Buyer is declared bankrupt or insolvent or any proceeding is brought against Buyer, voluntarily or involuntarily, under any bankruptcy or insolvency laws, or (C) Buyer fails to make payment for Goods when due, Seller may suspend its performance, cancel any Order then outstanding, receive reimbursement for its reasonable and proper cancellation charges and collect any sums due and owing, its reasonable cancellation charges and all damages resulting from Buyer's default. Additionally, if Buyer fails to make payment for Goods when due, Buyer's account will be deemed delinquent and Buyer will be liable to Seller for a service charge of eighteen percent (18%) per annum or the maximum allowed by law, whichever is greater, on any unpaid amount Buyer will be liable to Seller for all costs and expenses of collection, including court costs and reasonable attorneys' fees. Seller's prices do not include sales, use, excise or other similar taxes and Buyer agrees to pay the amount of any present or future such tax in addition to the price specified in each Order, unless Buyer, at the time of sale, provides Seller with all tax-exemption certificates required by taxing authorities.

5. CANCELLATION, CHANGES AND RETURNS. If Buyer properly requests a cancellation, change or return, Seller may, at its option: (A) charge Buyer for any costs Seller incurred prior to or as a result of such cancellation, change or return; (B) revise its

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prices and delivery dates to reflect such change; and/or (C) accept returned Goods for credit if, in Seller's sole discretion, it finds such Goods to be standard stock and in good condition. The credit will be, in Seller's sole discretion, either the invoice price less a percentage to be determined by Seller or the scrap value of the Goods, along with shipping and handling charges to be determined by Seller. All returned Goods must be securely packed by Buyer to ensure that returned material is not damaged during shipment.

6. FORCE MAJEURE; DEFERRED DELIVERY. Seller will not be liable for any expense, loss or damage resulting from delay in delivery or prevention of performance caused by any event beyond Seller's reasonable control ("Force Majeure"), including without limitation: fire; flood; storm; act of God; strike, labor dispute or labor shortage; lack of or inability to obtain materials, fuels, supplies or equipment; civil unrest or riot; accident; transportation delay or shortage; act or failure to act of Buyer or any government; or any other cause whatsoever, provided that such cause is beyond Seller's reasonable control. Seller will have such additional time for performance as may be reasonably necessary under the circumstances and may adjust the price to reflect increases occasioned by Force Majeure. Buyer's acceptance of any Goods will constitute Buyer's waiver of any claim for damages on account of any delay in delivery of such Goods. If delivery is delayed or interrupted by Force Majeure, Seller may store the Goods at Buyer's expense and risk and charge Buyer a reasonable storage rate. If Seller is delayed because it is awaiting Buyer's approval or acceptance of designs, drawings, prints or engineering or technical data, or is awaiting Buyer's approval or acceptance of Goods, Seller will be entitled to an adjustment in price equal to any increase in Seller's production costs and any other losses and expenses incurred by Seller attributable to such delays. If Buyer requests and Seller approves in writing a deferred delivery on any Order, Seller may charge Buyer for the completed portion of the Order and warehouse all completed Goods at Buyer's expense and risk of loss. As to any uncompleted portion of the Order, Seller may, at its option, cancel said uncompleted portion in accordance with Section 5 above or revise its prices and delivery schedules on the portion not completed to reflect its increased costs and expenses attributable to the delay.

