UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K

X ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED JANUARY 2, 2010
OR
__ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
COMMISSION FILE NUMBER 0-19687

SYNALLOY CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**57-0426694**
(State of incorporation)	(I.R.S. Employer Identification No.)

Croft Industrial Park, P.O. Box 5627, Spartanburg, South Carolina 29304
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(864) 585-3605**

Securities registered pursuant to Section 12(b) of the Act:	Name of each exchange on which registered:
Common Stock, $1.00 Par Value	**NASDAQ Global Market**
(Title of Class)	

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes __ No X

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes __ No X

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No_

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes __ No __ (Not yet applicable to Registrant)

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one)
Large accelerated Filer __ Accelerated filer __ Non-accelerated filer __ Smaller reporting company X

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes __ No X

Based on the closing price as of July 3, 2009, which was the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the common stock held by non-affiliates of the registrant was $45.5 million. Based on the closing price of March 2, 2010, the aggregate market value of common stock held by non-affiliates of the registrant was $45.6 million. The registrant did not have any non-voting common equity outstanding at either date.

The number of shares outstanding of the registrant's common stock as of March 2, 2010 was 6,277,235.

Documents Incorporated By Reference
Portions of the Proxy Statement for the 2010 annual shareholders' meeting are incorporated by reference into Part III of this Form 10-K.

Synalloy Corporation

Form 10-K

for period ended January 2, 2010

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Forward-Looking Statements

This Annual Report on Form 10-K includes and incorporates by reference "forward-looking statements" within the meaning of the securities laws. All statements that are not historical facts are "forward-looking statements." The words "estimate," "project," "intend," "expect," "believe," "anticipate," "plan," “outlook” and similar expressions identify forward-looking statements. The forward-looking statements are subject to certain risks and uncertainties, including without limitation those identified below, which could cause actual results to differ materially from historical results or those anticipated. Readers are cautioned not to place undue reliance on these forward-looking statements. The following factors could cause actual results to differ materially from historical results or those anticipated: adverse economic conditions; the impact of competitive products and pricing; product demand and acceptance risks; raw material and other increased costs; raw materials availability; customer delays or difficulties in the production of products; environmental issues; unavailability of debt financing on acceptable terms and exposure to increased market interest rate risk; inability to comply with covenants and ratios required by our debt financing arrangements; ability to weather the current economic downturn; loss of consumer or investor confidence and other risks detailed from time-to-time in Synalloy's Securities and Exchange Commission filings. Synalloy Corporation assumes no obligation to update any forward-looking information included in this Annual Report on Form 10-K.

PART I

Item 1 Business

Synalloy Corporation, a Delaware corporation ("the Company"), was incorporated in 1958 as the successor to a chemical manufacturing business founded in 1945. Its charter is perpetual. The name was changed on July 31, 1967 from Blackman Uhler Industries, Inc. On June 3, 1988, the state of incorporation was changed from South Carolina to Delaware. The Company's executive offices are located at Croft Industrial Park, Spartanburg, South Carolina.

The Company’s business is divided into two segments, the Metals Segment and the Specialty Chemicals Segment. The Metals Segment operates as Bristol Metals, LLC (“Bristol”) and Ram-Fab, LLC (“Ram-Fab”). Bristol manufactures pipe (“Bristol Pipe”) and fabricates piping systems (“BPS”) from stainless steel and other alloys, and Ram-Fab fabricates piping systems from carbon, chrome, stainless steel and other alloys. The Metals Segment’s markets include the chemical, petrochemical, pulp and paper, mining, power generation (including nuclear), water and wastewater treatment, liquid natural gas (“LNG”), brewery, food processing, petroleum, pharmaceutical and other industries. The Specialty Chemicals Segment operates as Manufacturers Chemicals, LLC (“MC”), located in Cleveland, Tennessee and Dalton, Georgia. The Specialty Chemicals Segment produces specialty chemicals and dyes for the carpet, chemical, paper, metals, mining, agricultural, fiber, paint, textile, automotive, petroleum, cosmetics, mattress, furniture, janitorial and other industries.

General

Metals Segment – This Segment is comprised of two wholly-owned subsidiaries: Synalloy Metals, Inc. which owns 100 percent of Bristol Metals, LLC, located in Bristol, Tennessee; and Ram-Fab, LLC, located in Crossett, Arkansas.

Bristol Pipe manufactures welded pipe, primarily from stainless steel, but also from other corrosion-resistant metals. Pipe is produced in sizes from one-half inch to 120 inches in diameter and wall thickness up to one and one-half inches. Sixteen-inch and smaller pipe is made on equipment that forms and welds the pipe in a continuous process. Pipe larger than 16 inches is formed on presses or rolls and welded on batch welding equipment. Pipe is normally produced in standard 20-foot lengths. However, Bristol Pipe has unusual capabilities in the production of long length pipe without circumferential welds. This can reduce installation cost for the customer. Lengths up to 60 feet can be produced in sizes up to 16 inches in diameter. In larger sizes Bristol Pipe has a unique ability among domestic producers to make 48-foot lengths in sizes up to 36 inches. Over the past four years, Bristol has made substantial capital improvements to both Bristol Pipe and BPS, expanding and improving capabilities to service markets requiring large diameter pipe and specialty alloy pipe such as water and waste water treatment, LNG, and scrubber applications for the power industry. These improvements

include expanding its x-ray facilities which allows simultaneous use of real time and film examination; updating material handling equipment; expanding capabilities for forming large pipe on existing batch equipment, giving Bristol Pipe the capability to produce 36-inch diameter pipe in 48-foot lengths with wall thicknesses of up to one inch; adding a shear that has the capacity of shearing stainless steel plate up to one-inch thick; completing plant expansions that allow the manufacture of pipe up to 42 inches in diameter utilizing more readily available raw materials at lower costs, provide additional manufacturing capacity, and provide improved product handling and additional space for planned equipment additions; and installing automated hydro-testing equipment for pipe up to 72 inches in diameter. In addition, in 2009 Bristol Pipe completed a capital project to renovate several of its continuous pipe mills which has increased their capabilities while improving their performance.

A significant amount of the pipe produced is further processed into piping systems that conform to engineered drawings furnished by the customers. This allows the customer to take advantage of the high quality and efficiency of BPS rather than performing all of the welding at the construction site. BPS's pipe fabrication shop can make one and one-half diameter cold bends on one-half inch through eight-inch stainless pipe with thicknesses up through schedule 40S. Most piping systems are produced from pipe manufactured by Bristol Pipe.

With the acquisition of Ram-Fab, Inc. on August 31, 2009, the Metals Segment has increased its fabrication capabilities to include producing carbon and chrome alloy piping systems. Carbon and chrome alloy pipe fabrication enhances the stainless fabrication business giving the Segment the capability to quote on all types of pipe fabrication projects utilizing any combination of these three material types. Ram-Fab was established over 20 years ago in Crossett, Arkansas and provides affordable, quality pipe fabrication in carbon steel and high chrome alloys. From power plants to refineries to chemical plants, Ram-Fab serves a broad range of customers, both domestic and international. As a carbon steel and high chrome pipe fabrication facility Ram-Fab is poised to take advantage of the anticipated increase in the construction of power generation plants utilizing coal or natural gas, as well as nuclear. Refinery upgrades and environmental work will also add to the requirements of quality shop-fabricated carbon steel and high chrome systems. Since Bristol does not manufacture carbon or chrome alloy pipe, these materials are purchased from outside suppliers.

In order to establish stronger business relationships, only a few raw material suppliers are used. Five suppliers furnish about 82 percent of total dollar purchases of raw materials, with one supplier totaling about 50 percent. However, the Company does not believe that the loss of any of these suppliers would have a materially adverse effect on the Company as raw materials are readily available from a number of different sources, and the Company anticipates no difficulties in fulfilling its requirements.

This Segment's stainless steel products are used principally by customers requiring materials that are corrosion-resistant or suitable for high-purity processes. The largest users are the chemical, petrochemical, pulp and paper, waste water treatment and LNG industries, with some other important industry users being mining, power generation (including nuclear), water treatment, brewery, food processing, petroleum, pharmaceutical and alternative fuels. The Segment's carbon and chrome alloy products are used primarily in the power generation and chemical industries.

Specialty Chemicals Segment – This Segment consists of the Company's wholly-owned subsidiary Manufacturers Soap and Chemical Company (MS&C). MS&C owns 100 percent of MC which is located in Cleveland, Tennessee and Dalton, Georgia and is fully licensed for chemical manufacture. The Segment produces specialty chemicals and dyes for the carpet, chemical, paper, metals, mining, agricultural, fiber, paint, textile, automotive, petroleum, cosmetics, mattress, furniture, janitorial and other industries.

MC, which was purchased by the Company in 1996, produces over 500 specialty formulations and intermediates for use in a wide variety of applications and industries. MC's primary product lines focus on the areas of defoamers, surfactants and lubricating agents. Over 20 years ago, MC began diversifying its marketing efforts and expanding beyond traditional textile chemical markets. These three fundamental product lines find their way into a large number of manufacturing businesses. Over the years, the customer list has grown to include end users and chemical companies that supply paper, metal working, surface coatings, water treatment, mining and janitorial applications. MC's capabilities also include the sulfation of fats and oils. These products are used in a wide variety of applications and represent a renewable resource, animal and vegetable derivatives, as alternatives to more expensive and non-renewable petroleum derivatives. In its Dalton, Georgia facility, MC serves the carpet and rug markets and also focuses on processing aids for wire drawing. MC Dalton blends and

sells specialty dyestuffs and resells heavy chemicals and specialty chemicals manufactured in MC's Cleveland plant to its markets out of its leased warehousing facility. The Dalton site also contains a shade matching laboratory and sales offices for the group. Both MC sites have extensive chemical storage and blending capabilities.

MC's strategy has been to focus on industries and markets that have good prospects for sustainability in the U.S. in light of global trends. MC's marketing strategy relies on sales to end users through its own sales force, but it also sells chemical intermediates to other chemical companies and distributors. It also has close working relationships with a significant number of major chemical companies that outsource their production for regional manufacture and distribution to companies like MC. MC has been ISO registered since 1995.

The Specialty Chemicals Segment maintains four laboratories for applied research and quality control which are staffed by 12 employees.

Most raw materials used by the Segment are generally available from numerous independent suppliers and about 30 percent of total purchases are from its top five suppliers. While some raw material needs are met by a sole supplier or only a few suppliers, the Company anticipates no difficulties in fulfilling its raw material requirements.

Please see Note M to the Consolidated Financial Statements, which are included in Item 8 of this Form 10-K, for financial information about the Company's Segments.

Sales and Distribution

Metals Segment – The Metals Segment utilizes separate sales organizations for its different product groups. Stainless steel pipe is sold nationwide under the Brismet trade name through authorized stocking distributors at warehouse locations throughout the country. In addition, large quantity orders are shipped directly from Bristol's plant to end-user customers. Producing sales and providing service to the distributors and end-user customers are the Vice President of Sales, five outside sales employees, seven independent manufacturers' representatives and eight inside sales employees. The Metals Segment has one domestic customer that accounted for less than ten percent and approximately 11 and 12 percent of the Metals Segment's revenues in 2009, 2008 and 2007, respectively. The Segment also has one other domestic customer that accounted for approximately ten and 12 percent of the Segment's revenues in 2009 and 2008, respectively, and less than ten percent for 2007. Loss of either of these customers' revenues would have a material adverse effect on both the Metals Segment and the Company.

Piping systems are sold nationwide under both the Bristol Piping Systems and Ram-Fab trade names by four outside sales employees. They are under the direction of the President of the Piping Systems division who spends a substantial amount of his time in sales and service to customers. Piping systems are marketed to engineering firms and construction companies or directly to project owners. Orders are normally received as a result of competitive bids submitted in response to inquiries and bid proposals.

Specialty Chemicals Segment – Specialty chemicals are sold directly to various industries nationwide by five full-time outside sales employees and five manufacturers' representatives. In addition, the President and other members of the management team of MC devote a substantial part of their time to sales. The Specialty Chemicals Segment has one domestic customer that accounted for approximately 24, 20 and 23 percent of the Segment's revenues in 2009, 2008 and 2007, respectively. Loss of this customer's revenues would have a material adverse effect on the Specialty Chemicals Segment.

Competition

Metals Segment – Welded stainless steel pipe is the largest sales volume product of the Metals Segment. Although information is not publicly available regarding the sales of most other producers of this product, management believes that the Company is one of the largest domestic producers of such pipe. This commodity product is highly competitive with seven known domestic producers and imports from many different countries. The largest sales volume among the non-commodity specialized products comes from fabricating stainless, nickel alloys, chrome alloys and carbon piping systems. Management believes the Company is one of the largest

producers of such systems. There is also significant competition in the piping systems' markets with 13 known domestic suppliers with similar capabilities as BPS and RF, along with many other smaller suppliers.

Specialty Chemicals Segment – The Company is the sole producer of certain specialty chemicals manufactured for other companies under processing agreements and also produces proprietary specialty chemicals. The Company's sales of specialty products are insignificant compared to the overall market for specialty chemicals. The market for most of the products is highly competitive and many competitors have substantially greater resources than does the Company. The market for dyes is highly competitive and the Company has less than ten percent of the market for its products.

Environmental Matters

Environmental expenditures that relate to an existing condition caused by past operations and that do not contribute to future revenue generation are expensed. Liabilities are recorded when environmental assessments and/or cleanups are probable and the costs of these assessments and/or cleanups can be reasonably estimated. Changes to laws and environmental issues, including climate change, are made or proposed with some frequency and some of the proposals, if adopted, might directly or indirectly result in a material reduction in the operating results of one or more of our operating units. We are presently unable to foresee the future well enough to quantify such risks. See Note E to Consolidated Financial Statements, which are included in Item 8 of this Form 10-K, for further discussion.

Research and Development Activities

The Company spent approximately $289,000 in 2009, $348,000 in 2008 and $347,000 in 2007 on research and development activities that were expensed in its Specialty Chemicals Segment. Five individuals, all of whom are graduate chemists, are engaged primarily in research and development of new products and processes, the improvement of existing products and processes, and the development of new applications for existing products.

Seasonal Nature of the Business

The Company's businesses and products are not normally subject to any seasonal impact causing significant variations from one quarter to another.

Backlogs

The Specialty Chemicals Segment operates primarily on the basis of delivering products soon after orders are received. Accordingly, backlogs are not a factor in this business. The same applies to commodity pipe sales in the Metals Segment. However, backlogs are important in the Metals Segment's piping systems products because they are produced only after orders are received, generally as the result of competitive bidding. Order backlogs for these products were $44,300,000 at the end of 2009, of which $6,200,000 was orders booked by Ram-Fab which was acquired on August 31, 2009. Approximately 80 percent of the backlog should be completed in 2010. The backlog totaled $45,500,000 and $57,000,000 at the 2008 and 2007 respective year ends.

Employee Relations

As of January 2, 2010, the Company had 466 employees. The Company considers relations with employees to be satisfactory. The number of employees of the Company represented by unions, all located at the Bristol, Tennessee facility, is 242, or 52 percent of the Company's employees. They are represented by two locals affiliated with the AFL-CIO and one local affiliated with the Teamsters. Collective bargaining contracts will expire in January 2015, February 2014 and March 2015.

Financial Information about Geographic Areas

Information about revenues derived from domestic and foreign customers is set forth in Note M to the Consolidated Financial Statements.

Available information

The Company electronically files with the Securities and Exchange Commission (SEC) its annual reports on Form 10-K, its quarterly reports on Form 10-Q, its periodic reports on Form 8-K, amendments to those reports filed or furnished pursuant to Section 13(a) of the Securities Exchange Act of 1934 (the "1934 Act), and proxy materials pursuant to Section 14 of the 1934 Act. The SEC maintains a site on the Internet, www.sec.gov, that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The Company also makes its filings available, free of charge, through its Web site, www.synalloy.com, as soon as reasonably practical after the electronic filing of such material with the SEC.

Item 1A Risk Factors

*There are inherent risks and uncertainties associated with our business that could adversely affect our operating performance and financial condition.*Set forth below are descriptions of those risks and uncertainties that we believe to be material, but the risks and uncertainties described are not the only risks and uncertainties that could affect our business. Reference should be made to "Forward-looking Statements" above, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7 below.

*The cyclical nature of the industries in which our customers operate causes demand for our products to be cyclical, creating uncertainty regarding future profitability.*Various changes in general economic conditions affect the industries in which our customers operate. These changes include decreases in the rate of consumption or use of our customers' products due to economic downturns. Other factors causing fluctuation in our customers' positions are changes in market demand, capital spending, lower overall pricing due to domestic and international overcapacity, lower priced imports, currency fluctuations, and increases in use or decreases in prices of substitute materials. As a result of these factors, our profitability has been and may in the future be subject to significant fluctuation.

*Product pricing and raw material costs are subject to volatility, both of which may have an adverse effect on our revenues.*From time-to-time, intense competition and excess manufacturing capacity in the commodity stainless steel industry have resulted in reduced prices, excluding raw material surcharges, for many of our stainless steel products sold by the Metals Segment. These factors have had and may have an adverse impact on our revenues, operating results and financial condition. Although inflationary trends in recent years have been moderate, during the same period stainless steel raw material costs, including surcharges on stainless steel, have been volatile. While we are able to mitigate some of the adverse impact of rising raw material costs, such as passing through surcharges to customers, rapid increases in raw material costs may adversely affect our results of operations. Surcharges on stainless steel are also subject to rapid declines which can result in similar declines in selling prices causing a possible marketability problem on the related inventory as well as negatively impacting revenues and profitability. While there has been ample availability of raw materials, there continues to be a significant consolidation of stainless steel suppliers throughout the world which could have an impact on the cost and availability of stainless steel in the future. The ability to implement price increases is dependent on market conditions, economic factors, raw material costs, including surcharges on stainless steel, availability of raw materials, competitive factors, operating costs and other factors, most of which are beyond our control. In addition, to the extent that we have quoted prices to customers and accepted customer orders for products prior to purchasing necessary raw materials, or have existing contracts, we may be unable to raise the price of products to cover all or part of the increased cost of the raw materials.

The Specialty Chemicals Segment uses significant quantities of a variety of specialty and commodity chemicals in its manufacturing processes which are subject to price and availability fluctuations. Any significant variations in the cost and availability of our specialty and commodity materials may negatively affect our business, financial condition or results of operations. The raw materials we use are generally available from numerous independent suppliers. However, some of our raw material needs are met by a sole supplier or only a few suppliers. If any supplier that we rely on for raw materials ceases or limits production, we may incur significant additional costs, including capital costs, in order to find alternate, reliable raw material suppliers. We may also experience significant production delays while locating new supply sources. Purchase prices and availability of these critical raw materials are subject to volatility. Some of the raw materials used by this Segment are derived from petrochemical-based feedstock, such as crude oil and natural gas, which have been subject to historical periods of rapid and significant movements in price. These fluctuations in price could be aggravated by factors beyond our control such as political instability, and supply and demand factors, including OPEC production quotas and

increased global demand for petroleum-based products. At any given time we may be unable to obtain an adequate supply of these critical raw materials on a timely basis, on price and other terms acceptable, or at all. If suppliers increase the price of critical raw materials, we may not have alternative sources of supply. We selectively pass changes in the prices of raw materials to our customers from time-to-time. However, we cannot always do so, and any limitation on our ability to pass through any price increases could affect our financial performance.

*We rely upon third parties for our supply of energy resources consumed in the manufacture of our products in both of our Segments*The prices for and availability of electricity, natural gas, oil and other energy resources are subject to volatile market conditions. These market conditions often are affected by political and economic factors beyond our control. Disruptions in the supply of energy resources could temporarily impair the ability to manufacture products for customers. Further, increases in energy costs that cannot be passed on to customers, or changes in costs relative to energy costs paid by competitors, has adversely affected, and may continue to adversely affect, our profitability.