7. WARRANTY; PATENTS. Seller warrants that Goods will be of the kind described in this Agreement and free from defects in material and workmanship under conditions of normal use. Seller reserves the right to make any modifications required by production conditions to information set forth in Seller's catalogues and advertising literature. Seller will not be liable or responsible, however, for (A) any defects attributed to normal wear and tear, erosion or corrosion, improper storage, use or maintenance or use of Goods with incompatible products, or (B) defects in any portion or part of Goods manufactured by others. If (B) above is applicable, Seller will, as an accommodation to Buyer, assign to Buyer any warranties given to it by any such other manufacturers; provided, however, that the foregoing will not extend Seller's warranty to any accessory products unless otherwise agreed to in writing by Seller. All warranties are void if Goods are modified or used in conjunction with products or accessories not manufactured or approved by Seller or which are incompatible with Goods. Any claim by Buyer with reference to Goods for any cause will be deemed waived by Buyer unless submitted to Seller in writing within ten (10) calendar days from the date Buyer discovered, or should have discovered, any claimed breach. Buyer will give Seller an opportunity to investigate. If Buyer furnishes prompt notice to Seller of any defect and an opportunity to inspect the alleged defect as provided herein, Seller will, in its sole discretion, either: (i) repair the defective or non-conforming Goods; (ii) replace nonconforming Goods, or part thereof, which are sent to Seller by Buyer within sixty (60) calendar days after receipt of the Goods at Buyer's plant or storage facilities; or (iii) if Seller is unable or chooses not to repair or replace, return the purchase price paid and cancel any obligation to pay unpaid portions of the purchase price of nonconforming Goods. In no event will any obligation to pay or refund exceed the purchase price actually paid. Repair and/or replacement as provided above will be shipped EXW (Ex-Works) Seller's facility (per Incoterms® 2010) unless otherwise agreed in writing by Seller. Buyer will prepay all transportation charges for return of Goods or part thereof to Seller, unless otherwise agreed in writing by Seller. Seller will not be responsible for any labor, removal or installation charges that may result from the above-described repair and/or replacement of any Goods. This warranty does not cover failure of any part or parts manufactured by others, failure of any part or parts from external forces, including without limitation corrosive soils, earthquake, installation, vandalism, vehicular or other impact, application of excessive torque to the operating mechanism, frost heave or other Force Majeure. Buyer's exclusive remedy and Seller's sole liability for any loss, damage, injury or expense of any kind arising from manufacture, delivery, sale, installation, use or shipment of Goods will be, at Seller's option, the remedies described above, whether based on contract, warranty, tort or any other basis of recovery whatsoever. If any claim is made against Buyer based on a claim that any Goods constitute an infringement of any U.S. Letter Patent, Buyer will notify Seller immediately. Seller may, with Buyer's assistance, if required, but at Seller's expense, conduct settlement negotiations or defense of any litigation. If any Goods are held to infringe any U.S. Letter Patent, and their use is enjoined or, if as a result of a settlement, Seller deems their continued use unadvisable and provided that Buyer has given Seller the immediate notice required above and has used Goods only in accordance with the provisions of this Agreement and has not altered or changed them in any material way, Seller will, at its option and expense, procure for Buyer the right to continue using Goods, modify Goods so that they become non-infringing, replace Goods with non-infringing Goods of substantially equal quality or replace Goods and refund the purchase price, less reasonable depreciation. The above is intended as a complete allocation of risks between the parties, including without limitation liability for patent infringement. Buyer understands that it will not be able to recover consequential damages even though it may suffer such damages in substantial amounts. Because this Agreement and the price paid reflect such allocation, this limitation will not have failed of its essential purpose even if it operates to bar recovery for such consequential damages.

8. LIMITATION OF LIABILITY. THE WARRANTIES IN SECTION 7 ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES WHETHER EXPRESS OR IMPLIED BY LAW OR STATUTE OR ARISING FROM TRADE USAGE OR COURSE OF DEALING. THERE IS NO IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT, WHETHER AS A RESULT OF BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE) OR STRICT LIABILITY, WILL SELLER BE LIABLE FOR ANY PUNITIVE, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOSS OF PROFIT, LOSS OF USE OF GOODS OR OTHER PROPERTY OR EQUIPMENT, DAMAGE TO OTHER PROPERTY, COST OF CAPITAL, COST OF SUBSTITUTE GOODS, DOWNTIME OR CLAIMS OF BUYER'S CUSTOMERS FOR ANY OF THE AFORESAID DAMAGES. SELLER WILL NOT BE LIABLE AND BUYER AGREES TO INDEMNIFY SELLER FOR ALL PERSONAL INJURY, PROPERTY DAMAGE OR OTHER LIABILITY RESULTING IN WHOLE OR IN PART FROM BUYER'S NEGLIGENCE. NO CLAIMS OF ANY NATURE, WHETHER BASED ON CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE MAY BE BROUGHT AGAINST SELLER MORE THAN TWENTY-FOUR (24) MONTHS AFTER DELIVERY OF GOODS TO BUYER.

In any contract by Buyer for resale of Goods, Buyer will effectively disclaim, as against Seller, any implied warranty of merchantability and all liability for property damage or personal injury resulting from handling, possession or use of Goods, and will exclude, as against Seller, any liability for special or consequential damages.

9. CONTROLLING LAW; CONSENT TO VENUE; DISPUTE RESOLUTION. This Agreement and all rights and obligations hereunder will be governed by, and construed in accordance with, the laws of the State of Alabama, without regard to its conflicts of laws provisions. The United Nations Convention on Contracts for the International Sale of Goods will not apply to this Agreement. All disputes, claims or controversies (individually or collectively, a "Dispute") between Seller and Buyer arising out of or relating to this Agreement, including without limitation Disputes based on or arising from an alleged tort, will be resolved by binding arbitration in accordance with Title 9 of the U.S. Code and the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). Disputes will be arbitrated in Birmingham, Alabama, U.S.A. Defenses based on statutes of limitation and similar doctrines will be applicable in any such proceeding, and commencement of an arbitration proceeding under this Agreement will be deemed commencement of an action for such purposes. The parties will select arbitrators in accordance with the Commercial Arbitration Rules of the AAA. The AAA will designate a panel of ten (10) potential arbitrators knowledgeable in the subject matter of the Dispute. Seller and Buyer will each designate, within thirty (30) calendar days of receipt of the list of potential arbitrators, one of the potential arbitrators to serve, and the two arbitrators so designated will select a third arbitrator from the eight remaining candidates. No Dispute will be arbitrated as a class action, representative or general public action, collective action, private attorney-general action, or otherwise be joined with claims of any other person ("Collective Proceedings"). Accordingly, AAA's Supplementary Rules for Class Arbitrations will not be applicable. If this limitation on Collective Proceedings is held by a court of competent jurisdiction to be unenforceable or interpreted to not prevent a Collective Proceeding, then such action will proceed in a court of law as provided below and not arbitration. If any arbitrator renders a decision regarding the question of arbitrability of the above limitation or orders any form of Collective Proceeding, then the arbitrator has exceeded its powers under the Federal Arbitration Act. Notwithstanding the foregoing, Seller reserves the right to resolve or bring any Dispute in a court of competent jurisdiction in the state or federal courts of Alabama and the parties irrevocably agree that, except when the Dispute is arbitrated, the exclusive venue for all Disputes between the parties will be the state and federal courts of Alabama, to which jurisdiction each party hereby irrevocably submits. Each party waives any objection or defense that it is not personally subject to jurisdiction of the state and federal courts of Alabama; that venue of the action is improper; and that the action, suit or proceeding is brought in an inconvenient forum. In addition to any other mode of service of process authorized by law, each party consents to service of process by registered or certified mail.