We encounter significant competition in all areas of our businesses and may be unable to compete effectively, which could result in reduced profitability and loss of market share. We actively compete with companies producing the same or similar products and, in some instances, with companies producing different products designed for the same uses. We encounter competition from both domestic and foreign sources in price, delivery, service, performance, product innovation and product recognition and quality, depending on the product involved. For some of our products, our competitors are larger and have greater financial resources than we do. As a result, these competitors may be better able to withstand a change in conditions within the industries in which we operate, a change in the prices of raw materials or a change in the economy as a whole. Our competitors can be expected to continue to develop and introduce new and enhanced products and more efficient production capabilities, which could cause a decline in market acceptance of our products. Current and future consolidation among our competitors and customers also may cause a loss of market share as well as put downward pressure on pricing. Our competitors could cause a reduction in the prices for some of our products as a result of intensified price competition. Competitive pressures can also result in the loss of major customers. If we cannot compete successfully, our business, financial condition and consolidated results of operations could be adversely affected.

*The applicability of numerous environmental laws to our manufacturing facilities could cause us to incur material costs and liabilities.*We are subject to federal, state, and local environmental, safety and health laws and regulations concerning, among other things, emissions to the air, discharges to land and water, climate changes and the generation, handling, treatment and disposal of hazardous waste and other materials. Under certain environmental laws, we can be held strictly liable for hazardous substance contamination of any real property we have ever owned, operated or used as a disposal site. We are also required to maintain various environmental permits and licenses, many of which require periodic modification and renewal. Our operations entail the risk of violations of those laws and regulations, and we cannot assure you that we have been or will be at all times in compliance with all of these requirements. In addition, these requirements and their enforcement may become more stringent in the future. Although we cannot predict the ultimate cost of compliance with any such requirements, the costs could be material. Non-compliance could subject us to material liabilities, such as government fines, third-party lawsuits or the suspension of non-compliant operations. We also may be required to make significant site or operational modifications at substantial cost. Future developments also could restrict or eliminate the use of or require us to make modifications to our products, which could have a significant negative impact on our results of operations and cash flows. At any given time, we are involved in claims, litigation, administrative proceedings and investigations of various types involving potential environmental liabilities, including cleanup costs associated with hazardous waste disposal sites at our facilities. We cannot assure you that the resolution of these environmental matters will not have a material adverse effect on our results of operations or cash flows. The ultimate costs and timing of environmental liabilities are difficult to predict. Liability under environmental laws relating to contaminated sites can be imposed retroactively and on a joint and several basis. We could incur significant costs, including cleanup costs, civil or criminal fines and sanctions and third-party claims, as a result of past or future violations of, or liabilities under, environmental laws. For additional information related to environmental matters, see Note E to the Consolidated Financial Statements.

*We are dependent upon the continued safe operation of our production facilities which are subject to a number of hazards.*In our Specialty Chemicals Segment, these production facilities are subject to hazards associated with the manufacture, handling, storage and transportation of chemical materials and products, including leaks and

ruptures, explosions, fires, inclement weather and natural disasters, unscheduled downtime and environmental hazards which could result in liability for workplace injuries and fatalities. In addition, some of our production capabilities are highly specialized, which limits our ability to shift production to another facility in the event of an incident at a particular facility. If a production facility, or a critical portion of a production facility, were temporarily shut down, we likely would incur higher costs for alternate sources of supply for our products. We cannot assure you that we will not experience these types of incidents in the future or that these incidents will not result in production delays or otherwise have a material adverse effect on our business, financial condition or results of operations.

Certain of our employees in the Metals Segment are covered by collective bargaining agreements, and the failure to renew these agreements could result in labor disruptions and increased labor costs. We have 242 employees represented by unions at the Bristol, Tennessee facility, which is 52 percent of our total employees. They are represented by two locals affiliated with the AFL-CIO and one local affiliated with the Teamsters. Collective bargaining contracts will expire in January 2015, February 2014 and March 2015. Although we believe that our present labor relations are satisfactory, our failure to renew these agreements on reasonable terms as the current agreements expire could result in labor disruptions and increased labor costs, which could adversely affect our financial performance.

The limits imposed on us by the restrictive covenants contained in our credit facilities could prevent us from obtaining adequate working capital, making acquisitions or capital improvements, or cause us to lose access to our facilities. Our existing credit facilities contain restrictive covenants that limit our ability to, among other things, borrow money or guarantee the debts of others, use assets as security in other transactions, make investments or other restricted payments or distributions, change our business or enter into new lines of business, and sell or acquire assets or merge with or into other companies. In addition, our credit facilities require us to meet financial ratios which could limit our ability to plan for or react to market conditions or meet extraordinary capital needs and could otherwise restrict our financing activities. Our ability to comply with the covenants and other terms of our credit facilities will depend on our future operating performance. If we fail to comply with such covenants and terms, we will be in default and the maturity of any then outstanding related debt could be accelerated and become immediately due and payable. We may be required to obtain waivers from our lender in order to maintain compliance under our credit facilities, including waivers with respect to our compliance with certain financial covenants. If we are unable to obtain any necessary waivers and the debt under our credit facilities is accelerated, our financial condition would be adversely affected.

*We may not have access to capital in the future. We may need new or additional financing in the future to expand our business or refinance existing indebtedness.*If we are unable to access capital on satisfactory terms and conditions, we may not be able to expand our business or meet our payment requirements under our existing credit facilities. Our ability to obtain new or additional financing will depend on a variety of factors, many of which are beyond our control. We may not be able to obtain new or additional financing because we may have substantial debt or because we may not have sufficient cash flow to service or repay our existing or future debt. In addition, depending on market conditions and our financial performance, equity financing may not be available on satisfactory terms or at all.

Our existing property and liability insurance coverages contain exclusions and limitations on coverage. We have maintained various forms of insurance, including insurance covering claims related to our properties and risks associated with our operations. From time-to-time, in connection with renewals of insurance, we have experienced additional exclusions and limitations on coverage, larger self-insured retentions and deductibles and higher premiums, primarily from our Specialty Chemicals operations. As a result, in the future our insurance coverage may not cover claims to the extent that it has in the past and the costs that we incur to procure insurance may increase significantly, either of which could have an adverse effect on our results of operations.

*We may not be able to make changes necessary to continue to be a market leader and an effective competitor.*We believe that we must continue to enhance our existing products and to develop and manufacture new products with improved capabilities in order to continue to be a market leader. We also believe that we must continue to make improvements in our productivity in order to maintain our competitive position. When we invest in new technologies, processes, or production capabilities, we face risks related to construction delays, cost over-runs and unanticipated technical difficulties. Our inability to anticipate, respond to or utilize changing technologies could have a material adverse effect on our business and our consolidated results of operations.

Our strategy of using acquisitions and dispositions to position our businesses may not always be successful. We have historically utilized acquisitions and dispositions in an effort to strategically position our businesses and improve our ability to compete. We plan to continue to do this by seeking specialty niches, acquiring businesses complementary to existing strengths and continually evaluating the performance and strategic fit of our existing business units. We consider acquisition, joint ventures, and other business combination opportunities as well as possible business unit dispositions. From time-to-time, management holds discussions with management of other companies to explore such opportunities. As a result, the relative makeup of the businesses comprising our Company is subject to change. Acquisitions, joint ventures, and other business combinations involve various inherent risks, such as: assessing accurately the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition or other transaction candidates; the potential loss of key personnel of an acquired business; our ability to achieve identified financial and operating synergies anticipated to result from an acquisition or other transaction; and unanticipated changes in business and economic conditions affecting an acquisition or other transaction.

Our internal controls over financial reporting could fail to prevent or detect misstatements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Item 1B Unresolved Staff Comments

None.

Item 2 Properties

The Company operates the major plants and facilities listed below, all of which are in adequate condition for their current usage. All facilities throughout the Company are believed to be adequately insured. The buildings are of various types of construction including brick, steel, concrete, concrete block and sheet metal. All have adequate transportation facilities for both raw materials and finished products. The Company owns all of these plants and facilities, except the facilities located in Crossett, AR, the dye blending and warehouse facilities located in Dalton, GA, and the corporate offices located in Spartanburg, SC. The Company has an option to purchase the Crossett AR property that expires on June 1, 2010, which is expected to be exercised by the end of May 2010.

Location	Principal Operations	Building Square Feet	Land Acres
Cleveland, TN	Chemical manufacturing and warehousing facilities	115,000	8.6
Bristol, TN	Manufacturing of stainless steel pipe and stainless steel piping systems	275,000	73.1
Crossett, AR	Manufacturing carbon and chrome alloy piping systems [1]	105,000	13.5
Dalton, GA	Dye blending and warehouse facilities [1]	32,000	2.0
Spartanburg, SC	Corporate headquarters [1]	6,000	-
Augusta, GA	Chemical manufacturing [2]	-	46.0

[1] Leased facility.
[2] Plant was closed in 2001 and all structures and manufacturing equipment have been removed.

Item 3 Legal Proceedings

For a discussion of legal proceedings, see Notes E and K to the Consolidated Financial Statements included in Item 8 of this Form 10-K.

PART II

Item 5 Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

The Company had 790 common shareholders of record at March 1, 2010. The Company's common stock trades on the NASDAQ Global Market under the trading symbol SYNL. The Company's credit agreement allows the payment of dividends. On February 25, 2010, the Company's Board of Directors voted to pay a $.25 cash dividend which was paid on March 22, 2010. The Company paid a $.10 cash dividend on March 10, 2009, a $.25 cash dividend on March 7, 2008, and a $.15 cash dividend on March 15, 2007. The prices shown below are the high and low sales prices for the common stock for each full quarterly period in the last two fiscal years as quoted on the NASDAQ Global Market.

	2009		2008	
Quarter	High	Low	High	Low
1st	$ 6.83	$ 3.85	$ 17.96	$ 11.00
2nd	8.68	5.25	17.52	11.85
3rd	10.49	7.88	17.44	12.00
4th	9.98	7.75	14.46	3.52

Unregistered Sales of Equity Securities

Pursuant to the compensation arrangement with directors discussed under Item 12 "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" in this Form 10-K, on April 30, 2009, the Company issued to each of its non-employee directors 2,532 shares of its common stock (an aggregate of 12,660 shares). Such shares were issued to the directors in lieu of $15,000 of their annual cash retainer fees. Issuance of these shares was not registered under the Securities Act of 1933 based on the exemption provided by Section 4(2) thereof because no public offering was involved. During 2009, the Company also issued 6,382 shares to management and key employees that vested pursuant to the 2005 Stock Awards Plan.

Neither the Company, nor any affiliated purchaser (as defined in Rule 10b-18(a)(3) of the Securities Exchange Act of 1934) on behalf of the Company repurchased any of the Company's securities during the fourth quarter of 2009.

Item 6 Selected Financial Data

(Dollar amounts in thousands except for per share data)

Selected Financial Data and Other Financial Information

	2009	2008	2007	2006	2005
Operations					
Net sales	$ 103,640	$ 167,269	$ 155,704	$ 131,404	$ 113,008
Gross profit	9,489	18,552	25,564	20,163	15,127
Selling, general & administrative expense	8,787	9,729	10,079	8,835	8,835
Operating income	702	8,823	15,485	11,328	6,292
Net income continuing operations	219	5,631	9,481	6,699	5,640
Net (loss) income discontinued operations	(4)	352	644	909	(544)
Net income	215	5,983	10,125	7,608	5,096
Financial Position					
Total assets	78,252	94,666	96,621	89,810	70,982
Working capital	44,123	49,433	45,446	43,237	25,064
Long-term debt, less current portion	-	9,959	10,246	17,731	8,091
Shareholders' equity	62,721	62,867	58,140	47,127	39,296
Financial Ratios					
Current ratio	4.5	3.7	2.7	2.9	2.1
Gross profit to net sales	9%	11%	16%	15%	13%
Long-term debt to capital	-	14%	15%	27%	17%
Return on average assets	-	6%	10%	8%	8%
Return on average equity	-	9%	18%	16%	15%
Per Share Data (income/(loss) – diluted)					
Net income continuing operations	$ .03	$ .90	$ 1.51	$ 1.07	$ .92
Net income (loss) discontinued operations	-	.05	.10	.15	(.09)
Net income	.03	.95	1.61	1.22	.83
Dividends declared and paid	.10	.25	.15	-	-
Book value	10.01	10.06	9.32	7.68	6.43
Other Data					
Depreciation and amortization	$ 2,402	$ 2,082	$ 1,997	$ 2,095	$ 2,041
Capital expenditures	$ 1,892	$ 3,059	$ 3,340	$ 2,343	$ 2,954
Employees at year end	466	459	482	437	434
Shareholders of record at year end	790	826	834	897	935
Average shares outstanding - diluted	6,269	6,281	6,296	6,234	6,139
Stock Price					
Price range of common stock					
High	$ 10.49	$ 17.96	$ 47.45	$ 18.90	$ 12.34
Low	3.85	3.52	14.79	10.38	9.10
Close	9.42	5.00	17.67	18.54	10.46

Note: Certain information in the prior years have been restated to reflect discontinued operations.

Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations

Critical Accounting Policies and Estimates

Management's Discussion and Analysis of Financial Condition and Results of Operations discusses the Company's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an on-going basis, management evaluates its estimates and judgments based on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Management believes the following critical accounting policies, among others, affect its more significant judgments and estimates used in the preparation of the Company's consolidated financial statements.

The Company maintains allowances for doubtful accounts, $355,000 as of January 2, 2010, for estimated losses resulting from the inability of its customers to make required payments and for disputed claims and quality issues. If the financial condition of any of the customers of the Company were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

The Company writes down its inventory for estimated obsolescence or unmarketable inventory in an amount equal to the difference between the cost of inventory and the estimated market value based upon assumptions about future demand and current market conditions. As of January 2, 2010, the Company has $1,943,000 accrued for inventory obsolescence and market reserves. If actual market conditions are less favorable than those projected by management, additional inventory write-downs may be required. See the Comparison of 2009 to 2008 – Metals Segment below.

As noted in Note E to the Consolidated Financial Statements included in Item 8 of this Form 10-K, the Company has accrued $1,125,000 as of January 2, 2010, in environmental remediation costs which, in management's best estimate, are expected to satisfy anticipated costs of known remediation requirements as outlined in Note E. Expenditures related to costs currently accrued are not discounted to their present values and are expected to be made over the next three to four years. However, as a result of the evolving nature of the environmental regulations, the difficulty in estimating the extent and necessary remediation of environmental contamination, and the availability and application of technology, the estimated costs for future environmental compliance and remediation are subject to uncertainties and it is not possible to predict the amount or timing of future costs of environmental matters which may subsequently be determined. Changes in information known to management or in applicable regulations may require the Company to record additional remediation reserves.

The Company continually reviews the recoverability of the carrying value of long-lived assets. Long-lived assets are reviewed for impairment when events or changes in circumstances, (also referred to as “triggering events”), indicate that the carrying value of a long-lived asset or group of assets (the “Assets”) may no longer be recoverable. Triggering events include: a significant decline in the market price of the Assets; a significant adverse change in the operating use or physical condition of the Assets; a significant adverse change in legal factors or in the business climate impacting the Assets’ value, including regulatory issues such as environmental actions; the generation by the Assets of historical cash flow losses combined with projected future cash flow losses; or, the expectation that the Assets will be sold or disposed of significantly before the end of the useful life of the Assets. The Company concluded that there were no indications of impairment requiring further testing during the year ended January 2, 2010.

If the Company concluded that, based on its review of current facts and circumstances, there were indications of impairment, then testing of the applicable Assets would be performed. The recoverability of the Assets to be held and used is tested by comparing the carrying amount of the Assets at the date of the test to the sum of the estimated future undiscounted cash flows expected to be generated by those Assets over the remaining useful life of the Assets. In estimating the future undiscounted cash flows, the Company uses projections of cash flows directly associated with, and which are expected to arise as a direct result of, the use and eventual disposition of the Assets. This approach requires significant judgments including the Company’s projected net cash flows, which are derived using the most recent available estimate for the reporting unit containing the Assets tested. Several

key assumptions would include periods of operation, projections of product pricing, production levels, product costs, market supply and demand, and inflation. If it is determined that the carrying amount of the Assets are not recoverable, an impairment loss would be calculated equal to the excess of the carrying amount of the Assets over their fair value. Assets classified as held for sale are recorded at the lower of their carrying amount or fair value less cost to sell. Assets to be disposed of other than by sale are classified as held and used until the Assets are disposed or use has ceased.

The Company has goodwill of $1,355,000 recorded as part of its acquisition, in 1996, of Manufacturers Soap and Chemical Company, a reporting unit operating within the Chemicals Segment, and $1,000,000 recorded as part of its acquisition on August 31, 2009, of Ram-Fab, Inc., a reporting unit operating within the Metals Segment. Goodwill, which represents the excess of purchase price over fair value of net assets acquired, is to be tested for impairment at least on an annual basis. The initial step of the goodwill impairment test involves a comparison of the fair value of the reporting unit in which the goodwill is recorded, with its carrying amount. If the reporting unit's fair value exceeds its carrying value, no impairment loss is recognized and the second step, which is a calculation of the impairment, is not performed. However, if the reporting unit's carrying value exceeds its fair value, an impairment charge equal to the difference in the carrying value of the goodwill and the implied fair value of the goodwill is recorded. Implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination. That is, the fair value of the reporting unit is allocated to the assets and liabilities of the reporting unit as if it had been acquired in a business combination. The excess of the fair value of the reporting unit over the amounts allocated to assets and liabilities is the implied fair value of goodwill. In making our determination of fair value of the reporting unit, we rely on the discounted cash flow method. This method uses projections of cash flows from the reporting unit. This approach requires significant judgments including the Company's projected net cash flows, the weighted average cost of capital ("WACC") used to discount the cash flows and terminal value assumptions. We derive these assumptions used in our testing from several sources. Many of these assumptions are derived from our internal budgets, which would include existing sales data based on current product lines and assumed production levels, manufacturing costs and product pricing. We believe that our internal forecasts are consistent with those that would be used by a potential buyer in valuing our reporting units. The WACC rate is based on an average of the capital structure, cost of capital and inherent business risk profiles of the Company. The assumptions used in our valuation are interrelated. The continuing degree of interrelationship of these assumptions is, in and of itself a significant assumption. Because of the interrelationships among the assumptions, we do not believe it would be meaningful to provide a sensitivity analysis on any of the individual assumptions. However, one key assumption in our valuation model is the WACC. If the WACC, which is used to discount the projected cash flows, were higher, the measure of the fair value of the net assets of the reporting unit would decrease. Conversely, if the WACC were lower, the measure of the fair value of the net assets of the reporting unit would increase. Changes in any of the Company's other estimates could also have a material effect on the estimated future undiscounted cash flows expected to be generated by the reporting unit's assets. Based on the Company's initial review in the fourth quarter of 2009, each reporting unit's fair value exceeded its carrying value, therefore no impairment loss was recognized.

The Company believes that if impairment charges should occur with respect to its existing assets, the charges would not be material to the consolidated financial statements. However, if business conditions at any of the plant sites were to deteriorate to an extent where cash flows and other impairment measurements indicated values for the related long-lived assets, including goodwill, were less than the carrying values of those assets, significant impairment charges could be necessary.

Liquidity and Capital Resources

Cash flows provided by operations during 2009 totaled $20,189,000 of which $19,903,000 came from continuing operations. This compares to cash flows provided by operations during 2008 of $5,940,000 and $6,444,000 from continuing operations, or increases in cash flows of $14,262,000 and $13,412,000 from 2008 to 2009, respectively. Cash flows from continuing operations in 2009 were generated from net income totaling $2,621,000 before depreciation and amortization expense of $2,402,000. Cash flows were also positively impacted in 2009 by a $17,392,000 decrease in the Company's inventories, as inventories declined, net of reserves, from $38,958,000 at the end of 2008 to $25,504,000 at the end of 2009. Almost all of the decrease occurred in the Metals Segment, primarily as a result of the significant declines in stainless steel pipe unit selling prices and volumes sold coupled

with declines in cost from stainless steel surcharges, discussed further in the Metals Segment Comparison of 2009 to 2008 below. Cash flows were also positively impacted from a decrease in accounts receivable of $4,313,000 in 2009 compared to 2008, reflecting a 30 percent decline in sales in the fourth quarter of 2009, offset by a decrease in accounts payable of $2,053,000 in 2009 compared to 2008, resulting primarily from the decline in the costs of raw materials discussed above combined with the timing of the receipt of and payment for stainless steel raw materials by the Metals Segment at year end. Cash flows were negatively impacted in 2009 by a decline of $749,000 in accrued expenses at the end of 2009 compared to the end of 2008, as advances from customers (prepayments from customers used to purchase raw materials required for piping systems projects) declined $1,223,000, and accruals for profit based incentives declined $554,000 reflecting the reduction in profits earned in 2009 compared to 2008, offset by a $1,100,000 increase in a claims reserve in the Metals Segment as discussed further in the Metals Segment Comparison of 2009 to 2008 below.

Cash flows provided by operations during 2008 totaled $5,940,000 of which $6,444,000 came from continuing operations. This compares to cash flows provided by operations during 2007 of $12,333,000 and $11,607,000 from continuing operations, or declines in cash flows of $ 6,393,000 and $ 5,163,000 from 2007 to 2008, respectively. Cash flows from continuing operations in 2008 were generated from net income totaling $7,713,000 before depreciation and amortization expense of $2,082,000. Cash flows were also positively impacted in 2008 by a $5,784,000 decrease in the Company's inventories as inventories declined, net of reserves, from $45,879,000 at the end of 2007 to $38,958,000 at the end of 2008. Almost all of the decrease occurred in the Metals Segment, primarily as a result of the significant declines in cost from stainless steel surcharges, discussed further in the Metals Segment Comparison of 2008 to 2007 below. Accounts receivable increased $1,061,000 in 2008, reflecting an 11 percent increase in sales in the fourth quarter of 2008. In addition, accounts payable decreased $3,498,000 in 2008, resulting primarily from the decline in the costs of raw materials discussed above combined with the timing of the receipt of and payment for stainless steel raw materials by the Metals Segment at year end. Also negatively impacting cash flows in 2008 was a decline in accrued expenses at the end of 2008 compared to the end of 2007, as advances from customers (prepayments from customers used to purchase raw materials required for piping systems projects) declined $2,453,000, and accruals for profit based incentives declined $1,157,000 reflecting the reduction in profits earned in 2008 compared to 2007.

In 2009, the Company's current assets decreased $11,295,000 and current liabilities decreased $5,926,000, from the year ended 2008 amounts, which caused working capital for 2009 to decrease by $5,370,000 to $44,123,000 from the 2008 total of $49,493,000. The current ratio for the year ended January 2, 2010, increased to 4.5:1 from the 2008 year-end ratio of 3.7:1.

As discussed in the Results of Operations below, the Company divested part of the operations of the Chemicals Segment in 2009. The Company also sold properties reported under Corporate. Total net proceeds from these sales were $12,969,000 of which $11,807,000 was included in investing activities of discontinued operations. The Company utilized these funds, along with the funds from continuing operations, to pay off all of its bank debt totaling $10,426,000, acquire Ram-Fab, Inc. for a purchase price of $5,708,000, fund capital expenditures of $1,892,000, and pay a $631,000 dividend, leaving a cash balance at January 2, 2010 of $14,097,000. The Company expects that along with the existing amount of cash on hand, cash flows from 2010 operations and available borrowings will be sufficient to make debt payments (if any), fund estimated capital expenditures of approximately $7,000,000 (including $2,000,000 to purchase in May 2010 the land and buildings of Ram-Fab to complete the acquisition) and normal operating requirements, and pay a dividend on March 22, 2010 of $.25 per share, or a total of $1,569,000. In addition, the Company should have sufficient resources to expand further into the Company's metals businesses.

The Company's Credit Agreement with a lender provides a $20,000,000 line of credit that expires on December 31, 2010. The Agreement provides for a revolving line of credit of $20,000,000, which includes a $5,000,000 sub-limit for swing-line loans that requires additional pre-approval by the bank. Borrowings under the revolving line of credit are limited to an amount equal to a borrowing base calculation that includes eligible accounts receivable, inventories, and cash surrender value of the Company's life insurance as defined in the Agreement. As of January 2, 2010, the amount available for borrowing was $15,000,000, of which none was borrowed, leaving $15,000,000 of availability. Any borrowings under the Credit Agreement are collateralized by substantially all of the assets of the Company. At January 2, 2010, the Company was in compliance with its debt covenants which include, among others, maintaining certain EBITDA, fixed charge and tangible net worth ratios and amounts. The Company is

currently in the process of arranging new financing and expects to complete the agreement in the second quarter of 2010 with terms consistent with its existing financing agreements.

Results of Operations

Certain information for 2008 & 2007 has been restated to reflect discontinued operations.

Comparison of 2009 to 2008

For the fiscal year ending January 2, 2010, the Company generated net earnings from continuing operations of $219,000, or $.03 per share, on sales of $103,640,000, compared to net earnings from continuing operations of $5,631,000, or $.90 per share, on sales of $167,269,000 in the prior year. The Company generated a loss from continuing operations of $143,000, or $.02 per share, on sales of $25,843,000 in the fourth quarter of 2009, compared to a net loss from continuing operations of $644,000, or $.10 per share, on sales of $36,657,000 in the fourth quarter of 2008. The Company recorded net losses from discontinued operations of $4,000, or $.00 per share, and $144,000, or $.03 per share, for the fiscal year and fourth quarter of 2009, respectively, compared to net earnings from discontinued operations of $352,000, or $.05 per share, and $131,000, or $.02 per share, for the same periods a year earlier. As a result, the Company earned $215,000, or $.03 per share, and lost $287,000, or $.05 per share, for the fiscal year and fourth quarter of 2009, respectively, compared to net earnings of $5,983,000, or $.95 per share, and a net loss $513,000, or $.08 per share, for the same periods in 2008.

Consolidated gross profits from continuing operations declined 49 percent to $9,489,000 in 2009, compared to $18,552,000 in 2008, and as a percent of sales decreased to nine percent of sales in 2009 compared to 11 percent of sales in 2008. The decreases in dollars and in percentage of sales were attributable to the Metals Segment as discussed in the Metals Segment Comparison of 2009 to 2008 below. Consolidated selling, general and administrative expense from continuing operations for 2009 decreased by $942,000, compared to 2008, but increased to nine percent as a percent of sales from six percent. The dollar decrease in 2009 when compared to 2008 resulted primarily from a $554,000 decrease in management incentives, which are based on profits, coupled with a $347,000 decline in environmental expenses, which were favorably impacted by the divestiture of part the chemical businesses.

Comparison of 2008 to 2007

For 2008, the Company generated net earnings from continuing operations of $5,631,000, or $.90 per share, on sales of $167,269,000, compared to net earnings from continuing operations of $9,481,000, or $1.51 per share, on sales of $155,704,000 in the prior year. The Company generated a net loss from continuing operations of $644,000, or $.10 per share, on sales of $36,657,000 in the fourth quarter of 2008, compared to net earnings from continuing operations of $1,139,000, or $.18 per share, on sales of $32,910,000 in the fourth quarter of 2007. The Company generated net income from discontinued operations of $352,000, or $.05 per share, and $131,000, or $.02 per share, for the fiscal year and fourth quarter of 2008, respectively, compared to net earnings from discontinued operations of $644,000, or $.10 per share, and $ 5,000, or $.00 per share, for the same periods a year earlier. As a result, the Company earned $5,983,000, or $.95 per share, and had a net loss of $513,000, or $.08 per share, for the fiscal year and fourth quarter of 2008, respectively, compared to net earnings of $10,125,000, or $1.61 per share, and $1,144,000, or $.18 per share, for the same periods in 2007.

Consolidated gross profits from continuing operations declined 27 percent to $18,552,000 in 2008, compared to $25,564,000 in 2007, and as a percent of sales decreased to 11 percent of sales in 2008 compared to 16 percent of sales in 2007. Most of the decreases in dollars and in percentage of sales were attributable to the Metals Segment as discussed in the Metals Segment Comparison of 2008 to 2007 below. Consolidated selling, general and administrative expense for 2008 decreased by $350,000, compared to 2007, and was unchanged as a percent of sales at six percent. The dollar decrease resulted primarily from a decrease in 2008 in management incentives, which are based on profits, compared to 2007.

Metals Segment–The following table summarizes operating results and backlogs for the three years indicated. Reference should be made to Note M to the Consolidated Financial Statements included in Item 8 of this Form 10-K.

	2009		2008		2007	
(Amounts in thousands)	Amount	%	Amount	%	Amount	%
Net sales	$ 70,891	100.0%	$ 131,877	100.0%	$ 126,219	100.0%
Cost of goods sold	66,713	94.1%	117,856	89.4%	104,816	83.0%
Gross profit	4,178	5.9%	14,021	10.6%	21,403	17.0%
Selling and administrative expense	4,190	5.9%	4,695	3.6%	5,015	4.0%
Operating (loss) income	$ (12)	0.0%	$ 9,326	7.0%	$ 16,388	13.0%
Year-end backlogs -						
Piping systems	$ 44,300		$ 45,500		$ 57,000	

Comparison of 2009 to 2008 – Metals Segment

The Metals Segment sales decreased 46 percent for the year from a 37 percent decline in average selling prices, coupled with a 12 percent decline in unit volumes. Sales for the fourth quarter decreased 39 percent compared to 2008 from a 29 percent decline in average selling prices, coupled with a 12 percent decline in unit volumes. The Segment experienced operating losses of $12,000 and $985,000 for the year and fourth quarter of 2009 compared to a profit of $9,326,000 for the year and a fourth quarter loss of $1,196,000 in the same periods in 2008, respectively. Sales of commodity pipe were down 47 percent and 48 percent for the year and in the fourth quarter, as average selling prices declined 38 percent and 22 percent and unit volumes decreased 15 percent and 33 percent for the year and in the quarter, respectively, compared to the same periods of 2008. Non-commodity pipe and piping systems also experienced declines in sales for the year and fourth quarter, down 44 percent and 31 percent respectively. The decrease in sales for the year resulted from a 38 percent decline in average selling prices and a nine percent decrease in unit volumes. The decrease for the quarter resulted from a 47 percent decline in average selling prices, offset by a 31 percent increase in unit volumes, when compared to the fourth quarter of 2008. The volume increase for non-commodity pipe and piping systems in the fourth quarter resulted primarily from the acquisition on August 31, 2009, of Ram-Fab.

The significant decreases in selling prices together with unit volume declines in both commodity and non-commodity pipe and piping systems, without including Ram-Fab and when compared to the same periods in 2008, reflect the decrease in demand for these products resulting from the worldwide economic turmoil and recession. This contributed to the large decline in both gross profit and operating income for 2009 compared to 2008, and to the losses incurred in the fourth quarters of both 2009 and 2008. Stainless steel surcharges, resulting primarily from the changes in nickel prices, peaked in October of 2009 after incrementally increasing over the six-month period from May to October, and fell slightly over the next three months. The surcharge averages remained at levels equal to approximately half of 2008's averages throughout most of 2009. Although we cannot precisely calculate the effect of the price declines, we estimate that they reduced profits by about $1,700,000 for 2009 compared to 2008. The lower volumes also generated unabsorbed manufacturing costs and taken together with the lower selling prices and unit volumes, caused commodity pipe to incur losses for the year and fourth quarter of 2009. Responding to the poor economy, many of the piping systems' customers extended their delivery dates throughout 2009 causing a decline in both dollar and unit volume sales compared to last year, and creating manufacturing inefficiencies throughout the Segment. The piping systems operations benefitted in 2008 from the completion of several favorable contracts, primarily in the LNG market, which generated significant volume, revenues and profits in 2008. As a result of these factors, non-commodity pipe and piping systems experienced significant reductions in sales and profits compared to the same periods of 2008. Also contributing significantly to the Segment's losses for the year and fourth quarter of 2009 was the accrual of a claim from a customer who is alleging that the Segment delivered defective pipe in 2006 which the customer removed and replaced. While we believe the claim is unwarranted, and we are vigorously defending it, approximately $1,100,000 in claims expense was recorded in 2009, of which $343,000 was recorded in the fourth quarter. All of these factors taken together caused the Segment to incur losses for the year and fourth quarter of 2009.

Selling and administrative expense decreased $505,000, or 11 percent in 2009 when compared to 2008, but increased to six percent of sales in 2009 compared to four percent of sales in 2008. The dollar decrease came primarily from decreased management incentives, which are based on profits.

Comparison of 2008 to 2007 – Metals Segment

The Metals Segment sales increased five percent for the year ended 2008 compared to 2007 from a seven percent increase in average selling prices, partially offset by a five percent decline in unit volumes. Gross profit for the year ended 2008 declined 35 percent to $14,021,000, or 11 percent of sales, from 2007 year end's total of $21,403,000, or 17 percent of sales. Operating income for the year ended 2008 declined 43 percent to $9,325,000 from 2007 year end's total of $16,388,000. Sales for the fourth quarter of 2008 increased 11 percent to $28,209,000 from sales of $25,410,000 in the fourth quarter of 2007, resulting from a 49 percent increase in unit volumes, partially offset by a 16 percent decline in average selling prices. The Segment had a negative gross margin of $602,000 for the fourth quarter of 2008 compared to a gross profit of $2,575,000, or ten percent of sales, for the fourth quarter of 2007. The Segment experienced an operating loss of $1,196,000 for the fourth quarter of 2008 compared to generating operating income of $1,937,000 in the fourth quarter of 2007.

Commodity pipe unit volumes increased 200 percent in the fourth quarter of 2008 resulting in a three percent increase for the year compared to the fourth quarter and year ended 2007. The increase in commodity volumes reflects the apparent benefit that the unfair-trade case, filed in January 2008 by U.S. producers of stainless steel pipe and the United Steelworkers Union against China, had on imports over the last three quarters of 2008, coupled with the very low volume experienced in 2007's fourth quarter. Gross profits are impacted by stainless steel surcharges which are assessed each month by the stainless steel producers to cover the change in their costs of certain raw materials. The Company, in turn, passes on the surcharge in the sales prices charged to its customers. Under the Company's first-in-first-out (FIFO) inventory method, cost of goods sold is charged for the surcharges that were in effect three or more months prior to the month of sale. Accordingly, if surcharges are in an upward trend, reported profits will benefit. Conversely, when surcharges go down, profits are reduced. Unfortunately, stainless steel surcharges began a decline in the third quarter of 2008, which accelerated in the fourth quarter of 2008 and reduced profits significantly. This decline created steady downward pressure on commodity selling prices causing average selling prices to fall 32 percent in the fourth quarter of 2008 and 11 percent for the year compared to the fourth quarter and year ended 2007. This resulted in an approximately $2,000,000 loss in the fourth quarter of 2008 under our FIFO inventory method that matched the low selling prices with much higher inventory costs. The rapid decline in commodity pricing also created an inventory valuation issue at year end as the market value of much of our commodity inventory fell below our costs, which led to an approximate $1,000,000 charge in the fourth quarter of 2008 to reduce the January 3, 2009 inventory value to market prices.

The non-commodity business continued to deliver excellent results. Although unit volumes fell 14 percent for the year and 27 percent in the fourth quarter of 2008, average selling prices increased 31 percent for the year and 16 percent for the quarter compared to the year and fourth quarter of 2007. The majority of the decline in unit volumes was attributable to our piping systems operation as customers pushed out delivery dates in the fourth quarter of 2008 in response to the economic downturn. The increase in average selling prices was attributable to a change in product mix. As a result, the non-commodity business generated excellent gross profits for the year and in the fourth quarter of 2008. Piping systems' backlog was $45,500,000 at the end of the fourth quarter of 2008 compared to $57,000,000 at the end of the fourth quarter of 2007.

Selling and administrative expense decreased $319,000, or six percent in 2008 when compared to 2007, but remained unchanged at four percent of sales in 2008 consistent with 2007. The dollar decrease was attributable primarily to decreased management incentives, which are based on profits, offset somewhat by an increase in sales commission expense, resulting from the increase in sales in 2008 compared to 2007.

Specialty Chemicals Segment–The following tables summarize operating results for the three years indicated. Reference should be made to Note M to the Consolidated Financial Statements included in Item 8 of this Form 10-K.

	2009		2008		2007	
(Amounts in thousands)	Amount	%	Amount	%	Amount	%
Net sales	$ 32,749	100.0%	$ 35,392	100.0%	$ 29,485	100.0%
Cost of goods sold	27,438	83.8%	30,861	87.2%	25,324	85.9%
Gross profit	5,311	16.2%	4,531	12.8%	4,161	14.1%
Selling and administrative expense	2,589	7.9%	2,541	7.2%	2,356	8.0%
Operating income	$ 2,722	8.3%	$ 1,990	5.6%	$ 1,805	6.1%

Comparison of 2009 to 2008 – Specialty Chemicals Segment

The Specialty Chemicals Segment delivered very good results in 2009 as operating income for the year increased 37 percent to $2,722,000 on sales of $32,749,000 compared to operating income of $1,990,000 on sales of $35,392,000 in 2008. Operating income for the fourth quarter of 2009 increased 230 percent to $783,000 on sales of $8,571,000 compared to operating income of $237,000 on sales of $8,449,000 for the fourth quarter of 2008. During 2008, the Segment experienced rising raw material and energy costs throughout the year and while management increased prices in an effort to offset the cost increases, the increases were not sufficient to prevent the cost increase from impacting profitability. During 2009, the increases in raw material and energy costs abated and in some cases actually declined, forcing Management to lower selling prices, which caused the sales decline for the year. However, price levels remained at levels allowing the Segment to maintain a higher level of profitability in 2009 compared to 2008. The Segment experienced strong sales volumes in the majority of its markets throughout the fourth quarter of 2009, which contributed to the increases in sales and profits achieved in the fourth quarter compared to the same period last year.

On October 2, 2009, the Company entered into an Asset Purchase Agreement with SantoLubes Manufacturing, LLC (“SM”) to sell the specialty chemical business of Blackman Uhler Specialties, LLC (“BU”) for a purchase price of $10,366,000, along with certain property, plant and equipment held by Synalloy Corporation for a purchase price of $1,130,000, all located at the Spartanburg, SC location. The purchase price of approximately $11,496,000, payable in cash, was equal to the approximate net book values of the assets sold as of October 3, 2009, the effective date of the sale, and the Company has recorded a loss of approximately $250,000 resulting primarily from transaction fees and other costs related to the sale. Divesting BU’s specialty chemicals business, which had annual sales of approximately $14,500,000, has freed up resources and working capital to allow further expansion into the Company’s metals businesses. BU along with Organic Pigment’s (“OP”) pigment dispersion business, which was sold on March 6, 2009 and had annual sales of approximately $7,000,000, were both physically located at the Spartanburg facility. OP completed all operating activities at the end of the third quarter. As a result, these operations, which were previously included in the Specialty Chemicals Segment, are being reported as discontinued operations.

Selling and administrative expense increased $48,000 or two percent of sales in 2009 compared to the 2008 amount, and increased to eight percent of sales in 2008 from seven percent of sales in 2008. The increase resulted primarily from increased management incentives, which are based on profits.

Comparison of 2008 to 2007 – Specialty Chemicals Segment

The Specialty Chemicals Segment sales increased 20 percent for the year ended 2008 compared to 2007. Gross profit for the year ended 2008 increased nine percent to $4,531,000, or 13 percent of sales, compared to a gross profit of $4,161,000, or 14 percent of sales, for 2007. Operating income increased ten percent to $1,990,000 for the year ended 2008 compared to $1,805,000 earned in 2007. Sales increased 13 percent to $8,448,000 for the fourth quarter of 2008 compared to $7,500,000 for the fourth quarter of 2007. Gross profit for the fourth quarter of 2008 was $890,000, or 11 percent of sales, which was down 19 percent from the fourth quarter of 2007’s total of $1,101,000, or 15 percent of sales. Operating income declined 56 percent to $237,000 for the fourth quarter of

2008 compared to $532,000 for the fourth quarter of 2007. The increase in revenues in 2008 resulted primarily from adding new products during the year, together with increased selling prices of our basic chemical products to pass on some of the higher raw material and energy-related costs. The declines in gross profit and operating income for the fourth quarter of 2008, when compared to the same period in 2007, were caused primarily by our inability to pass on all of the increases in raw material and energy related costs.

Selling and administrative expense increased $185,000 or eight percent in 2008 compared to the 2007 amount, and decreased to seven percent of sales in 2008 from eight percent of sales in 2007. The increase resulted primarily from increased selling expenses primarily from commissions from the increase in sales in 2008 compared to 2007.