10. COMPLIANCE WITH LAWS. Each party represents and warrants, in connection with transactions contemplated by this Agreement, and any other agreement contemplated by or entered into pursuant to this Agreement, that it will comply with all applicable federal, state and local laws, codes, regulations, orders and ordinances, including without limitation: (A) all applicable laws and regulations regarding export controls, economic sanctions, trade embargoes and anti-boycott restrictions, and all applicable anti-corruption laws, including but not limited to the U.S. Foreign Corrupt Practices Act (as amended) and the United Kingdom Bribery Act (collectively, "Applicable International Trade and Anti-Corruption Laws"); and (B) all applicable equal opportunity requirements including those set forth in U.S. Executive Order 11246, the U.S. Rehabilitation Act of 1973, as amended, and the U.S. Vietnam Era Veterans Readjustment Assistance Act of 1974, as amended, and regulations promulgated thereunder, and laws prohibiting discrimination against any person because of veteran status, disability, race, creed, color, national origin, religion, age or sex in any term or condition of employment, all of which are incorporated by reference into this Agreement; and (C) all applicable laws and regulations addressing human trafficking and slavery. Each party acknowledges and confirms that it and its officers, directors, employees, agents, contractors, designees and/or any other party acting on its behalf (collectively "Related Parties") are familiar with the provisions of Applicable International Trade and Anti-Corruption Laws. Each party agrees to indemnify, defend and hold harmless the other party and its employees from and against any and all claims, demands, costs, penalties and fines arising in connection with any alleged breach by the indemnifying party or any of its Related Parties of this Section. Seller may terminate this Agreement in its entirety, without liability to Buyer, if Seller believes in good faith that Buyer or any of its Related Parties has violated or intends to violate this Section.

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11. MISCELLANEOUS.

- (A) No waiver of any provision, right or remedy contained in this Agreement, including the terms of this Section 11(A), is binding on or effective against a party unless expressly stated in writing and signed by such party's authorized representative. Each party expressly agrees that no right or remedy provided for in this Agreement can be waived through course of dealing, course of performance or trade usage and that reliance on any waiver without the other party's written consent is unreasonable. Waiver by a party of any breach will be limited to the specific breach so waived and will not be construed as a waiver of any subsequent breach. A party's approval or consent to any action proposed by the other will not be considered an agreement to the propriety, fitness or usefulness of the proposed action, and will not affect the proposing party's obligation to strictly comply with this Agreement and all related Orders.
- (B) Buyer may not assign this Agreement or any rights or obligations hereunder without Seller's prior written consent. Any attempted assignment in violation of this Section is void; however, this Agreement and the Terms and Conditions contained herein are enforceable against Buyer's successors and permitted assigns.
- (C) Seller's remedies in this Agreement are cumulative and in addition to any other remedies available to Seller, whether at law, equity or otherwise.
- (D) If any provision or part of a provision contained in this Agreement is held by a court of competent jurisdiction to be contrary to law or public policy, the remaining provisions of the Agreement will remain in full force and effect.
- (E) No provision of this Agreement may be construed against either party as the drafting party.