Unallocated Income and Expense

Reference should be made to Note M to the Consolidated Financial Statements, included in Item 8 of this Form 10-K, for the schedule that includes these items.

Comparison of 2009 to 2008 – Corporate

Unallocated corporate expenses in the fourth quarter of 2009 include a $106,000 favorable adjustment from the reversal of accrued environmental remediation liabilities on projects at the Company's Spartanburg location that were completed in the quarter. In addition, corporate expenses in the quarter were favorably impacted by reduced quarterly environmental charges of approximately $100,000 that were eliminated by the sale of BU at the end of the third quarter of 2009. Unallocated Corporate Expenses for the year and fourth quarter also declined over last year's totals for the same periods as a result of decreased management incentives, which are based on profits.

Comparison of 2008 to 2007 – Corporate

Corporate expense decreased $215,000, or eight percent, to $2,493,000 for 2008, compared to $2,708,000 incurred in 2007. The decrease resulted primarily from a decrease in management incentives totaling $299,000 in 2008 when compared to 2007's total of $762,000, offset somewhat by environmental expenses in 2008 of $647,000, compared to $441,000 in 2007. Interest expense in 2008 decreased $321,000 from 2007 as a result of decreases in borrowings and in the LIBOR interest rate under the lines of credit with the Company's bank. The amount accrued to record the fair market value of the Company's interest rate swap increased $181,000 to $376,000 at January 3, 2009, up from $195,000 accrued at 2007 year end, also reflecting the reduction in the LIBOR interest rate. See Item 7A below.

Contractual Obligations and Other Commitments

As of January 2, 2010, the Company's contractual obligations and other commitments were as follows:

(Amounts in thousands)		Payment Obligations for the Year Ended					
	Total	2010	2011	2012	2013	2014	Thereafter
Obligations:							
Operating leases	$ 224	$ 165	$ 49	$ 7	$ 3	$ -	$ -
Purchase obligations	-	-	-	-	-	-	-
Deferred compensation [1]	381	72	72	72	82	83	-
Total	$ 605	$ 237	$ 121	$ 79	$ 85	$ 83	$ -

[1] For a description of the deferred compensation obligation, see Note F to the Consolidated Financial Statements included in Item 8 of this Form 10-K

Off-Balance Sheet Arrangements

See Note O to the Consolidated Financial Statements included in Item 8 of this Form 10-K for a discussion of the Company's off-balance sheet arrangements.

Current Conditions and Outlook

The Metals Segment's business is highly dependent on capital expenditures which have been significantly impacted by the economic turmoil. Falling stainless steel prices, the depressed economy, and distributors' reluctance to restock inventories, have created a poor pricing environment for our commodity pipe. Surcharges began falling in November 2009, but appear to have bottomed in January 2010, and have increased over the last two months through March 2010. Distributors maintained their inventories at lower than normal levels through the end of 2009, but activity for both commodity and non-commodity pipe over the first part of 2010 has improved,

indicating that distributors may be increasing their inventory levels. Management believes it is benefiting from the stimulus spending by the Federal Government, which includes a "Buy-American" provision covering iron and steel, as we have seen increased bidding activity in both the water and wastewater treatment and power generation areas, significant parts of our piping systems business. However, business opportunities remain extremely competitive hurting product pricing in all of our markets. Although Management is disappointed with the level of profitability in 2009, we remain confident that we are in an excellent position to benefit from the eventual improvement in economic conditions. While the impact from current economic conditions both domestically and worldwide makes it difficult to predict the performance of this Segment going into 2010, we are seeing improvements in business conditions within our markets. We believe we are the largest and most capable domestic producer of non-commodity stainless pipe and an effective producer of commodity stainless pipe which should serve us well in the long run. We also continue to be optimistic about the piping systems business over the long term. Piping systems continues to maintain a strong backlog, with approximately 80 percent of the backlog coming from energy and water and wastewater treatment projects, and the Ram-Fab acquisition should allow us to expand piping systems' business. Piping systems' customers have begun increasing their delivery requests under our existing contracts which should favorably impact profits over the first half of 2010. Piping systems' backlog was $44,300,000 at 2009 year end, of which $6,200,000 was from orders booked by Ram-Fab, which was acquired on August 31, 2009. This compared to $45,500,000 at the end of 2008. We estimate that approximately 80 percent of the backlog should be completed over the next twelve months.

The Specialty Chemicals Segment ended 2009 with excellent results especially over the last half of the year. Business conditions continue to be strong in our markets and in anticipation of future growth, Management is adding capacity and making capital improvements to its facilities. The Segment should continue to generate consistent profit margins over the first half of 2010, assuming conditions in the Segment's markets do not deteriorate from their current levels. However, the depressed economic conditions make the Segment's performance uncertain over the next several quarters.

Item 7A Quantitative and Qualitative Disclosures about Market Risks

The Company is exposed to market risks from adverse changes in interest rates. Changes in U. S. interest rates affect the interest earned on the Company's cash and cash equivalents as well as interest paid on its indebtedness. Except as described below, the Company does not engage in speculative or leveraged transactions, nor does it hold or issue financial instruments for trading purposes. The Company is exposed to changes in interest rates primarily as a result of its borrowing activities used to maintain liquidity and fund business operations.

Fair value of the Company's debt obligations, which approximated the recorded value, consisted of:

At January 2, 2010

The Company had no outstanding bank indebtedness

At January 3, 2009

$10,426,000 under a $27,000,000 line of credit and term loan agreement expiring December 31, 2010 with a variable interest rate of 1.95 percent.

Item 8 Financial Statements and Supplementary Data

The Company's consolidated financial statements, related notes, report of management and report of the independent registered public accounting firm follow on subsequent pages of this report.

Consolidated Balance Sheets
Years ended January 2, 2010 and January 3, 2009

	2009	2008
Assets		
Current assets		
Cash and cash equivalents	**$ 14,096,557**	$ 97,215
Accounts receivable, less allowance for doubtful accounts of $355,000 and $816,000, respectively	**14,041,130**	17,758,767
Inventories		
Raw materials	**8,639,078**	11,508,920
Work-in-process	**8,418,840**	16,755,349
Finished goods	**8,446,406**	10,693,811
Total inventories	**25,504,324**	38,958,080
Deferred income taxes (Note H)	**1,702,000**	1,877,000
Prepaid expenses and other current assets	**1,556,423**	1,403,023
Current assets of discontinued operations	**-**	8,101,781
Total current assets	**56,900,434**	68,195,866
Cash value of life insurance	**2,959,637**	2,867,975
Property, plant and equipment, net (Note B)	**15,796,882**	15,177,584
Goodwill	**2,354,730**	1,354,730
Deferred charges, net and other non-current assets	**240,000**	70,535
Assets of discontinued operations	**-**	6,999,487
Total assets	**$ 78,251,683**	$ 94,666,177
Liabilities and Shareholders' Equity		
Current liabilities		
Current portion of long-term debt (Note C)	**$ -**	$ 466,667
Accounts payable	**6,581,631**	8,176,181
Accrued expenses (Notes C and D)	**5,820,748**	6,569,315
Current portion of environmental reserves (Note E)	**375,000**	554,000
Current liabilities of discontinued operations	**-**	2,996,953
Total current liabilities	**12,777,379**	18,763,116
Long-term debt (Note C)	**-**	9,958,981
Environmental reserves (Note E)	**750,000**	810,000
Deferred compensation (Note F)	**380,562**	369,512
Deferred income taxes (Note H)	**1,623,000**	1,898,000
Shareholders' equity (Note G)		
Common stock, par value $1 per share - authorized 12,000,000 shares; issued 8,000,000 shares	**8,000,000**	8,000,000
Capital in excess of par value	**856,021**	752,765
Retained earnings	**69,113,403**	69,529,995
	77,969,424	78,282,760
Less cost of common stock in treasury: 1,733,424 and 1,752,466 shares, respectively	**15,248,682**	15,416,192
Total shareholders' equity	**62,720,742**	62,866,568
Total liabilities and shareholders' equity	**$ 78,251,683**	$ 94,666,177

See accompanying notes to consolidated financial statements.

Consolidated Statements of Operations
Years ended January 2, 2010, January 3, 2009 and December 29, 2007

	2009	2008	2007
Net sales	**$ 103,639,587**	$ 167,268,987	$ 155,703,562
Cost of sales	**94,150,808**	148,717,173	130,139,620
Gross profit	**9,488,779**	18,551,814	25,563,942
Selling, general and administrative expense	**8,786,544**	9,729,026	10,079,360
Operating income	**702,235**	8,822,788	15,484,582
Other (income) and expense			
Interest expense	**350,400**	684,943	1,006,413
Change in fair value of interest rate swap (Note C)	**(131,000)**	181,000	147,000
Other, net	**131,210**	(256)	(18,916)
Income from continuing operations before income tax	**351,625**	7,957,101	14,350,085
Provision for income taxes	**133,000**	2,326,000	4,869,000
Net income from continuing operations	**218,625**	5,631,101	9,481,085
Income from discontinued operations before income tax	**36,891**	521,591	973,679
Provision for income taxes	**41,000**	170,000	330,000
Net (loss) income from discontinued operations	**(4,109)**	351,591	643,679
Net income	**$ 214,516**	$ 5,982,692	$ 10,124,764
Net income (loss) per basic common share:			
Continuing operations	**$ .03**	$ .90	$ 1.53
Discontinued operations	**(.00)**	.06	.10
Net income	**$ .03**	$ .96	$ 1.63
Net income (loss) per diluted common share:			
Continuing operations	**$ .03**	$ .90	$ 1.51
Discontinued operations	**(.00)**	.05	.10
Net income	**$ .03**	$ .95	$ 1.61

See accompanying notes to consolidated financial statements.

Consolidated Statements of Shareholders' Equity

	Common Stock	Capital in Excess of Par Value	Retained Earnings	Cost of Common Stock in Treasury	Total
Balance at December 30, 2006	$ 8,000,000	$ 56,703	$ 54,921,022	$ (15,850,573)	$ 47,127,152
Net income			10,124,764		10,124,764
Payment of dividends, $.15 per share			(927,189)		(927,189)
Issuance of 1,945 shares of common stock from the treasury		57,919		17,070	74,989
Stock options exercised for 99,793 shares, net		223,137		327,328	550,465
Employee stock option and grant compensation		174,761			174,761
Capital contribution		20,340			20,340
Impact of adoption of FIN 48 - (Note H)			995,000		995,000
Balance at December 29, 2007	8,000,000	532,860	65,113,597	(15,506,175)	58,140,282
Net income			5,982,692		5,982,692
Payment of dividends, $.25 per share			(1,566,294)		(1,566,294)
Issuance of 9,229 shares of common stock from the treasury		7,472		81,186	88,658
Stock options exercised for 1,000 shares, net		(4,147)		8,797	4,650
Employee stock option and grant compensation		216,580			216,580
Balance at January 3, 2009	8,000,000	752,765	69,529,995	(15,416,192)	62,866,568
Net income			**214,516**		**214,516**
Payment of dividends, $.10 per share			**(631,108)**		**(631,108)**
Issuance of 19,042 shares of common stock from the treasury		**(106,219)**		**167,510**	**61,291**
Employee stock option and grant compensation		**209,475**			**209,475**
Balance at January 2, 2010	**$ 8,000,000**	**$ 856,021**	**$ 69,113,403**	**$ (15,248,682)**	**$ 62,720,742**

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows
Years ended January 2, 2010, January 3, 2009 and December 29, 2007

	2009	2008	2007
Operating activities			
Net income from continuing operations	**$ 218,625**	$ 5,631,101	$ 9,481,085
Adjustments to reconcile net income to net cash			
provided by (used in) operating activities:			
Depreciation expense	**2,331,531**	2,046,592	1,956,618
Amortization of deferred charges	**70,535**	35,256	39,924
Deferred income taxes	**(100,000)**	832,051	339,000
Reduction in reserves for uncertain tax positions	**-**	(199,000)	(151,000)
Provision for losses on accounts receivable	**497,576**	106,265	222,611
Provision for losses on inventories	**(1,604,000)**	1,137,000	(526,000)
(Gain) loss on sale of property, plant and equipment	**(4,973)**	20,536	(1,300)
Cash value of life insurance	**(91,662)**	(62,475)	(81,935)
Environmental reserves	**(239,000)**	316,629	205,318
Issuance of treasury stock for director fees	**75,010**	74,970	74,989
Employee stock option and grant compensation	**209,475**	216,580	174,761
Changes in operating assets and liabilities:			
Accounts receivable	**4,313,283**	(1,061,056)	2,964,059
Inventories	**17,392,097**	5,784,098	(7,549,799)
Other assets and liabilities	**(618,415)**	(42,982)	(88,239)
Accounts payable	**(2,053,358)**	(3,498,443)	1,041,598
Accrued expenses	**(748,568)**	(4,102,675)	4,752,740
Accrued income taxes	**254,403**	(790,478)	(1,247,586)
Net cash provided by continuing operating activities	**19,902,559**	6,443,969	11,606,844
Net cash provided by (used in) discontinued operating activities	**285,972**	(504,026)	726,440
Net cash provided by operating activities	**20,188,531**	5,939,943	12,333,284
Investing activities			
Purchases of property, plant and equipment	**(1,892,195)**	(3,058,727)	(3,340,281)
Proceeds from sale of property, plant and equipment	**1,162,119**	-	1,300
Acquisition of Ram-Fab, Inc.	**(5,707,773)**	-	-
Net cash used in continuing investing activities	**(6,437,849)**	(3,058,727)	(3,338,981)
Sale of Blackman Uhler Specialties, LLC assets, net	**10,365,757**	-	-
Sale of Organic Pigments, LLC assets, net	**1,441,006**	-	-
Purchases of property, plant and equipment	**(501,346)**	(977,312)	(1,145,647)
Net cash provided by (used in) discontinued investing activities	**11,305,417**	(977,312)	(1,145,647)
Net cash provided by (used in) investing activities	**4,867,568**	(4,036,039)	(4,484,628)
Financing activities			
Net payments on long-term debt	**(10,425,649)**	(287,034)	(7,485,416)
Proceeds from exercised stock options	**-**	4,650	550,465
Dividends paid	**(631,108)**	(1,566,294)	(927,189)
Excess tax benefits from Stock Grant Plan	**-**	13,720	-
Capital contributed	**-**	-	20,340
Net cash used in financing activities	**(11,056,757)**	(1,834,958)	(7,841,800)
Increase in cash and cash equivalents	**13,999,342**	68,946	6,856
Cash and cash equivalents at beginning of year	**97,215**	28,269	21,413
Cash and cash equivalents at end of year	**$ 14,096,557**	$ 97,215	$ 28,269

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Note A Summary of Significant Accounting Policies

Principles of Consolidation. The consolidated financial statements include the accounts of the Company and its subsidiaries, all of which are wholly owned. All significant intercompany transactions have been eliminated.

Use of Estimates. The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions, primarily for establishing reserves on accounts receivable, inventories and environmental issues, that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Accounting Period. The Company's fiscal year is the 52 or 53 week period ending the Saturday nearest to December 31. Fiscal year 2009 ended on January 2, 2010, having 52 weeks, fiscal year 2008 ended on January 3, 2009, having 53 weeks, and fiscal year 2007 ended on December 29, 2007, having 52 weeks.

Revenue Recognition. Revenue from product sales is recognized at the time ownership of goods transfers to the customer and the earnings process is complete. Shipping costs of approximately $1,730,000, $2,138,000 and $1,893,000 in 2009, 2008 and 2007, respectively, are recorded in cost of goods sold.

Inventories. Inventories are stated at the lower of cost or market. Cost is determined by the first-in, first-out (FIFO) method. The Company writes down its inventory for estimated obsolescence or unmarketable inventory equal to the difference between the cost of inventory and the estimated market value based upon assumptions about future demand and current market conditions. As of January 2, 2010 and January 3, 2009, $1,943,000 and $3,547,000, respectively, for inventory has been reduced for obsolescence and market reserves.

Long-Lived Assets. Property, plant and equipment are stated at cost. Depreciation is provided on the straight-line method over the estimated useful life of the assets. Land improvements and buildings are depreciated over a range of ten to 40 years, and machinery, fixtures and equipment are depreciated over a range of three to 20 years.

The costs of software licenses are amortized over five years using the straight-line method. Debt expenses are amortized over the period of the underlying debt agreement using the straight-line method. Goodwill, representing intangibles arising from the excess of purchase price over fair value of net assets of businesses acquired, is not amortized but is reviewed annually in the fourth quarter for impairment. Deferred charges represent other intangible assets that are amortized over their useful lives. There were no deferred charges as of January 2, 2010. Accumulated amortization of deferred charges totaled $115,000 as of January 3, 2009.

The Company continually reviews the recoverability of the carrying value of long-lived assets. The Company also reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of such assets may not be recoverable. When the future undiscounted cash flows of the operation to which the assets relate do not exceed the carrying value of the asset, the assets are written down to fair value.

Cash Equivalents. The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Concentrations of Credit Risk. Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash deposits, trade accounts receivable and cash surrender value of life insurance. The Company maintains cash balances at financial institutions with strong credit ratings. Generally, amounts invested with financial institutions are in excess of FDIC insurance limits. Accounts receivable from the sale of products are recorded at net realizable value and the Company generally grants credit to customers on an unsecured basis. Substantially all of the Company's accounts receivables are due from companies located throughout the United States. The Company provides an allowance for doubtful collections and for disputed claims and quality issues. The allowance is based upon a review of outstanding receivables, historical collection information and existing economic conditions. The Company performs periodic credit evaluations of its customers' financial condition and generally does not require collateral. Receivables are

generally due within 30 to 45 days. Delinquent receivables are written off based on individual credit evaluations and specific circumstances of the customer. The cash surrender value of life insurance is the contractual amount on policies maintained with one insurance company. The Company performs a periodic evaluation of the relative credit standing of this company as it relates to the insurance industry.

Research and Development Expense. The Company incurred research and development expense of approximately $289,000, $348,000 and $347,000 in 2009, 2008 and 2007, respectively.

Fair Value of Financial Instruments. The carrying amounts reported in the balance sheet for cash and cash equivalents, trade accounts receivable, cash surrender value of life insurance, investments and borrowings under the Company's line of credit approximate their fair value.

Fair Value Disclosures. The Company determines the fair values of its financial instruments maximizing the use of observable inputs and minimizing the use of unobservable inputs when measuring fair value. The Company utilizes three levels of inputs when measuring fair value. Level-1 measurements utilize quoted prices in active markets for identical assets or liabilities. The Company does not currently have any Level-1 financial assets or liabilities. Level-2 measurements utilize observable inputs other than Level-1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs observable or that can be corroborated by observable market data for substantially the full term of the assets or liabilities. The Company had a level-2 liability from its interest rate swap having a fair value of $376,000 and $195,000 at January 3, 2009 and December 29, 2007, respectively, which was eliminated on December 7, 2009. Changes in its fair value were recorded in current liabilities with corresponding offsetting entries to other expense. Level-3 measurements utilize unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. The Company does not currently have any material Level-3 financial assets or liabilities.

Reclassification. Certain amounts in the consolidated financial statements of the prior year have been reclassified to conform to the presentation of the current year for comparative purposes.