PURCHASE MONEY SECURITY AGREEMENT

1. **CREATION OF SECURITY INTEREST: COLLATERAL.** For value received and to secure all of the Obligations (as defined below) and the compliance by Debtor (as defined below) with all of the stipulations, covenants, agreements, representations, warranties and conditions contained in this agreement ("Agreement") and in any other agreement with Secured Party (as defined below), [DEBTOR NAME], a [STATE AND TYPE OF ORGANIZATION] ("Debtor") grants a purchase money security interest in the following described collateral ("Collateral") to McWane, Inc., a Delaware corporation and all of its subsidiaries and divisions, with its principal office at 2900 Highway 280 Suite 300, Birmingham, AL 35223 ("Secured Party"):
 - a. All goods, merchandise, material and other personal property now or hereafter sold or delivered by Secured Party to Debtor, **including but not limited to** all such property now or hereafter held by Debtor as inventory for sale or lease or furnished or to be furnished under contract of service or otherwise, raw materials, parts, finished goods, work-in-progress, supplies and materials used or unused in Debtor's present or any future business, all such property which has been returned to or repossessed or stopped in transit by Debtor, all iron pipe, valves, fittings, hydrants, couplings, gaskets, cylinders, tanks, fire extinguishers, fire suppression systems, coal and coke sold by Secured Party to Debtor, all goods on order to Secured Party by Debtor in Secured Party's possession and all accounts receivable, accounts, instruments, contract rights and general intangibles and other proceeds from the sale thereof, now existing or hereafter acquired; and
 - b. all rights, interest, dividends, proceeds, products, rents, royalties, issues and profits of any of the property described above, whether the product of sale, lease, license, exchange or other disposition of Collateral, paid or accruing before or after the filing of any petition by or against Debtor under the federal Bankruptcy Code, and all instruments delivered to Secured Party in substitution for or in addition to any such property; and
 - c. all supporting obligations; and
 - d. all books, documents, files, ledgers and records (whether on computer or otherwise) covering or otherwise related to any of the property described in the foregoing granting clauses.
2. **OBLIGATIONS.** The security interest granted by this Agreement is given as collateral security for any and all of Debtor's liabilities to Secured Party of every kind and description, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising ("Obligations").
3. **WARRANTIES.** Debtor represents and warrants as follows: (a) Debtor is duly organized and validly existing under the laws of its State of formation or incorporation and is duly qualified and in good standing in every other State in which it is doing business; (b) the execution, delivery and performance of this Agreement are within Debtor's requisite powers, have been duly authorized, are not in contravention of law or the terms of Debtor's governing documents, or of any indenture, agreement or undertaking to which Debtor is party or by which it is bound; (c) Debtor is the owner of the Collateral and has a good right to grant to Secured Party the security interest contemplated by this Agreement; (d) except as has been disclosed in writing to Secured Party, and except as otherwise set forth in this Agreement, there is no financing statement covering any Collateral or any proceeds thereof on file in any public office, and Debtor agrees that it will defend the Collateral and the proceeds thereof against all claims and demands of all persons at any time claiming the same or any interest therein; and (e) all Collateral within the scope of this Agreement will be kept at the location to which the Collateral is shipped unless Debtor obtains Secured Party's prior written consent.
4. **PLACES OF BUSINESS; OTHER MATERIAL CHANGES.** Debtor will promptly notify Secured Party in writing of any addition to, change in or discontinuance of its place(s) of business. Without Secured Party's prior written consent, Debtor will not (a) alter or change its legal name; (b) change the State of its incorporation or registration (if Debtor was created by such State filing); (c) alter or change its legal form or status (corporate, partnership or otherwise); or (d) merge, in one transaction or a series of related transactions, into or consolidate with any other entity.
5. **INSURANCE OF COLLATERAL.** Debtor will have and maintain insurance at all times with respect to all Collateral against risks of fire (including so-called extended coverage), theft, sprinkler leakage and other risks as Secured Party may require,

with such company and in such amounts as Secured Party may approve, such insurance to be payable to Secured Party and Debtor as their interests may appear. All policies of insurance will provide for notice to Secured Party in accordance with policy provisions and, at Secured Party's request, will be delivered to and held by it. Secured Party may act as attorney for Debtor in obtaining, adjusting, settling and canceling such insurance and endorsing any drafts.