Note B Property, Plant and Equipment

Property, plant and equipment consist of the following:

	2009	2008
Land	$ 191,523	$ 245,566
Land improvements	591,217	804,939
Buildings	9,282,636	10,643,932
Machinery, fixtures and equipment	41,615,632	38,343,271
Construction-in-progress	848,824	361,440
	52,529,832	50,399,148
Less accumulated depreciation	36,732,950	35,221,564
Total property, plant and equipment	$ 15,796,882	$ 15,177,584

Note C Long-term Debt

	2009	2008
$ 15,000,000 Revolving line of credit	$ -	$ 4,942,316
$ 7,000,000 Term loan	-	5,483,332
	-	10,425,648
Less current portion of term loan	-	466,667
	$ -	$ 9,958,981

On December 13, 2005, the Company entered into a Credit Agreement with a lender to provide a $27,000,000 line of credit that expires on December 31, 2010. The Credit Agreement provides for a revolving line of credit of $20,000,000, which includes a $5,000,000 sub-limit for swing-line loans that requires additional pre-approval by the bank. The Agreement also included a five-year $7,000,000 term loan that required equal quarterly payments of $117,000, plus interest, which was paid off in the second quarter of 2009. The rate at January 2, 2010 was 1.735 percent. Borrowings under the revolving line of credit are limited to an amount equal to a borrowing base calculation that includes eligible accounts receivable, inventories, and cash surrender value of the Company's life insurance as defined in the Credit Agreement. As of January 2, 2010, the amount available for borrowing was $15,000,000, none of which was borrowed, leaving $15,000,000 of availability. Borrowings under the Credit Agreement are collateralized by substantially all of the assets of the Company. At January 2, 2010, the Company was in compliance with its debt covenants which include, among others, maintaining certain EBITDA, fixed charge and tangible net worth amounts as defined in the Credit Agreement. Average borrowings outstanding during fiscal 2009, 2008 and 2007 were $2,721,000, $11,708,000 and $13,944,000 with weighted average interest rates of 1.95 percent, 4.37 percent and 6.79 percent, respectively. The Company made interest payments of $525,000 in 2009, $ 706,000 in 2008 and $1,003,000 in 2007. There were no long-term debt maturities outstanding as of January 2, 2010.

On February 23, 2006, the Company entered into an interest rate swap contract with its bank with a notional amount of $4,500,000 pursuant to which the Company received interest at Libor and paid interest at a fixed interest rate of 5.27 percent. The contract ran from March 1, 2006 to December 31, 2010, which equated to the final payment amount and due date of the term loan. The Company paid $245,000 in December of 2009 and eliminated the swap. The Company had $376,000 accrued as of January 3, 2009 to reflect the fair market value of the swap. (See Note O)

Note D Accrued Expenses

Accrued expenses consist of the following:

	2009	2008
Salaries, wages and commissions	$ 969,316	$ 1,258,950
Advances from customers	2,355,639	3,578,754
Insurance	337,039	479,365
Taxes, other than income taxes	81,211	54,892
Benefit plans	161,343	184,707
Interest	6,870	382,539
Professional fees	113,400	147,505
Utilities	50,135	26,135
Customer Claim - Note K	1,400,000	300,000
Other accrued items	345,795	156,468
Total accrued expenses	$ 5,820,748	$ 6,569,315

Note E Environmental Compliance Costs

At January 2, 2010, the Company had accrued $1,125,000 in remediation costs which, in management's best estimate, are expected to satisfy anticipated costs of known remediation requirements as outlined below. Expenditures related to costs currently accrued are not discounted to their present values and are expected to be made over the next three to four years. As a result of the evolving nature of the environmental regulations, the difficulty in estimating the extent and remedy of environmental contamination, and the availability and application of technology, the estimated costs for future environmental compliance and remediation are subject to uncertainties and it is not possible to predict the amount or timing of future costs of environmental matters which may subsequently be determined.

Prior to 1987, the Company utilized certain products at its chemical facilities that are currently classified as hazardous materials. Testing of the groundwater in the areas of the former wastewater treatment impoundments

at these facilities disclosed the presence of certain contaminants. In addition, several solid waste management units ("SWMUs") at the plant sites have been identified. In 1998 the Company completed an RCRA Facility Investigation at its Spartanburg plant site, and based on the results, completed a Corrective Measures Study in 2000. A Corrective Measures Plan specifying remediation procedures to be performed was submitted in 2000 and the Company received regulatory approval. In prior years remediation projects were completed to clean up ten of 14 SWMUs on the Spartanburg plant site at a cost of approximately $530,000. The Company completed the cleanup of the remaining four SWMUs in the fourth quarter of 2009 for a cost of approximately $438,000 and is awaiting final regulatory approval. On October 2, 2009, the Company entered into an Asset Purchase Agreement and sold the Spartanburg facilities as discussed in Note Q. As part of the Agreement, the Company agreed to complete the SWMU cleanups described above and several unrelated cleanup projects at the site. The purchaser agreed to assume any future unidentified environmental liabilities at the site and pay all future annual monitoring and reporting costs required by the RCRA permit covering the site. The Company has completed substantially all of the RCRA-Permit required cleanup projects and has accrued $150,000 at January 2, 2010, to provide for additional work required, if any, to obtain regulatory approval for the work performed in 2009 to close the four remaining SWMU's and the other unrelated cleanup costs.

At the Augusta plant site, the Company submitted a Baseline Risk Assessment and Corrective Measures Plan for regulatory approval. A Closure and Post-Closure Care Plan was submitted and approved in 2001 for the closure of the surface impoundment (former regulated unit). The Company completed and certified closure of the surface impoundment during 2002. During 2005, the Company completed a preliminary analysis of remedial alternatives to eliminate direct contact with surface soils based on the Baseline Risk Assessment, and has accrued $900,000 at January 2, 2010, for estimated future remedial and cleanup costs. As part of Asset Purchase Agreement discussed in Note Q, the purchaser also agreed to reimburse the Company for all future annual monitoring and reporting costs at the Augusta facility required by the Georgia Department of Natural Resources.

The Company has identified and evaluated two SWMUs at its plant in Bristol, Tennessee that revealed residual groundwater contamination. An Interim Corrective Measures Plan to address the final area of contamination identified was submitted for regulatory approval and was approved in March of 2005. The Company had $75,000 accrued at January 2, 2010, to provide for estimated future remedial and cleanup costs.

The Company has been designated, along with others, as a potentially responsible party under the Comprehensive Environmental Response, Compensation, and Liability Act, or comparable state statutes, at two waste disposal sites. Notifications were received by the Company in November 2007 and February 2008. It is impossible to determine the ultimate costs related to the two sites due to several factors such as the unknown possible magnitude of possible contamination, the unknown timing and extent of the corrective actions which may be required, and the determination of the Company's liability in proportion to the other parties. At the present time, the Company does not have sufficient information to form an opinion as to whether it has any liability, or the amount of such liability, if any. However, it is reasonably possible that some liability exists.

The Company does not anticipate any insurance recoveries to offset the environmental remediation costs it has incurred. Due to the uncertainty regarding court and regulatory decisions, and possible future legislation or rulings regarding the environment, many insurers will not cover environmental impairment risks, particularly in the chemical industry. Hence, the Company has been unable to obtain this coverage at an affordable price.

Note F Deferred Compensation

The Company has deferred compensation agreements with certain former officers providing for payments for ten years in the event of pre-retirement death or the longer of ten years or life beginning at age 65. The present value of such vested future payments, $381,000 at January 2, 2010, has been accrued.

Note G Stock Options, Stock Grants and New Stock Issues

A summary of activity in the Company's stock option plans is as follows:

	Weighted Average Exercise Price	Options Outstanding	Weighted Average Contractual Term (in years)	Intrinsic Value of Options	Options Available
At December 30, 2006	$ 8.48	282,150		$ 4,865	207,100
Exercised	$ 10.39	(132,407)		$ 8,550	
Expired	$ 12.14	(19,000)			-
At December 29, 2007	$ 8.51	130,743	4.6	$ 1,198,000	207,100
Exercised	$ 4.65	(1,000)		$ 8,550	
Expired	$ 13.63	(1,500)			(207,100)
At January 3, 2009	$ 8.48	128,243	3.7	$ 4,865	-
Expired	$ 7.67	(45,250)			
At January 2, 2010	$ 8.92	82,993	4.5	$ 76,923	-
Exercisable options	$ 8.69	67,539	4.3	$ 76,923	
Options expected to vest:				Grant Date Fair Value	
At December 29, 2007	$ 9.96	43,454	7.1	$ 6.77	
Vested	$ 9.96	(14,000)			
At January 3, 2009	$ 9.96	29,454	6.1	$ 6.77	
Vested	$ 9.96	(14,000)			
At January 2, 2010	$ 9.96	15,454	5.1	$ 6.77	

The following table summarizes information about stock options outstanding at January 2, 2010:

	Outstanding Stock Options			Exercisable Stock Options	
		Weighted Average			Weighted
Range of Exercise Prices	Shares	Exercise Price	Remaining Contractual Life in Years	Shares	Average Exercise Price
$ 6.75	1,500	$ 6.75	.37	1,500	$ 6.75
$ 5.01	1,500	$ 5.01	1.31	1,500	$ 5.01
$ 4.65	13,900	$ 4.65	2.30	13,900	$ 4.65
$ 9.96	66,093	$ 9.96	5.08	50,639	$ 9.96
	82,993			67,539	

The Company has two stock option plans, both of which terminated according to their terms. After April 30, 2008, no options could be granted under either of the Plans, and the Company did not grant any options during 2007 or 2008. Under the 1998 Plan covering officers and key employees, options may be exercised beginning one year after date of grant at a rate of 20 percent annually on a cumulative basis, and unexercised options expire ten years from the grant date. Under the 1994 Non-Employee Directors' Plan, options were exercisable at the date of grant. The 1998 Plan is an incentive stock option plans, therefore there are no income tax consequences to the

Company when an option is granted or exercised. No options were exercised in 2009. In 2008 and 2007, options for 1,000 and 132,407 shares were exercised by employees and directors for an aggregate exercise price of $5,000 and $1,375,000 respectively. The proceeds were generated from cash received of $5,000 in 2008, and from cash received of $550,000 and from the repurchase of 32,614 shares from employees and directors totaling $825,000 in 2007. At the 2009, 2008 and 2007 respective year ends, options to purchase 67,539, 98,789 and 87,289 shares with weighted average exercise prices of $8.69, $8.04 and $7.79, respectively, were fully exercisable. Compensation cost charged against income before taxes for the options was approximately $76,000, or $.01 per share, for 2009, 2008 and 2007. As of January 2, 2010, there was $7,000 of total unrecognized compensation cost related to unvested stock options granted under the Company's stock option plans which is expected to be recognized during the first quarter of 2010. The fair value of the unvested options was estimated at the time the options were granted.

The Company has a Stock Awards Plan in effect at January 2, 2010. A summary of plan activity for 2007, 2008 and 2009 is as follows:

	Shares	Weighted Average Grant Date Fair Value
Granted February 12, 2007	22,510	$ 25.00
Forfeited or expired	(330)	$ 25.00
Outstanding at December 29, 2007	22,180	$ 25.00
Granted February 12, 2008	11,480	$ 16.35
Vested	(4,436)	$ 25.00
Forfeited or expired	(3,980)	$ 21.48
Outstanding at January 3, 2009	25,244	$ 21.62
Granted February 12, 2009	5,500	$ 5.22
Vested	(6,382)	$ 21.97
Forfeited or expired	(1,228)	$ 21.76
Outstanding at January 2, 2010	23,134	$ 17.62

The Compensation & Long-Term Incentive Committee of the Board of Directors of the Company approves stock grants under the Company's 2005 Stock Awards Plan to certain management employees of the Company. The stock awards vest in 20 percent increments annually on a cumulative basis, beginning one year after the date of grant. In order for the awards to vest, the employee must be in the continuous employment of the Company since the date of the award. Any portion of an award that has not vested is forfeited upon termination of employment. The Company may terminate any portion of the award that has not vested upon an employee's failure to comply with all conditions of the award or the Plan. Shares representing awards that have not yet vested are held in escrow by the Company. An employee is not entitled to any voting rights with respect to any shares not yet vested, and the shares are not transferable. Compensation expense totaling $29,000, $188,000 and $555,000 on the grants issued in 2009, 2008 and 2007, respectively, is being charged against earnings equally net of forfeitures, if any, over a period of 60 months from the dates of the grants, with the offset recorded in Shareholders' Equity. Compensation cost charged against income for the awards was approximately $134,000, $85,000 net of income taxes, or $.01 per share, for 2009, $141,000, $90,000 net of income taxes, or $.01 per share in 2008, and $99,000, $65,000 net of income taxes, or $.01 per share, for 2007. As of January 2, 2010, there was $304,000 of total unrecognized compensation cost related to unvested stock grants under the 2005 Stock Awards Plan. (See Note R)

On April 30, 2009, the Company issued to each of its non-employee directors 2,532 shares of its common stock (an aggregate of 12,660 shares). Such shares were issued to the directors in lieu of $15,000 of their annual cash retainer fees.

Note H Income Taxes

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax liabilities and assets are as follows at the respective year ends:

(Amounts in thousands)	2009	2008
Deferred tax assets:		
Inventory valuation reserves	$ 682	$ 571
Allowance for doubtful accounts	171	428
Inventory capitalization	922	918
Environmental reserves	419	319
Other	318	368
Total deferred tax assets	2,512	2,604
Deferred tax liabilities:		
Tax over book depreciation and amortization	2,183	2,349
Prepaid expenses	250	276
Total deferred tax liabilities	2,433	2,625
Net deferred tax assets (liabilities)	$ 79	$ (21)

Significant components of the provision for and (benefits from) income taxes for continuing operations are as follows:

(Amounts in thousands)	2009	2008	2007
Current:			
Federal	$ 100	$ 1,509	$ 5,937
State	133	236	504
Total current	233	1,745	6,441
Deferred:			
Federal	(16)	578	(1,455)
State	(84)	3	(117)
Total deferred	(100)	581	(1,572)
Total	$ 133	$ 2,326	$ 4,869

The reconciliation of income tax computed at the U. S. federal statutory tax rates to income tax expense for continuing operations is:

(Amounts in thousands)	2009		2008		2007	
	Amount	%	Amount	%	Amount	%
Tax at U.S. statutory rates	$ 120	34.0%	$ 2,705	34.0%	$ 4,943	34.4%
State income taxes, net of Federal tax benefit	14	4.0%	158	2.0%	271	1.8%
Changes in contingent tax reserves	-	-	(199)	(2.5%)	(151)	(1.0%)
Manufacturing exemption	-	-	(123)	(1.6%)	(340)	(2.2%)
General business credit	-	-	(46)	(.6%)	-	-
Other, net	(1)	(0.1%)	(169)	(2.1%)	146	.9%
Total	$ 133	37.9%	$ 2,326	29.2%	$ 4,869	33.9%

Income tax payments of approximately $2,039,000, $2,646,000 and $5,757,000 were made in 2009, 2008 and 2007, respectively. The Company had South Carolina state net operating loss carryforwards of approximately $38,649,000 at January 2, 2010, which expire between the years 2017 to 2027, and $39,100,000 at January 3, 2009. Since the likelihood of recognizing these carryforwards is remote, they have been fully reserved in the financial statements.

During 2007, the Company recognized a $995,000 decrease to reserves for uncertain tax positions. This decrease was accounted for as an adjustment in 2007 to the beginning balance of retained earnings on the Balance Sheet. After the cumulative effect decrease, at the beginning of 2007, the Company had approximately $350,000 of total gross unrecognized tax benefits that, if recognized, would favorably affect the effective income tax rate in any future periods. During 2007, the Company recognized $151,000 of unrecognized tax benefits or $.02 per share, leaving $199,000 accrued at December 29, 2007. During 2008, the Company favorably resolved all of the accrued uncertain tax positions recognizing benefits of $199,000 or $.03 per share. The Company and its subsidiaries are subject to U.S. federal income tax as well as income tax of multiple state jurisdictions. The Company has substantially concluded all U.S. federal income tax matters and substantially all material state and local income tax matters for years through 2005. The Company's federal income tax return for 2007 was examined by the Internal Revenue Service in 2009 and federal income tax and interest liabilities resulting from this examination were not material. The Company's continuing practice is to recognize interest and/or penalties related to income tax matters in income tax expense. The Company had no accruals for uncertain tax positions including interest and penalties at the end of 2009 or 2008.

Note I Benefit Plans and Collective Bargaining Agreements

The Company has a 401(k) Employee Stock Ownership Plan covering all non-union employees. Employees may contribute to the Plan up to 100 percent of their salary with a maximum of $16,500 for 2009. Under EGTRRA, employees who are age 50 or older may contribute an additional $5,500 per year for a maximum of $22,000 for 2009. Contributions by the employees are invested in one or more funds at the direction of the employee; however, employee contributions cannot be invested in Company stock. Contributions by the Company are made in cash and then used by the Plan Trustee to purchase Synalloy stock. The Company contributes on behalf of each eligible participant a matching contribution equal to a percentage which is determined each year by the Board of Directors. For 2009 the maximum was four percent. The matching contribution is allocated weekly. Matching contributions of approximately $330,000, $341,000 and $338,000 were made for 2009, 2008 and 2007, respectively. The Company may also make a discretionary contribution, which if made, would be distributed to all eligible participants regardless of whether they contribute to the Plan. No discretionary contributions were made to the Plan in 2009, 2008 or 2007. The Company also contributes to union-sponsored defined contribution retirement plans. Contributions relating to these plans were approximately $474,000, $694,000 and $737,000 for 2009, 2008 and 2007, respectively.

The Company has three collective bargaining agreements at its Bristol, Tennessee facility. The number of employees of the Company represented by these unions is 242, or 52 percent of the Company's total employees. They are represented by two locals affiliated with the AFL-CIO and one local affiliated with the Teamsters. The Company considers relationships with its union employees to be satisfactory. Collective bargaining contracts will expire in January 2015, February 2014 and March 2015.

Note J Leases

The Company's Specialty Chemicals Segment leases a warehouse facility in Dalton Georgia, and in addition, the Company leases various manufacturing and office equipment at each of its locations, all under operating leases. The amount of future minimum lease payments under the operating leases are as follows: 2010 - $165,000; 2011 - $49,000; 2012 - $7,000; 2013 - $3,000 and 2014 - $0. Rent expense related to operating leases was $202,000, $ 88,000 and $ 90,000 in 2009, 2008 and 2007, respectively. The Company does not have any leases that are classified as capital leases for any of the periods presented in the financial statements.

Note K Contingencies

The Company is from time-to-time subject to various claims, other possible legal actions for product liability and other damages, and other matters arising out of the normal conduct of the Company's business. The Company

has accrued a $1,400,000 claim from a Metals Segment customer who is alleging that the Segment delivered defective pipe in 2006 which the customer removed and replaced. While the Company believes the claim is unwarranted, and is vigorously defending against it, approximately $1,100,000 in claims expense was recorded in 2009 and $300,000 was recorded in 2008. The claim is subject to arbitration and both parties have submitted their claims to arbitration. The Company does not expect the arbitration proceeding to begin until sometime in the middle of 2010. Other than the environmental contingencies discussed in Note E, management is not currently aware of any other asserted or unasserted matters which could have a significant effect on the financial condition or results of operations of the Company.

Note L Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share from continuing operations:

	2009	2008	2007
Numerator:			
Net income from continuing operations	$ 218,625	$ 5,631,101	$ 9,481,085
Denominator:			
Denominator for basic earnings per			
share - weighted average shares	6,261,805	6,245,344	6,211,639
Effect of dilutive securities:			
Employee stock options and stock grants	7,625	35,780	84,272
Denominator for diluted earnings per			
share - weighted average shares	6,269,430	6,281,124	6,295,911
Income per share from continuing operations:			
Basic	$ .03	$ .90	$ 1.53
Diluted	$ .03	$ .90	$ 1.51

The diluted earnings per share calculations exclude the effect of potentially dilutive shares when the inclusion of those shares in the calculation would have an anti-dilutive effect. The Company had 98,502, 117,707 and 68,981 weighted average shares of common stock in 2009, 2008 and 2007, respectively, which were not included in the diluted earnings per share calculation as their effect was anti-dilutive.

Note M Industry Segments

The Company operates in two principal industry segments: metals and specialty chemicals. The Company identifies such segments based on products and services. The Metals Segment consists of Synalloy Metals, Inc. a wholly-owned subsidiary which owns 100 percent of Bristol Metals, LLC, and Ram-Fab, LLC, a wholly owned subsidiary of the Company. The Metals Segment manufactures pipe and fabricates piping systems from stainless steel and other alloys and fabricates piping systems from carbon, chrome, stainless steel and other alloys. The Segment's products, many of which are custom-produced to individual orders and required for corrosive and high-purity processes, are used principally by the chemical, petrochemical, pulp and paper, wastewater treatment and LNG industries. Products include piping systems and a variety of other components. The Specialty Chemicals Segment consists of Manufacturers Soap and Chemical Company, a wholly owned subsidiary of the Company which owns 100 percent of Manufacturers Chemicals, LLC. The Specialty Chemicals Segment manufactures a wide variety of specialty chemicals, pigments and dyes for the carpet, chemical, paper, metals, mining, agricultural, fiber, paint, textile, automotive, petroleum, cosmetics, mattress, furniture, janitorial and other industries. (See Note Q)

Segment operating income is the Segment's total revenue less operating expenses, excluding interest expense and income taxes. Identifiable assets, all of which are located in the United States, are those assets used in operations by each Segment. The Metals Segment's identifiable assets include goodwill of $1,000,000 as of the year ended 2009, and the Chemicals Segment's identifiable assets include goodwill of $1,355,000 as of the years ended 2009 and 2008. Centralized data processing and accounting expenses are allocated to the two Segments based upon estimates of their percentage of usage. Unallocated corporate expenses include environmental

charges of $343,000, $647,000 and $441,000 for 2009, 2008 and 2007 respectively. (See Note E) Corporate assets consist principally of cash, certain investments, and property and equipment.

The Metals Segment has one domestic customer that accounted for less than ten percent and approximately 11 and 12 percent of the Metals Segment's revenues in 2009, 2008 and 2007, respectively. The Segment also has one other domestic customer that accounted for approximately ten and 12 percent of the Segment's revenues in 2009 and 2008, respectively, and less than ten percent for 2007. Loss of either of these customers' revenues would have a material adverse effect on both the Metals Segment and the Company. The Specialty Chemicals Segment has one domestic customer that accounted for approximately 24, 20 and 23 percent of the Segment's revenues in 2009, 2008 and 2007, respectively. Loss of this customer's revenues would have a material adverse effect on the Specialty Chemicals Segment.

Segment Information:

(Amounts in thousands)	2009	2008	2007
Net sales			
Metals Segment	$ 70,891	$ 131,877	$ 126,219
Specialty Chemicals Segment	32,749	35,392	29,485
	$ 103,640	$ 167,269	$ 155,704
Operating (loss) income			
Metals Segment	$ (12)	$ 9,326	$ 16,388
Specialty Chemicals Segment	2,722	1,990	1,805
	2,710	11,316	18,193
Less unallocated corporate expenses	2,008	2,493	2,708
Operating income	702	8,823	15,485
Other expense, net	350	866	1,131
Pretax income from continuing operations	$ 352	$ 7,957	$ 14,350
Identifiable assets			
Metals Segment	$ 41,757	$ 56,139	
Specialty Chemicals Segment	15,359	15,822	
Corporate	21,136	7,604	
Continuing operations	78,252	79,565	
Discontinued operations	-	15,101	
	$ 78,252	$ 94,666	
Depreciation and amortization			
Metals Segment	$ 1,805	$ 1,605	$ 1,519
Specialty Chemicals Segment	382	344	349
Corporate	215	133	129
	$ 2,402	$ 2,082	$ 1,997
Capital expenditures			
Metals Segment	$ 1,416	$ 2,472	$ 2,222
Specialty Chemicals Segment	396	475	983
Corporate	80	112	135
	$ 1,892	$ 3,059	$ 3,340
Geographic sales			
United States	$ 101,814	$ 162,952	$ 154,440
Elsewhere	1,826	4,317	1,264
	$ 103,640	$ 167,269	$ 155,704

Note N Quarterly Results (Unaudited)

The following is a summary of continuing quarterly operations for 2009 and 2008:

(Amounts in thousands except for per share data)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2009				
Net sales	$ 30,393	$ 21,692	$ 25,712	$ 25,843
Gross profit	2,916	1,984	3,022	1,567
Net income (loss)	340	(259)	281	(143)
Per common share				
Basic	.05	(.04)	.04	(.02)
Diluted	.05	(.04)	.04	(.02)
2008				
Net sales	$ 45,109	$ 46,635	$ 38,868	$ 36,657
Gross profit	5,882	7,956	4,426	288
Net income (loss)	1,801	3,243	1,231	(644)
Per common share				
Basic	.29	.52	.20	(.10)
Diluted	.29	.52	.20	(.10)

Note O Interest Rate Swap

The Company used an interest rate swap in which it pays a fixed rate of interest while receiving a variable rate of interest to change the cash flow profile of its variable-rate borrowing to match a fixed rate profile. As discussed in Note C, the Company entered into a long-term debt agreement with its bank and pays interest based on a variable interest rate. To mitigate the variability of the interest rate risk, the Company entered into an interest rate swap contract in February of 2006 with the bank, coupled with a third party who will pay a variable rate of interest. The interest rate swap had a notional amount of $4,500,000 pursuant to which the Company received interest at LIBOR and paid interest at a fixed interest rate of 5.27 percent, and ran from March 1, 2006 to December 31, 2010, which equated to the final payment amount and due date of the term loan discussed in Note C. Although the swap was expected to effectively offset variable interest in the borrowing, hedge accounting was not utilized. Therefore, changes in its fair value were recorded in current assets or liabilities, as appropriate, with corresponding offsetting entries to other expense. The swap liability was settled in December 2009 with a $245,000 payment and the contract was terminated.

Note P Purchase of Ram-Fab, Inc.

On August 31, 2009, the Company entered into an Asset Purchase Agreement with Ram-Fab, Inc. to acquire certain assets and assume certain liabilities of its business for a purchase price of $5,708,000. Ram-Fab, Inc. is a pipe fabricator located in Crossett, Arkansas. The acquisition was for cash and was paid from currently available funds. The purchase price of Ram-Fab, Inc. has initially been allocated to the assets acquired and liabilities assumed according to their estimated fair values at the time of acquisition. This allocation included accounts receivable of $1,093,000, inventories of $2,334,000, other assets of $33,000, machinery and equipment of $1,707,000, tax-deductible goodwill of $1,000,000, and current liabilities of $459,000. The Company also entered into a Lease Agreement to lease Ram-Fab, Inc.'s property and plant buildings with an option to purchase the property and plant buildings for a purchase price of approximately $2,000,000 on or before June 1, 2010. The Company expects to exercise the option and purchase the property and plant before the end of May 2010. Ram-Fab, Inc. had annual sales of approximately $18,000,000 over the 12 months prior to the acquisition date and was profitable. Historically, its primary business was to fabricate both carbon and stainless piping systems. Management will focus on expanding the carbon fabrication business which is a product line that we believe is strategically important for future growth. Goodwill represents expected synergies as the carbon business will complement our stainless steel piping systems' operations generating new opportunities for stainless steel piping

systems require systems since many projects that bidders quote both carbon and stainless steel fabrication. The new business operates as Ram-Fab, LLC and has been assigned to our Metals Segment.

Note Q Asset Sale of Certain Specialty Chemicals Segment's Assets and Discontinued Operations

On October 2, 2009, the Company entered into an Asset Purchase Agreement with SantoLubes Manufacturing, LLC ("SM") to sell the specialty chemical business of Blackman Uhler Specialties, LLC ("BU") for a purchase price of $10,366,000, along with certain property, plant and equipment held by Synalloy Corporation for a purchase price of $1,130,000, all located at the Spartanburg, SC location. The purchase price of approximately $11,496,000, payable in cash, was equal to the approximate net book values of the assets sold as of October 3, 2009, the effective date of the sale, and the Company has recorded a loss of approximately $250,000 resulting primarily from transaction fees and other costs related to the transaction. Divesting BU's specialty chemicals business has freed up resources and working capital to allow further expansion into the Company's metals businesses. The Company has entered into a lease agreement with SM to lease office space in Spartanburg for corporate operations and has also entered into an outsourcing agreement with SM to provide SM with certain accounting and administration functions. BU, along with Organic Pigment, LLC's pigment dispersion business ("OP"), which was sold on March 6, 2009, were both physically located at the Spartanburg facility. OP completed all operating activities at the end of the third quarter. As a result, these two operations, which were included in the Specialty Chemicals Segment, are being reported as discontinued operations. Sales of the two businesses totaled $3,967,000 and $6,486,000 for the third quarter of 2009 and 2008, respectively, and $13,042,000 and $19,204,000 for the nine months of 2009 and 2008, respectively. The Company has reclassified the operations of these disposed businesses to reflect discontinued operations in the financial statements for each of the years presented.

Note R Subsequent Events

On February 12, 2010, the Board of Directors of the Company voted to pay an annual dividend of $.25 per share that was paid on March 22, 2010 to holders of record on March 8, 2010, for a total cash payment of $1,569,000. The Board presently plans to review at the end of each fiscal year the financial performance and capital needed to support future growth to determine the amount of cash dividend, if any, which is appropriate.

On February 24, 2010, the Compensation & Long-Term Incentive Committee of the Board of Directors of the Company approved stock grants under the Company's 2005 Stock Awards Plan. On February 24, 2010, 51,500 shares, with a market price of $7.88 per share, were granted under the Plan to certain management employees of the Company. The stock awards will vest in 20 percent increments annually on a cumulative basis, beginning one year after the date of grant. In order for the awards to vest, the employee must be in the continuous employment of the Company since the date of the award. Any portion of an award that has not vested will be forfeited upon termination of employment. The Company may terminate any portion of the award that has not vested upon an employee's failure to comply with all conditions of the award or the Plan. Shares representing awards that have not yet vested will be held in escrow by the Company. An employee will not be entitled to any voting rights with respect to any shares not yet vested, and the shares are not transferable. Compensation expense totaling $406,000, before income taxes of approximately $148,000, will be recorded against earnings equally over the following 60 months from the date of grant with the offset recorded in Shareholders' Equity. (See Note G)

Report of Management

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and the financial statements for the years ended January 2, 2010, January 3, 2009 and December 29, 2007 have been audited by Dixon Hughes PLLC, Independent Registered Public Accounting Firm. Management of the Company assumes responsibility for the accuracy and reliability of the financial statements. In discharging such responsibility, management has established certain standards which are subject to continuous review and are monitored through the Company's financial management. The Board of Directors pursues its oversight role for the financial statements through its Audit Committee which consists of independent directors. The Audit Committee meets on a regular basis with representatives of management and Dixon Hughes PLLC.

Management's Annual Report On Internal Control Over Financial Reporting

Management of the Company is responsible for preparing the Company's annual consolidated financial statements and for establishing and maintaining adequate internal control over financial reporting for the Company. Management has evaluated the effectiveness of the Company's internal control over financial reporting as of January 2, 2010 based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management believes that the Company's internal control over financial reporting as of January 2, 2010 was effective.

This Annual Report does not include an attestation report of the Company's independent registered public accounting firm that audited the Company's consolidated financial statements regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's independent registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company to provide only management's report in the Annual Report.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Synalloy Corporation

We have audited the accompanying consolidated balance sheets of Synalloy Corporation and subsidiaries (the "Company") as of January 2, 2010 and January 3, 2009, and the related consolidated statements of operations, shareholders' equity and cash flows for each of the years in the three-year period ended January 2, 2010. Our audit also included the financial statement schedule listed in Item 15(a)2 of the Company's Annual Report on Form 10-K. The Company's management is responsible for these financial statements and schedule. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Synalloy Corporation and subsidiaries as of January 2, 2010 and January 3, 2009, and the results of their operations and their cash flows for each of the years in the three-year period ended January 2, 2010, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We were not engaged to examine management's assessment of the effectiveness of the Company's internal control over financial reporting as of January 2, 2010, included in Management's Annual Report on Internal Control over Financial Reporting, referred to in Item 9A(T) of the Company's Annual Report on Form 10-K, and, accordingly, we do not express an opinion thereon.

/s/ Dixon Hghes PLLC
Charlotte, North Carolina
March 22, 2010

Item 9 Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None

Item 9A(T) Controls and Procedures

Disclosure Controls and Procedures

Based on the evaluation required by 17 C.F.R. Section 240.13a-15(b) or 240.15d-15(b) of the Company's disclosure controls and procedures (as defined in 17 C.F.R. Sections 240.13a-15(e) and 240.15d-15(e)), the Company's chief executive officer and chief financial officer concluded that such controls and procedures, as of the end of the period covered by this annual report, were effective.

Internal Control over Financial Reporting

Management’s Annual Report on Internal Control over Financial Reporting on the Company’s internal control over financial reporting is set forth at the conclusion of the Company’s consolidated statements set forth in Item 8 of this Form 10-K. The Annual Report does not include an attestation report of the Company’s independent registered public accounting firm that audited the Company’s consolidated financial statements regarding internal control over financial reporting. Management’s report was not subject to attestation by the Company’s independent registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company to provide only management’s report in this Annual Report.

There has been no change in the Company's internal control over financial reporting during the last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B Other Information

Not applicable

PART III

Item 10 Directors, Executive Officers and Corporate Governance

The information set forth under the captions "Election of Directors," "Executive Officers,” and "Section 16(a) Beneficial Ownership Reporting Compliance" in the Company's definitive proxy statement to be used in connection with its Annual Meeting of Shareholder to be held April 29, 2010 (the "Proxy Statement") is incorporated herein by reference.

Code of Ethics. The Company's Board of Directors has adopted a Code of Ethics that applies to the Company's Chief Executive Officer, Vice President, Finance and corporate and divisional controllers. The Code of Ethics is available on the Company's website at: www.synalloy.com. Any amendment to, or waiver from, this Code of Ethics will be posted on the Company's internet site.

Audit Committee. The Company has a separately designated standing Audit Committee of the Board of Directors established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934. The members of the Audit Committee are Carroll D. Vinson, Murray H. Wright and Craig C. Bram.

Audit Committee Financial Expert. The Company's Board of Directors has determined that the Company has at least one "audit committee financial expert," as that term is defined by Item 407(d)(5) of Regulation S-K promulgated by the Securities and Exchange Commission, serving on its Audit Committee. Mr. Carroll D. Vinson meets the terms of the definition and is independent, as independence is defined for audit committee members in the rules of the NASDAQ Global Market. Pursuant to the terms of Item 407(d) of Regulation S-K, a person who is determined to be an "audit committee financial expert" will not be deemed an expert for any purpose as a result of

being designated or identified as an "audit committee financial expert" pursuant to Item 407(d), and such designation or identification does not impose on such person any duties, obligations or liability that are greater than the duties, obligations or liability imposed on such person as a member of the Audit Committee and Board of Directors in the absence of such designation or identification. Further, the designation or identification of a person as an "audit committee financial expert" pursuant to Item 407(d) does not affect the duties, obligations or liability of any other member of the Audit Committee or Board of Directors.

Item 11 Executive Compensation

The information set forth under the captions “Board of Directors and Committees--Compensation Committee Interlocks and Insider Participation,” “Discussion of Executive Compensation,” and "Compensation of Directors and Officers" in the Proxy Statement is incorporated herein by reference.

Item 12 Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information set forth under the captions "Beneficial Owners of More Than Five Percent of the Company's Common Stock" and "Security Ownership of Management" in the Proxy Statement is incorporated by reference.

Equity Compensation Plan Information. The following table sets forth aggregated information as of January 2, 2010 about all of the Company's equity compensation plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)(c)) [1]
Equity compensation plans approved by security holders	82,993	$ 8.92	264,800
Equity compensation plans not approved by security holders	-	-	-
Total	82,993	$ 8.92	264,800

[1] Represents shares remaining available for issuance under the 2005 Stock Awards Plan.

Non-employee directors are paid an annual retainer of $35,000, and each director has the opportunity to elect to receive $15,000 of the retainer in restricted stock. For 2009, each director elected to receive $15,000 of the annual retainer in restricted stock. The number of restricted shares is determined by the average of the high and low stock price on the day prior to the Annual Meeting of Shareholders. For 2009, each non-employee director received 2,532 shares of restricted stock (an aggregate of 12,660 shares). Issuance of the shares granted to the directors is not registered under the Securities Act of 1933 and the shares are subject to forfeiture in whole or in part upon the occurrence of certain events. The above table does not reflect these shares issued to non-employee directors.

Item 13 Certain Relationships and Related Transactions

The information set forth under the captions “Board of Directors and Committees – Related Party Transactions” and “– Director Independence” in the Proxy Statement is incorporated therein by reference.

Item 14 Principal Accountant Fees and Services

The information set forth under the captions "Independent Registered Public Accounting Firm - Fees Paid to Independent Registered Public Accounting Firm" and "– Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm" in the Proxy Statement is incorporated herein by reference.

PART IV

Item 15 Exhibits and Financial Statement Schedules

(a) The following documents are filed as a part of this report:

1. Financial Statements: The following consolidated financial statements of Synalloy Corporation are included in Part II, Item 8:
   - Consolidated Balance Sheets at January 2, 2010 and January 3, 2009
   - Consolidated Statements of Operations for the years ended January 2, 2010, January 3, 2009 and December 29, 2007
   - Consolidated Statements of Shareholders' Equity for the years ended January 2, 2010, January 3, 2009 and December 29, 2007
   - Consolidated Statements of Cash Flows for the years ended January 2, 2010, January 3, 2009 and December 29, 2007
   - Notes to Consolidated Financial Statements
2. Financial Statements Schedules: The following consolidated financial statements schedule of Synalloy Corporation is included in Item 15:
   - Schedule II - Valuation and Qualifying Accounts for the years ended January 2, 2010, January 3, 2009 and December 29, 2007
   - All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore have been omitted.
3. Listing of Exhibits:
   - See "Exhibit Index"

Schedule II Valuation and Qualifying Accounts

Column A Description	Column B Balance at Beginning of Period	Column C Charged to Cost and Expenses	Column D Deductions (1)	Column E Balance at End of Period
Year ended January 2, 2010				
Deducted from asset account:				
Allowance for doubtful accounts	$ 816,000	$ 498,000	$ 959,000	$ 355,000
Year ended January 3, 2009				
Deducted from asset account:				
Allowance for doubtful accounts	$ 1,004,000	$ 106,000	$ 294,000	$ 816,000
Year ended December 29, 2007				
Deducted from asset account:				
Allowance for doubtful accounts	$ 796,000	$ 223,000	$ 15,000	$ 1,004,000

(1) Allowances, uncollected accounts and credit balances written off against reserve, net of recoveries.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

By /s/ Ronald H. Braam Ronald H. Braam Chief Executive Officer	March 22, 2010 Date
By /s/ Gregory M. Bowie Gregory M. Bowie Chief Financial Officer and Principal Accounting Officer	March 22, 2010 Date

SYNALLOY CORPORATION
Registrant

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

By /s/ James G. Lane, Jr. James G. Lane, Jr. Chairman of the Board	March 22, 2010 Date
By /s/ Sibyl N. Fishburn Sibyl N. Fishburn Director	March 22, 2010 Date
By /s/ Carroll D. Vinson Carroll D. Vinson Director	March 22, 2010 Date
By /s/ Murray H. Wright Murray H. Wright Director	March 22, 2010 Date
By /s/ Craig C. Bram Craig C. Bram Director	March 22, 2010 Date
By /s/ Ronald H. Braam Ronald H. Braam Chief Executive Officer and Director	March 22, 2010 Date

Index to Exhibits

Exhibit No. from Item 601 of Regulation S-K	Description
3.1	Restated Certificate of Incorporation of Registrant, as amended, incorporated by reference to Registrant's Form 10-Q for the period ended April 2, 2005
3.2	Bylaws of Registrant, as amended, incorporated by reference to Registrant's Form 10-Q for the period ended March 31, 2001 (the "first quarter 2001 Form 10-Q")
4.1	Form of Common Stock Certificate, incorporated by reference to the first quarter 2001 Form 10-Q
10.1	Asset Purchase and Sale Agreement, dated as of August 31, 2009 between Registrant and Organic Pigment , LLC, as buyer and Ram-Fab, Inc. and Jones Resources Group, Inc., as seller
10.2	Synalloy Corporation Restated 1994 Non-Employee Directors' Stock Option Plan, incorporated by reference to the first quarter 2001 Form 10-Q
10.3	Synalloy Corporation 1998 Long-Term Incentive Stock Plan, incorporated by reference to the first quarter 2001 Form 10-Q
10.4	Registrant's Subsidiary and Divisional Management Incentive Plan, as restated, effective January 2, 2006, incorporated by reference to Registrant's Form 10-K for the year ended December 30, 2006
10.5	Synalloy Corporation 2005 Stock Awards Plan, incorporated by reference to the Proxy Statement for the 2005 Annual Meeting of Shareholders
10.6	Credit Agreement, dated as of December 13, 2005, between Registrant and Carolina First Bank, incorporated by reference to Registrant's Form 10-K for the year ended December 30, 2006
10.7	Agreement for the purchase and sale of assets between Registrant and Blackman Uhler Specialties, LLC, as sellers and SantoLubes Manufacturing LLC and SantoLubes Spartanburg Holdings LLC, buyers, dated October 2, 2009
10.8	Employment Agreement, dated January 1, 2006, between Registrant and Ronald H. Braam, incorporated by reference to Registrant's Form 10-K for the year ended December 30, 2006
10.9	Amendment 1 to the Synalloy Corporation 2005 Stock Awards Plan incorporated by reference to Registrant's Form 10-K for the year ended December 29, 2007
10.10	Agreement between Registrant's Bristol Metals, LLC. subsidiary and the United Steelworkers of America Local 4586, dated December 10, 2010
10.11	Agreement between Registrant's Bristol Metals, LLC subsidiary and the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada Local Union No. 538, dated February 16, 2009
10.12	Agreement between Registrant's Bristol Metals, LLC subsidiary and the Teamsters Local Union No. 549, dated March 5, 2010
21	Subsidiaries of the Registrant
31.1	Rule 13a-14(a)/15d-14(a) Certifications of Chief Executive Officer
31.2	Rule 13a-14(a)/15d-14(a) Certification of the Chief Financial Officer
32	Certifications Pursuant to 18 U.S.C. Section 1350

ASSET PURCHASE AND SALE AGREEMENT

This Asset Purchase and Sale Agreement (this "*Agreement*"), dated as of August 31, 2009 (the "*Agreement Date*"), is entered into by and between Ram-Fab, Inc. and Jones Resource Group, Inc., both Arkansas corporations (collectively, "*Seller*"), and Organic Pigments, LLC, a South Carolina limited liability company ("*Buyer*"). Each of Seller and Buyer may be referred to individually in this Agreement as a "*Party*" or collectively as the "*Parties*." Unless otherwise defined in the text of this Agreement, capitalized terms are defined in Section 10 herein.