6. **INSPECTION OF COLLATERAL AND RECORDS.** Debtor will at all reasonable times and from time to time allow Secured Party, by or through any of its officers, agents, attorneys or accountants, to examine and inspect the Collateral, and to examine and inspect and make extracts from Debtor's books and records.
7. **FURTHER ASSURANCE.** Debtor will do, make, execute and deliver all such additional and further acts, things, deeds, assurances and instruments as Secured Party may require, to more completely vest in and assure to Secured Party its rights under this Agreement and in or to the Collateral. Debtor authorizes Secured Party to perfect, preserve, continue, amend and maintain Secured Party's interest in the Collateral by whatever actions Secured Party in its sole discretion deems appropriate under the Uniform Commercial Code or applicable law. Debtor will assist and cooperate with Secured Party in taking such actions and will pay all costs and expenses incurred by Secured Party in taking such actions. Such actions may include (1) the filing by Secured Party of financing statements describing the Collateral; (2) Secured Party's taking possession of the Collateral; or (3) obtaining an acknowledgment from a person in possession of any of the Collateral that such person is holding the Collateral for Secured Party's benefit.
8. **PRESERVATION AND DISPOSITION OF COLLATERAL.** Debtor will keep the Collateral free from any adverse lien, security interest or encumbrance, and in good condition and will not waste or destroy the Collateral or any part thereof. At its option, Secured Party may discharge taxes, liens, security interests or other encumbrances at any time levied or placed on the Collateral, may pay for insurance on the Collateral, and may pay for the maintenance and preservation of the Collateral. Debtor agrees to reimburse Secured Party, on demand, for any payment made, or any expense incurred, by Secured Party pursuant to the foregoing authorization. Until default, Debtor may have possession of the Collateral and use it in any lawful manner not inconsistent with this Agreement, and not inconsistent with any policy of insurance thereon. Debtor will not move the Collateral to any location not specified in Paragraph 3(d) without Secured Party's prior written consent.
9. **EVENTS OF DEFAULT.** Debtor will be in default under this Agreement upon the happening of any of the following events or conditions ("Events of Default"): (a) The failure to pay Debtor's account with Secured Party as and when due or the default in the payment or performance of any other obligation, covenant or liability contained or referred to in this Agreement; (b) any warranty, representation or statement made or furnished to Secured Party by or on behalf of Debtor proves to have been false when made or furnished; (c) loss, theft, substantial damage, destruction, sale or encumbrance to or of any of the Collateral, or the making of any levy, seizure, or attachment thereof or thereon; (d) any event which results in the acceleration of the maturity of Debtor's indebtedness to others under any indenture, agreement or undertaking; (e) death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against, Debtor or any principal stockholder, member or officer, guarantor or surety for Debtor; (f) Debtor's failure to perform any other agreement with Secured Party; (g) the sale or transfer of substantially all of Debtor's assets outside the ordinary course of business; (h) the failure or admission of Debtor's inability to pay its debts generally as and when they become due; (i) Debtor's failure to pay when due any premium on any insurance policy required in connection with this Agreement; (j) the filing or recording of any federal or other tax lien against Debtor or against any of the Collateral; (k) the issuance of a writ of execution, attachment or garnishment against Debtor; (l) if a final judgment for the request of money in excess of an aggregate of \$5,000 will be rendered against Debtor and the same will remain undischarged for a period of thirty (30) days during which execution will not be effectively stayed; (m) the breach of any of the Terms and Conditions governing the sale of any of the Collateral; or (n) Secured Party will in good faith deem itself insecure for any reason whatsoever.
10. **ACCELERATION: RIGHTS AND REMEDIES ON DEFAULT.** Upon the occurrence of any such Event of Default, and at any time thereafter, Secured Party may declare all obligations secured by this Agreement immediately due and payable, and will have the rights and remedies of a secured party under the Uniform Commercial Code, in addition to the rights and remedies provided in this Agreement or in any other agreement by and between Debtor and Secured Party and in addition to all rights and remedies provided by applicable law. Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party at Debtor's expense. Unless the Collateral is

perishable or threatens to decline speedily in value, or is of a type customarily sold on a recognized market, Secured Party will give Debtor notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice will be met if such notice is mailed, postage prepaid, to Debtor at least five (5) days before the time of the sale or disposition. Debtor will pay to Secured Party on demand any and all expenses, including legal expenses and reasonable attorneys' fees, incurred or paid by Secured Party in protecting or enforcing Secured Party's Obligations and other rights under this Agreement or in collecting the Obligations, and such expenses will be one of the Obligations secured by this Agreement.