Recitals:

WHEREAS, Ram-Fab, Inc., operates a pipe and vessel fabrication/manufacturing business in Crossett, Arkansas (the "Business");

WHEREAS, Jones Resource Group, Inc. is the sole shareholder of Ram-Fab, Inc. and also is sole owner of the real estate and improvements which are the location of the Business (the Property) and currently leases the Property to Ram-Fab, Inc.;

WHEREAS, Buyer desires to acquire the Business and to lease the Property.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed between Seller and Buyer as follows:

1. PURCHASE AND SALE

1 . 1 Purchase and Sale of Assets. Upon the terms and subject to the conditions of this Agreement, on the Closing Date (defined herein in Section 2.1), Buyer shall purchase from Seller, and Seller shall sell, convey, transfer, assign and deliver to Buyer, all of Seller's right, title and interest in and to Seller's following specific property and assets (collectively, the "Purchased Assets"):

(a) Excluding the ADFA Collateral, all equipment, tools, office equipment, office supplies, furniture, and vehicles owned by Ram-Fab, Inc. used in the Business, and including without limitation the specific items of property as set forth on Attachment 1.1(a) to be completed at Closing in accordance with the Parties' mutual agreement and then attached to this Agreement as an exhibit;

(b) Those accounts receivable of Ram-Fab, Inc. existing as of the Closing Date and approved for purchase by Buyer. These purchased accounts receivable, with the agreed amounts due to Seller thereunder, shall be mutually agreed to by the Parties and shall be set forth on a document to be entitled Attachment 1.1(b) to be completed at Closing in accordance with the Parties' mutual agreement and then attached to this Agreement as an exhibit;

(c) Those raw materials of Ram-Fab, Inc. existing as of the Closing Date and approved for purchase by Buyer. These purchased raw materials, with their agreed values, shall be mutually agreed to by the Parties and shall be set forth on a document to be entitled Attachment 1.1(c) to be completed at Closing in accordance with the Parties' mutual agreement and then attached to this Agreement as an exhibit;

(d) The work in progress inventory of Ram-Fab, Inc. existing as of the Closing Date and approved for purchase by Buyer (the "WIP"). The values of the WIP will be calculated as follows: For each 100% completed spool, ready to ship, not invoiced, the total of: Material at Seller's selling prices, and labor operations at Seller's selling prices; and For each partially completed spool, the total of: Material at Seller's cost plus 4%, or 4% of the value of the material if customer furnished, and labor operations at Seller's selling prices prorated to the spool's percentage of completion.

This purchased WIP, with their agreed values (the "Warranted Value"), shall be mutually agreed to by the Parties for each of Ram-Fab, Inc.'s jobs existing on the Closing Date and shall be set forth on a document to be entitled Attachment 1.1(d) to be completed at Closing in accordance with the Parties' mutual agreement and then attached to this Agreement as an exhibit;

(e) To the extent transferable, all rights under or pursuant to all warranties, representations and guarantees made by suppliers/vendors with respect to the Assets or the Business;

(f) All Ram-Fab, Inc. (i) customer contracts and outstanding offers or solicitations existing as of the Closing Date, and (ii) all equipment leases or other executory contracts to which Ram-Fab, Inc. is a party and which are part of the Assumed Liabilities described below (with (i) and (ii) herein collectively, the "Contracts");

(g) All Governmental Authorizations, if any and including without limitation environmental permits necessary to conduct the Business and all pending applications therefore or renewals thereof, in each case to the extent transferable to Buyer;

(h) All data, computer software applications (including without limitation Sellers' MAS90 software license) and programs, computer software licenses, computerized databases, and records related to the operations of the Business, including but not limited to client and customer lists and records, referral sources, research and development reports and records, production reports and records, service and warranty records, equipment logs, operating guides and manuals, financial and accounting records, creative materials, advertising materials, marketing and promotional materials, studies, reports, correspondence, invoices, strategic plans, market strategies, sales and marketing studies, and other similar documents and records and, subject to any applicable legal requirements, copies of all personnel records;

(i) All of the intangible rights and property that are owned by Ram-Fab, Inc., including but not limited to all right, title, and interest in and to all Intellectual Property, going concern value, the name "Ram-Fab, "goodwill, telephone, internet domain names and HTML rights and other rights related to the global information system, telecopier and e-mail addresses and listings; and

1 . 2 Excluded Assets. Notwithstanding anything to the contrary in Section 1.1 or elsewhere in this Agreement, the following assets of Seller (collectively, the "Excluded Assets") are not part of the sale and purchase described herein, are excluded from the Purchased Assets and shall remain the property of Seller after the Closing:

(a) all cash, promissory notes or other negotiable instruments;

(b) all minute books and membership records of Seller;

(c) all personnel records and other records that Seller is legally required to retain in its possession;

(d) all claims for refund of taxes and other governmental charges of whatever nature, if any;

(e) certain equipment not related to the Business as agreed to by the Parties and listed on a document to be entitled Attachment 1.2(e) to be completed at Closing in accordance with the Parties' mutual agreement and then attached to this Agreement as an exhibit; and

(f) the ADFA Collateral.

1.3 Assumption of Liabilities; Proration of Future Expenses.

(a) At the Closing, on the terms and subject to the conditions, provisions, and restrictions set forth in this Agreement, Buyer agrees to assume and pay or discharge as they come due (subject, however, to Buyer's right to contest in good faith any disputed liability) the following liabilities of Seller (the "Assumed Liabilities"):

All the accrued liabilities and trade accounts payable of Seller as of the close of business on the Closing Date and mutually agreed to by the Parties and as set forth on a document to be entitled Attachment 1.3(a) to be completed at Closing in accordance with the Parties' mutual agreement and then attached to this Agreement as an exhibit. Such attachment shall include all accrued but unpaid trade payables and other liabilities as of the date thereof. Notwithstanding anything herein to the contrary, Buyer shall not assume any liabilities of Seller which are not shown on Attachment 1.3(a), and the Assumed Liabilities are limited strictly to those to be shown on Attachment 1.3(a).

Buyer shall not assume, and Seller shall retain liability for, any and all liabilities of Seller (including without limitation trade accounts payable which are not specifically described in Attachment 1.3(a) as finally prepared.

(b) If new accounts for utilities serving the Business are not open and effective as of the Closing Date, any utility billing to Seller covering dates before and after the Closing Date shall be prorated between Seller and Buyer, with Buyer to promptly pay to Seller the prorated amount of such billing computed from and including the Closing date to the end of the billing cycle for that billing. Any personal property taxes or other fees or charges arising from ownership of any of the Assets or operation of the Business shall be prorated as of the Closing Date and shall be handled as follows: Seller shall be responsible to pay any such charges which accrued prior to the Closing Date, and Buyer shall be responsible to pay any such charges which accrued on or after the Closing Date. The Party receiving the billing for any such charges shall notify the other Party of the amount it owes for the billing (with such notice to include a copy of the relevant billing and a calculation of the prorated amounts payable by each Party), and the Party so notified within ten (10) days of the notice date shall pay the other Party the amount properly due as provided in this Section 1.3(b).

1.5 Purchase Price.

(a) Purchase Price. The purchase price for the Purchased Assets (the "Purchase Price") shall be a dollar amount which is equal to (i) Two Million Six Hundred Thirty-Three Thousand Six Hundred Seventy-Four Dollars ($2,633,674.00), plus (ii) the aggregate dollar amount of all the purchased accounts receivable owed to Seller as shown on Attachment 1.1(b), ***plus*** (iii) the aggregate dollar amount of all the purchased raw materials as shown on Attachment 1.1(c),***plus*** (d) the aggregate dollar amount of the Warranted Value as shown on Attachment 1.1(d), ***minus*** (e) the aggregate dollar amount of the Assumed Liabilities as shown on Attachment 1.3(a).

(b) At Closing, Buyer shall tender and pay Seller the Purchase Price.

(c) Allocation of Purchase Price. The Purchase Price shall be allocated among the Purchased Assets in accordance with Attachment 1.5(d) to be completed at Closing in accordance with the Parties' mutual agreement and then attached to this Agreement as an exhibit. Provided, however, such allocation shall be in conformity with Section 1060(b) of the Internal Revenue Code of 1986, as amended (the "*Code*") and the regulations promulgated thereunder. Buyer and Seller agree to cooperate in filing all information required by Section 1060(b) of the Code and the regulations promulgated thereunder, and to take no position on or with respect to any income tax return, report or filing with the Internal Revenue Service (including, without limitation, any amendments thereto) inconsistent with such allocation. Each of the Parties hereto shall not take a position (except as required pursuant to any Order) on any tax return, before any Governmental Authority charged with the collection of any taxes or in any judicial proceeding that is in any way inconsistent with the allocation determined in accordance with this Section. Each of Buyer and Seller shall file an Internal Revenue Service Form 8594 with respect to this transaction.

(d) Post Closing Adjustments of Purchase Price.

(i) Within twenty (20) days of Closing, Buyer shall complete an evaluation of the Assets purchased, including a physical inventory of the Assets, and the Liabilities assumed as of the Closing Date and will submit the same to Seller for review (the "Post-Closing Adjustment"). Seller will have five (5) business days in which to object to the Post-Closing Adjustment. If the amount of the Post-Closing Adjustment, reduced by Ten Thousand Dollars ($10,000), is more than the Purchase Price, the Buyer will pay to the Seller the difference within three (3) business days of establishing the Post-Closing Adjustment. If the amount of the Post-Closing Adjustment, reduced by Ten Thousand Dollars ($10,000), is less than the Purchase Price, Seller will pay to the Buyer the difference within three (3) business days of establishing the Post-Closing Adjustment. Any payments to or by a Party as provided in this paragraph shall be deemed to adjust the Purchase Price up or down by such payment amount, as applicable.

(ii) Ram-Fab, Inc. after Closing shall pay all its debts not assumed by Buyer in a timely manner, subject to its right to contest in good faith any disputed debt. If Ram-Fab, Inc. fails to pay any such debt within five (5) days after receiving notice from Buyer to do so, then Buyer, at its sole discretion, may pay such debt for the account of the Seller and set-off the payment against any monies payable to Seller, including without limitation rental payments payable by Buyer to Jones Resource Group, Inc under the Lease described in Section 5.2, below. Any payments made by Buyer as provided in this paragraph shall be deemed to adjust the Purchase Price downward by such payment amount.

(iii) Seller absolutely and unconditionally warrants that Buyer shall receive payment in full of the account receivables comprising Attachment 1.1(b). If any account receivable comprising Attachment 1.1(b) has not been paid in full within 120 days of the Closing Date, then (i) Buyer shall have the right to reassign the relevant unpaid account receivable, to the extent it was not paid in full, to Ram-Fab, Inc., and Buyer shall execute necessary reassignment documents and shall provide Ram-Fab, Inc. with copies and original documents from the acquired assets sufficient to allow it to pursue legal action against said customer to collect such receivables, if any, and (ii) Seller upon such reassignment shall pay Buyer the unpaid amount of the relevant account receivable. Further, to the extent Seller fails to pay Buyer for any such reassigned account receivable, Buyer may setoff such debt of Seller against any monies payable by Buyer to either Seller, including without limitation rental payments payable to Jones Resource Group, Inc., under the Lease or the purchase price to be paid by Buyer to Jones Resource Group, Inc., if Buyer purchases the Property pursuant to a purchase option granted in the Lease. The Purchase Price shall be reduced by the amount of any such setoffs made by Buyer.

(iv) Seller absolutely and unconditionally warrants that Buyer shall receive the Warranted Value from each of the WIP jobs which comprise the Warranted Value notwithstanding the fact that some or all of such jobs may be fulfilled by Buyer after the Closing Date. If after Buyer's completion of any such job the respective customer does not pay all of the respective Warranted Value of that job after being billed for the same (and regardless of such customer's reason for non-payment, including without limitation customer's claim that Buyer has not properly fulfilled the job after Closing), Seller shall promptly repay Buyer an amount equal to the amount of the customer's aggregate nonpayment (the "Warranted Value Deficiency"), and the Purchase Price shall be reduced accordingly. Further, to the extent Seller fails to repay Buyer any Warranted Value Deficiency, Buyer may setoff such Warranted Value Deficiency against any monies payable by Buyer to either Seller, including without limitation rental payments payable to Jones Resource Group, Inc., under the Lease or the purchase price to be paid by Buyer to Jones Resource Group, Inc., if Buyer purchases the Property pursuant to a purchase option granted in the Lease. The Purchase Price shall be reduced by the amount of any such setoffs made by Buyer.

1.6 Ram-Fab, Inc. Employees and Sales Representatives.

(a) At least ten days prior to Closing, Seller shall deliver to Buyer a schedule that shall identify all of the Ram-Fab, Inc. employees with their respective compensation levels and any other employee information which Buyer reasonably requests. Immediately following the Closing, (i) Ram-Fab, Inc. shall terminate the employment of all its employees except any such employees which Buyer does not wish to hire and which Buyer approves in writing at the Closing, and (ii) Buyer may make, or may cause an affiliate or contractor to make, offers of employment to any Ram-Fab, Inc. employee chosen by Buyer, at Buyer's sole option and discretion, and under employment terms which Buyer deems suitable in its sole discretion. Seller and Buyer shall work together in good faith to provide a smooth transition of such employees, including, to the extent permitted by law, Seller transferring copies of the personnel records of each employee that accepts an offer of employment with Buyer and other information necessary to permit Buyer to credit such employees with periods of employment with Seller and its predecessors-in-interest.

(b) Independent Sales Representatives. At least ten days prior to Closing, Seller shall deliver to Buyer a schedule that shall identify all of the Independent Sales Representatives. At Closing, Buyer may make, or may cause an affiliate or contractor to make, offers to enter into an agreement with any of such Independent Sales Representatives chosen by Buyer, at Buyer's sole option and discretion, and under agreement terms which Buyer deems suitable. Seller shall cooperate with any actions of Buyer to contract with any such Independent Sales Representatives that Buyer chooses.

1.7 Title to Purchased Assets. Seller shall convey to Buyer fee simple, good, marketable title, free of any Encumbrance, to all of the Purchased Assets by all necessary and appropriate documents of transfer and sale, including such bills of sale, deeds, endorsements and assignments, and other good and sufficient instruments of bargain and sale, in such form as Buyer may reasonably require, and which documents shall be sufficient to vest in the Buyer good and marketable title.

2. CLOSING

2.1 Closing Date. The consummation of the sale and transfer and conveyance of title to and possession of the Purchased Assets pursuant to this Agreement (the "Closing") will take place on August 31, 2009 at the offices of Friday, Eldredе & Clark in Little Rock, Arkansas, or at such date, time and place and in such manner as mutually agreed upon by the Parties (the "*Closing Date*"). The sale and purchase of the Purchased Assets shall be effective as of 11:59 p.m. on the Closing Date.

2.2 Transfer of Possession. On the Closing Date, Seller, through its officers, agents and employees, will put Buyer into full possession of the Purchased Assets and the copies of documents to be delivered pursuant to Section 2.4 below. If any of the Purchased Assets are not located at the Property, Seller shall make arrangements with the appropriate Persons to ensure that Buyer may take possession and control of such assets.

2.3 Buyer's Closing Date Deliveries. Subject to fulfillment or waiver of the conditions set forth in Section 6, at the Closing Buyer shall deliver to Seller all of the following:

(a) The Purchase Price, payable by wire transfer or bank cashier check;

(b) The Lease and Memorandum, executed by the lessee therein; and

(c) Such other documents and instruments, executed by duly authorized officers of Buyer where applicable, as may be reasonably requested by Seller.

2.4 Seller's Closing Date Deliveries. Subject to fulfillment or waiver of the conditions set forth in Section 7, at the Closing, Seller shall deliver to Buyer all of the following:

(a) A "Bill of Sale", in the form reasonably satisfactory to Buyer, executed by a duly authorized officer of Ram-Fab, Inc.;

(b) A copy of each Seller's Articles of Incorporation and Bylaws, and all amendments of the same, certified by an officer of Seller as of a recent date;

(c) Certificate of existence for each Seller issued as of a recent date by the Secretary of State of Arkansas;

(d) A certificate of an officer of each Seller, dated as of the Closing Date, in form and substance reasonably satisfactory to Buyer, as to (i) the resolutions of the Board of Directors of Seller authorizing the execution and performance of this Agreement and the transactions contemplated hereby and thereby; and (ii) the incumbency and signatures of the officers of Seller executing this Agreement;

(f) A certificate, dated the Closing Date, signed on behalf of Seller by a duly authorized officer of Seller, stating that there has been no material breach by Seller in the performance of any of its covenants and agreements herein which has not have been remedied or cured, and each of the representations and warranties of Seller contained in this Agreement are true and correct in all material respects on the Closing Date as though made on the Closing Date (except for changes therein specifically permitted by this Agreement or resulting from any transaction expressly consented to in writing by Buyer or any transaction contemplated by this Agreement);

(g) Copies of all Governmental Authorizations, if any, included in the Purchased Assets;

(h) a document properly executed and in a form reasonably satisfactory to Buyer terminating all leases between Ram-Fab, Inc. and Jones Resource Group, Inc. with regard to the property described in the Lease and including without limitation the consent of any person(s) having a security interest in, or assignment of, such leases; ;

(i) Noncompete and nonsolicitation of employee agreements of Byron Jones, Mike Jones, Steve Jones and Ram-Fab, Inc. in the form acceptable to Buyer;

(j) The Lease and Memorandum, executed by the lessor therein;

(k) An agreement from Seller, satisfactory to Buyer, providing for indemnification to Buyer for Seller's or its shareholders' use of any private aircraft owned by either Seller and providing for Seller to insure such aircraft with Buyer as an additional insured;

(l) The Survey;

(n) Copy of deed, and proof of recording of same, conveying Lot 2 of the Property from Ram Fab, Inc. to Jones Resource Group, Inc.;

(o) Properly executed employment Agreements with Mike Jones and Steve Jones in the form acceptable to Buyer; properly executed consulting Agreement with Byron Jones in form acceptable to Buyer;

(p) evidence acceptable to Buyer showing the termination of all liens and mortgages of record filed by First National Bank of Crossett against both or either Seller;

(q) a document properly executed, in recordable form with the Secretary of State of Arkansas and with appropriate filing fee attached, changing the name of Ram-Fab, Inc. to a name reasonably acceptable to Buyer;

(r) A document assigning the ancillary lease to Buyer in form acceptable to Buyer; and

(s) Such other documents and instruments, executed by duly authorized officers of Seller where applicable, as may be reasonably requested by Buyer.