11. **NOTICE OF ASSIGNMENT.** Debtor agrees that at any time and, from time to time, at its sole discretion, Secured Party is authorized to notify any account debtor indebted to Debtor on account of the Collateral of the existence of this Agreement, and Secured Party may take control of the proceeds of any account and may direct the account debtor to pay and remit directly to Secured Party the amount due, and such account debtor may accept Secured Party's receipt for any such payment as a full release and acquittance for any amount so paid.
12. **LIEN AND BOND RIGHTS.** Debtor further grants to Secured Party all rights accruing to Debtor under and by virtue of any bond furnished in connection with the construction, alteration or repair giving rise to the accounts arising from the sale of the Collateral within the scope of this Agreement, and also any and all rights accruing to Debtor under and by virtue of any applicable laws, including but not limited to mechanics' lien laws, with full power unto Secured Party, its successors and assigns, in its own or in Debtor's name and for its or Debtor's own use or benefit to ask, demand, collect, compromise, receive and receipt for the same or any part thereof and to bring, withdraw or defend any suit or proceeding at law or in equity, to endorse in Debtor's name or any checks, drafts, orders, notes or other instruments for the payment of money payable to Debtor, which will be received by Debtor in connection with the accounts arising from the sale of the Collateral. Debtor does irrevocably further make, constitute and appoint Secured Party its true and lawful attorney for the aforesaid purposes.
13. **ADDITIONAL SECURITY.** Any and all instruments, documents, policies and certificates of insurance, securities, goods, accounts receivable, choses in action, chattel paper, cash, property and the proceeds thereof arising from the Collateral or the proceeds thereof owned by Debtor or in which Debtor has an interest, which now or hereafter are at any time in Secured Party's possession or control, will constitute additional security for the Obligations secured by this Agreement and may be applied at any time to said Obligations which are then due whether by acceleration or otherwise.
14. **TERMINATION OF SECURITY INTEREST.** Secured Party's security interest under this Agreement in the Collateral will not be terminated until one of Secured Party's authorized officers signs a written termination agreement. Even if Debtor should pay all of the Obligations owing to Secured Party at any one time, Secured Party's security interest will continue to secure any sum Debtor should later owe Secured Party until the written termination agreement referred to above has been executed by Secured Party. Except as otherwise expressly provided for in this Agreement, no termination of this Agreement will in any way affect or impair Debtor's representations, warranties, agreements, covenants, obligations, duties and liabilities or Secured Party's powers, rights and remedies under this Agreement with respect to any transaction or event occurring prior to such termination, all of which will survive such termination. In no event will Secured Party be obligated to terminate the security interest under this Agreement or return or release the Collateral or any portion thereof to Debtor (a) until payment in full of the Obligations then outstanding and the expiration of the applicable period for avoiding or setting aside such payment under bankruptcy or insolvency laws or (b) if Secured Party is obligated to extend credit to Debtor.
15. **ARBITRATION; DISPUTE RESOLUTION; PRESERVATION OF FORECLOSURE REMEDIES.** Debtor represents to Secured Party that its business and affairs constitute substantial interstate commerce and that it contemplates using the Collateral in substantial interstate commerce. Except as otherwise specifically set forth below, any action, dispute, claim, counterclaim or controversy ("Dispute" or "Disputes"), between or among Secured Party or Debtor including without limitation any claim based on or arising from an alleged tort, will be resolved by arbitration as set forth below. As used in this Agreement, Disputes will include all actions, disputes, claims, counterclaims or controversies arising in connection with the sale or use of the Collateral, any extension of or commitment to extend credit by Secured Party, any collection of any indebtedness owed to Secured Party, any security or collateral given to Secured Party, any action taken (or any omission to take any action) in connection with any of the foregoing, any past, present and future agreement between or among Secured Party or Debtor and any past, present or future transactions between or among Secured Party or Debtor. Without limiting the generality of

the foregoing, Disputes will include actions commonly referred to as lender liability actions. All Disputes will be resolved by binding arbitration in accordance with Title 9 of the U.S. Code and the Commercial Arbitration Rules of the American Arbitration Association (the "AAA"). Defenses based on statutes of limitation, estoppel, waiver, laches and similar doctrines, that would otherwise be applicable to an action brought by a party, will be applicable in any such arbitration proceeding, and the commencement of an arbitration proceeding with respect to this Agreement will be deemed the commencement of an action for such purposes. Notwithstanding the foregoing, Debtor agrees that Secured Party will have the option, but not the obligation, to submit to and pursue in a court of law any claim against Debtor for a debt due. Debtor agrees that, if Secured Party pursues such a claim in a court of law, (i) Secured Party's failure to assert any additional claim in such proceeding will not be deemed a waiver of, or estoppel to pursue, such claim as a claim or counterclaim in arbitration as set forth above, and (ii) the institution or maintenance of a judicial action hereunder will not constitute a waiver of the right of any party to submit any other action, dispute, claim or controversy as described above, even though arising out of the same transaction or occurrence, to binding arbitration as set forth in this Agreement. If Debtor asserts a claim against Secured Party in arbitration or otherwise during the pendency of a claim brought by Secured Party in a court of law, the court action will be stayed and the parties will submit to arbitration all claims. No provision of, nor the exercise of any rights under this Section, will limit the right of any party (i) to foreclose against any real or personal property collateral by exercise of a power of sale under any security document, or by exercise of any rights of foreclosure or of sale under applicable law, (ii) to exercise self-help remedies such as set-off, or (iii) to obtain provisional or ancillary remedies such as injunctive relief, attachment or the appointment of a receiver from a court having jurisdiction before, during or after the pendency of any arbitration or referral. The institution and maintenance of an action for judicial relief or pursuit of provisional or ancillary remedies or exercise of self-help remedies will not constitute a waiver of the right of any party, including the plaintiff in such an action, to submit the Dispute to arbitration or, in the case of actions on a debt, to judicial resolution. Whenever arbitration is required under this Agreement, the arbitrator will be selected in accordance with the Commercial Arbitration Rules of the AAA. The AAA will designate a panel of ten (10) potential arbitrators knowledgeable in the subject matter of the Dispute. Each party will designate, within thirty (30) days of the receipt of the list of potential arbitrators, one of the potential arbitrators to serve, and the two arbitrators so designated will select a third arbitrator from the eight remaining potential arbitrators. The panel of three (3) arbitrators will determine the resolution of the Dispute.

16. **GENERAL.** In the event of liquidation or other termination of Debtor's business, Debtor agrees to marshal all of its assets so as to pay any debts owed to other parties and secured by the Collateral from assets other than the Collateral before resorting to the Collateral for payment. This provision will be binding upon Debtor's successors and assigns, including but not limited to any liquidator or trustee appointed for the purpose of liquidating Debtor's business. Secured Party will not be deemed to have waived any of its rights under this Agreement or under any other agreement, instrument or paper signed by Debtor unless such waiver is in writing and signed by Secured Party. No delay or omission on Secured Party's part in exercising any right will operate as a waiver of such right or any other right. A waiver on one occasion will not be construed as a bar to or waiver of any right or remedy on any future occasion. All Secured Party's rights and remedies, whether evidenced by this Agreement or by any other agreement, instrument or paper, will be cumulative and may be exercised singularly or concurrently. All of Secured Party's rights under this Agreement will inure to the benefit of its successors and assigns; and all of Debtor's obligations will bind its heirs, executors or administrators, and its successors or assigns. If there is more than one Debtor, their obligations under this Agreement will be joint and several. The unenforceability or invalidity of any one or more provisions, clauses or sentences of this Agreement will not render any other provision, clause or sentence in this Agreement unenforceable or invalid. This Agreement and all rights and obligations hereunder, including matters of construction, validity and performance, will be governed by the law of the State of Alabama, excluding application of its laws governing conflicts. Debtor agrees, to the extent permitted by law, to pay all recording and filing fees, revenue stamps, taxes and other expenses in connection with the execution and delivery of this Agreement and any related financing statement, and the recording, filing, satisfaction, continuation and release thereof. All notices required or permitted under this Agreement will be in writing, sent by (i) registered or certified mail, return receipt requested, (ii) hand delivery or (iii) nationally recognized overnight courier, addressed to the parties at the address set forth in the first paragraph of this Agreement, or to such other address as the respective parties may from time to time designate by notice given in the manner provided herein.

This Agreement will become effective when it is signed by Debtor.

Signed and delivered on this _____ day of _____, 20____.

[DEBTOR NAME]

By: _____

Printed Name: _____

Title: _____

Witness