2.5 Procedure for Purchased Assets not Assignable at Closing. To the extent that the assignment of any Contracts, license, or other agreement to Buyer requires the consent of the other party thereto, this Agreement shall not constitute an agreement to assign the same if an attempted assignment would constitute a breach thereof or cause a loss of benefits thereunder, but Seller agrees that it shall use best efforts, except for the initiation of litigation against, or payment of cash to the non-consenting party, to obtain, in writing, any required third party consents, and that if any such consent is not obtained, Seller will cooperate with Buyer in any arrangement reasonably acceptable to Buyer designed to provide Buyer with the rights, privileges, and benefits under any such Contracts, license, lease or other agreement, including the enforcement, for the account and benefit of Buyer, of any and all rights of Seller against any other person arising out of the default or cancellation by such other person or otherwise.

3. REPRESENTATIONS AND WARRANTIES OF SELLER

As an inducement to Buyer to enter into this Agreement and to consummate the transactions contemplated hereby, Seller hereby represents and warrants to Buyer as set forth below.

3.1 Organization and Power and Authority of Seller. Each Seller is a corporation duly organized, validly existing and in good standing under the laws of Arkansas. Each Seller has the power and authority to carry on the business conducted by such Seller in the manner conducted immediately prior to the date of this Agreement.

3.2 Authority of Seller. Seller has the power and authority to execute, deliver and perform this Agreement. The execution, delivery and performance of this Agreement by Seller have been duly authorized and approved. This Agreement has been duly authorized, executed and delivered by Seller and (assuming the valid authorization, execution and delivery of this Agreement by Buyer) is the legal, valid and binding obligation of Seller enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general application relating to or affecting creditors' rights and to general equity principles.

3.3 Conflicts. The execution and delivery by Seller of this Agreement and the performance by it of its obligations hereunder or thereunder, do not and will not:

(a) Violate any provision of the Articles of Incorporation or Bylaws of Seller;

(b) (i) To the Knowledge of Seller, violate any provision of applicable law relating to Seller; (ii) violate any provision of any order, arbitration award, judgment or decree to which Seller is subject; or (iii) require a registration, filing, application, notice, consent, approval, order, qualification or waiver with, to or from any Governmental Authority; or

(c) (i) require a consent, approval or waiver from, or notice to, any party to a contract to which Seller is or will be a party, or (ii) result in a breach of or cause a default under any provision of a contract to which Seller is or will be a party.

3.4 No Litigation or Regulatory Action. There are no lawsuits, claims, suits, regulatory proceedings or investigations pending or, to the Knowledge of Seller, threatened against Seller.

3.5 Employees. To the Knowledge of Seller, with respect to the Ram-Fab, Inc. employees, (a) Seller is and has been in compliance in all material respects with all rules and regulations respecting employment, employee plans, employment practices, terms and conditions of employment and wages and hours requirements, the sponsorship, maintenance, administration and operation of occupational safety and health programs, and (b) Seller is not engaged in any violation of any law, rule or regulation related to employment, including unfair labor practices or employment discrimination. There are no representation elections, arbitration proceedings, labor strikes, slowdowns or stoppages or, to Seller's Knowledge, claims of discrimination or unfair labor practices pending or threatened with respect to any employee(s) of Seller. There has not been any citation, fine or penalty imposed or asserted against Seller under any law or regulation relating to employment, immigration or safety matters. There are no complaints against Seller pending or, to the Knowledge of Seller, threatened before the National Labor Relations Board or any similar state or local labor agencies, or before the Equal Employment Opportunity Commission or any similar state or local agency, by or on behalf of any employee or former employee of Seller.

3.6 Disclosure. No representation or warranty or other statement made by Seller in this Agreement, the Attachments and schedules hereto or otherwise in connection with the transactions contemplated hereby contains any untrue statement or omits to state a material fact necessary to make any of them, in light of the circumstances in which it was made, not misleading.

3.7 Compliance with Laws. To the Knowledge, Seller is in material compliance with all laws and regulations applicable to it relating to the Purchased Assets and the Business or the operation, ownership or use of the Purchased Assets.

3.8 Financial Information. To the Knowledge of Seller, all financial information, equipment information and inventory information of Ram-Fab, Inc. given to Buyer prior to Closing is true, correct, accurate and complete in all material respects and is in accordance with the books and records of Ram-Fab, Inc.

3.10 Accounts Receivable. All of the accounts receivable of Seller shown in Attachment 1.1(b) arise from transactions in the ordinary course of Seller's business. Seller has no Knowledge of any defenses or setoffs to the debt represented by any account receivable shown in Attachment 1.1(b).

3.11 Customer Adjustment. Seller has no Knowledge or notice of any pending returns or adjustments to be taken by Seller's customers for sales occurring prior to the Closing Date.

3.12 Intellectual Property. Neither Seller, nor any employee, agent or Affiliate of Seller, has granted any rights, title, or interests to any person or entity respecting any Intellectual Property of Ram-Fab, Inc.

3.14 ERISA. Seller represents that it has undertaken no action or omission which, standing alone, would cause Buyer to incur liability under any employee pension benefit plan (as defined under section 3(2) of the Employee Retirement Income Security Act of 1974, as amended (ERISA)) sponsored by the Seller. In this connection, Seller acknowledges that Buyer is paying fair value for the Purchased Assets.

3.15. Supply Contacts. Ram-Fab, Inc., is not a party to any supply, delivery, or purchase contract which obligates it to (a) purchase goods or services exclusively from a particular vendor, (b) sell goods or services exclusively to one customer or to sell goods or services to a customer under a master contract or other agreement which applies to more than one job site of the customer.

3.16 Ancillary Lease. Seller presently leases a portion of the Property to Pioneer Civil Construction under a written lease with a current expiration date of March 31, 2009 (the "Ancillary Lease"). Seller represents and warrants that the lessee under the Ancillary Lease has no right to extend the term thereof or to purchase the real estate leased thereunder. Seller agrees that so long as the Ancillary Lease is in effect, including without limitation the period after the closing of this Agreement, Seller shall not without the written consent of Buyer, and subject to any conditions imposed by Buyer , extend the term of the Ancillary lease or permit the tenant thereunder to purchase or have a right to purchase the property leased under the Ancillary Lease.

3.17 Environmental Matters.

Seller absolutely and unconditionally warrants that it has and possesses all necessary and applicable federal, state and permits which are required under Environmental Laws (defined below) for the operation of the Business and that it has and possesses all federal or state permits which regulate or pertain to wastewater, storm water, water (surface and groundwater), air emission and hazardous materials relating to the Business or the Property.

Further, to Seller's Knowledge:

(a) any and all oil, petroleum product, waste oil, hazardous waste, hazardous substances, toxic substances or hazardous materials used or generated by Seller have always been or are being generated, used, stored or treated by Seller on and at any of the properties or facilities owned or leased by Seller or on any jobsite at which Seller has performed the Business prior to the Closing Date (collectively, the "*Site*") in compliance with federal, state and local laws, regulations and ordinances;

(b) no petroleum, oil, hazardous substances or hazardous waste have ever been shipped by Seller to other sites or facilities for treatment, storage or disposal in a manner that violates any laws or regulations;

(c) all wells, water discharges and other water diversions on any Site are properly registered and/or permitted;

(d) Seller is in compliance with and has not in the past violated the Resource Conservation and Recovery Act, The Comprehensive Environmental Response, Compensation, and Liability Act, The Hazardous Materials Transportation Act, The Federal Water Pollution Control Act, The Clean Air Act, The Clean Water Act, The Toxic Substances Control Act, and corresponding state and local statutes, and ordinances and any amendments, or successor legislation to such Acts (collectively, the "*Environmental Laws*").

(e) Seller is not aware of any claim or suit or threatened claim or suit related in any form or fashion to any claim of pollution or environmental contamination against Seller or relating to the Property whether brought under federal, state, or local law or for nuisance or negligence and whether at law or in equity.

(f) No petroleum, oil, hazardous substances or hazardous wastes have been released into or are present in the soil and/or groundwater at the Site or other properties.

(g) For purposes of this section, "hazardous waste", "hazardous substances", "hazardous material", "oil", "petroleum", "toxic substances", "manifest", "material safety data sheets", and "response action" shall have the meaning set forth in the Resource Conservation and Recovery Act, The Comprehensive Environmental Response, Compensation and Liability Act, The Hazardous Materials Transportation Act, The Federal Water Pollution Control Act, The Toxic Substances Control Act, and corresponding state and local statutes, and ordinances and any amendments, or successor legislation to such Acts, or as currently defined in any federal, state or local regulations adopted pursuant to such Acts (collectively, the "*Environmental Laws*").

(h) Seller within five (5) business days after the date of this Agreement shall deliver to Buyer copies of all environmental reports, notices of violation, assessments, studies and tests in Seller's possession or control which relate to the Business or the Property including, but not limited to, any and all Phase I environmental assessments.

4. REPRESENTATIONS AND WARRANTIES OF BUYER

As an inducement to Seller to enter into this Agreement and to consummate the transactions contemplated hereby, Buyer hereby represents and warrants to Seller as follows:

4.1 Organization and Power and Authority of Buyer. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of South Carolina. Buyer has the legal power and authority to carry on the business conducted by Buyer in the manner conducted immediately prior to the date of this Agreement.

4.2 Authority of Buyer. Buyer has the legal power and authority to execute, deliver and perform this Agreement. The execution, delivery and performance of this Agreement by Buyer have been duly authorized and approved by all necessary legal action. This Agreement has been duly authorized, executed and delivered by Buyer and (assuming the valid authorization, execution and delivery of this Agreement by Seller) is the legal, valid and binding obligation of Buyer enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general application relating to or affecting creditors' rights and to general equity principles.

4.3 Conflicts. The execution and delivery by Buyer of this Agreement and the performance by it of its obligations hereunder or thereunder, does not and will not:

(a) Violate any provision of the Articles of Organization or Operating Agreement of Buyer;

(b) To the best knowledge of Buyer, (i) violate any provision of applicable law relating to Buyer; (ii) violate any provision of any order, arbitration award, judgment or decree to which Buyer is subject; or (iii) require a registration, filing, application, notice, consent, approval, order, qualification or waiver with, to or from any Governmental Authority; or

(c) (i) Require a consent, approval or waiver from, or notice to, any party to a contract to which Buyer is a party, or (ii) result in a breach of or cause a default under any provision of a contract to which Buyer is a party.

4.4 Disclosure. No representation or warranty or other statement made by Buyer in this Agreement or otherwise in connection with the transactions contemplated hereby contains any untrue statement or omits to state a material fact necessary to make any of them, in light of the circumstances in which it was made, not misleading.

4.5 Ability to Close. On the date hereof, Buyer has, and on the Closing Date, Buyer will have, readily available the funds necessary to consummate the transactions described herein.

5. OTHER AGREEMENTS

5.1 Expenses. Except as otherwise expressly provided herein, each Party shall bear its own costs and expenses incurred in connection with the transactions contemplated hereby.

5.2 Lease. At Closing Jones Resource Group, Inc., and Buyer shall enter into the Lease for the Property as may be acceptable to Buyer (the "Lease"). Further, the Parties shall execute and deliver the Memorandum of Lease ("Memorandum") described in Section 34 of the Lease.

5.3 Standstill. Prior to the Closing Date, Seller shall not offer to sell or in any manner conduct or participate in negotiations for the sale of the Business or the Property.

5 . 4 Conduct of Business. Prior to the Closing Date, Seller shall operate the Business in its ordinary and customary manner and shall not (a) incur debt other than normal trade debt, (b) sell or transfer inventory other than in the ordinary course of Seller's business, in accordance with Seller's usual and customary terms of sale, or (c) sell, lease or transfer any equipment, account receivable or raw materials to any other Person.

5.5 Due Diligence. Seller will cooperate with Buyer and promptly provide Buyer with such due diligence information as Buyer reasonably requests.

5 . 6 Further Assurances. Seller, from time to time after the Closing Date at the reasonable request of Buyer, shall execute and deliver further instruments of transfer and assignment (in addition to those required hereunder) and take such other action as Buyer may reasonably require to more effectively transfer and assign to, and vest in, Buyer each of the Purchased Assets or as otherwise necessary to effect Buyers rights under this Agreement; provided, however, Buyer shall pay all reasonable costs relating thereto. Seller shall cooperate with Buyer to permit Buyer to enjoy Seller's rating and benefits under the worker's compensation laws and unemployment compensation laws of applicable jurisdictions, to the extent permitted by such laws.

5.7 Survey. Seller shall deliver to Buyer at or prior to Closing an updated survey of the real estate which is the subject of the Lease. The survey shall be prepared by a licensed surveyor and shall be an , shall be certified to Buyer and shall show dimensions of the property, property boundaries, building and other improvements locations, encroachments, easements, parking areas, and roadways if any (the "Survey").

5.8 Attornment Agreement. Within thirty (30) days after the Closing Date, Seller shall use its best efforts to obtain for Buyer's benefit an attornment and non-disturbance agreement ("Attornment Agreement"), in form reasonably satisfactory to Buyer, from any lender having a lien on the Property ("Lien Lender") which grants Buyer the right to remain in possession of the Property under the Lease (and conditioned on Buyer's timely performance of all duties and obligations owed under the Lease) notwithstanding any default by Sellers in any debt obligations to the Lien Lender or the exercise by the Lien Lender of any rights of foreclosure or other rights in or against the Property and arising from or in connection with such debt obligations of Seller. The Attornment Agreement, inter alia, must also provide that the Lien Lender will honor any purchase option right of Buyer under the Lease. Buyer agrees that it will consent to any request by the Lien Lender that the Lease be assigned to the Lien Lender as additional security for the debt obligation secured by the Lien Lender's lien in the Property.

6. CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER

The obligations of Buyer under this Agreement shall, at the option of Buyer, be subject to the satisfaction, on or prior to the Closing Date, of the following conditions:

6.1 Deliveries by Seller. Seller shall have delivered to Buyer all the items and deliverables called for by Section 2.4.

6.2 Property Contact. Jones Resource Group, Inc. and Buyer shall have executed and delivered the Lease.

6.3 No Breach by Seller. Seller shall have complied with, and not be in breach of, any duty, obligation, warranty, representation or liability owed or made to Buyer under this Agreement.

6.4 Environmental Matters. Buyer shall be satisfied with the environmental condition of the Purchased Assets and the Property.

6.5 This Section is intentionally left blank.

6.6. Agreement to Attachments. The Parties shall have mutually agreed to the contents of Attachments 1.1(a), 1.1(b), 1.1(c), 1.1(d), 1.2(e), 1.3(a), 1.5(d) and the dollar values as may be shown thereon.

6.7 No Material Adverse Change. In the reasonable opinion of Buyer, after the date of this Agreement no material adverse change shall have occurred in the Business or the Property.

6.8 Real Estate. (a) The Survey does not disclose encroachments, set back line violations or other matters which in Buyer's reasonable opinion have a materially adverse effect either on the market value or the use of the property for Buyer's intended activities; or, (b) in Buyer's reasonable opinion, and based on a leasehold title insurance binder to be obtained by Buyer at its cost, Jones Resource Group, Inc. shall have good and marketable fee simple title to the real estate shown in the Survey; provided, however, Seller in its absolute discretion may elect to waive any impairment or defect of title, including without limitation an impairment arising from the existence of a mortgage lien or other lien on the subject property.

7. CONDITIONS PRECEDENT TO OBLIGATIONS OF SELLER

The obligations of Seller under this Agreement shall, at the option of Seller, be subject to the satisfaction, on or prior to the Closing Date, of the following conditions:

7.1 Delivery by Buyer. Buyer shall have delivered to Seller all the deliverables called for by Section 2.3.

7.2 Lease. Buyer shall have executed and delivered the Lease

7 . 3 No Breach by Buyer. Buyer shall have complied with, and not be in breach of, any duty, obligation, warranty, representation or liability owed or made to Seller under this Agreement.

7 . 4 Agreement to Attachments. The Parties shall have mutually agreed to the contents of Attachments 1.1(a), 1.1(b), 1.1(c), 1.1(d), 1.2(e), 1.3(a), 1.5(d) and the dollar values as may be shown thereon.

8. INDEMNIFICATION

8.1 Indemnification by Seller. From and after the Closing, Seller shall indemnify and hold harmless each Buyer Group Member from and against any and all liabilities and expenses incurred by any Buyer Group Member in connection with or arising from: (a) any breach of any warranty or the inaccuracy of any representation of Seller contained in this Agreement, (b) any breach by Seller of, or failure by Seller to perform, any of its covenants or obligations contained in this Agreement or in the Escrow Agreement, (c) any claim made by any Person against Buyer Group and arising in whole or part from or in connection with the Business prior to the Closing Date (and including without limitation warranty claims or other claims arising from or in connection with goods made or sold by the Seller prior to the Closing Date) or the use or ownership of the Purchased Assets or use of the Property prior to the Closing Date, and (d) any and all Environmental Liabilities and Claims as set forth in Section 8.2 below; *provided, however*, that except in the case of fraud, (i) Seller shall be required to indemnify and hold harmless under clauses (a) and (b) of this Section 8.1 with respect to any liabilities, losses, claims, expenses (including reasonable attorneys' fees) ("*Claims*") incurred by Buyer Group Members only to the extent that the aggregate amount of such Claims suffered by Buyer Group Members exceeds $10,000. Provided, however, such $10,000 exclusion shall not apply to Seller's obligations to pay Buyer any prorated amount due from Seller as provided in Section 1.3(b), to Section 8.2 or to any amounts payable by Seller to Buyer as provided in Section 1.5(d) (ii) (iii) and (iv).

8.2 Indemnification by Seller for Environmental Claims and Liabilities. Seller shall indemnify and hold harmless, including the payment of attorney fees and other expenses of litigation, Buyer Group and each Buyer Group Member from and against any and all claims, damages, injunctions, relief, or liabilities of any sort whatsoever including civil or criminal fines or penalties whether sought under state, federal or local statutory, regulatory, or common law or in equity, and whether brought by a governmental or regulatory entity or by a third party arising out of or related in any fashion to any (a) breach of any of Seller's warranties and representations in Section 3.17, or (b) claim of pollution or environmental contamination, or other violation of Environmental Laws, including, but not limited to, claims under the Comprehensive Environmental Response Compensation and Liability Act, the Resource Conservation and Recovery Act, the Federal Water Pollution Control Act, the Clean Water Act, the Clean Air Act, the Hazardous Materials Transportation Act, the Toxic Substances Control Act, and similar state and local laws and regulations or any other Environmental Law including any amendments thereto and/or for negligence, strict liability, nuisance or other theory where such claim under this Section 8.2(b) relates to actions or inactions which occurred, or conditions which existed, in connection with the Business or Property prior to the Closing Date and regardless of whether Seller on the Closing Date has no Knowledge of such claim or of the relevant pre-Closing actions, inactions or conditions relating to such claim (it being the parties' intention that Buyer's indemnification right under Section 8.2(b) shall exist independently of any breach or non-breach of Seller's warranties and representations in Section 3.17). The indemnities in 8.2(a) and (b) expressly include any costs related to investigation or remediation and any claims of groundwater or soil contamination for any reason including the release of petroleum related products. This indemnifications in this Section 8.2 shall survive closing and remain in full force and effect thereafter except as time limited by Section 9.1, below.

8.3 Indemnification by Buyer. From and after the Closing, Buyer shall indemnify and hold harmless each Seller Group Member from and against any and all liabilities and expenses incurred by such Seller Group Member in connection with or arising from: (a) any breach of any warranty or the inaccuracy of any representation of Buyer contained in this Agreement or in the Escrow Agreement, (b) any breach by Buyer of, or failure by Buyer to perform, any of its covenants and obligations contained in this Agreement, (c) the ownership, use or sale of the Purchased Assets or the operation of the Business after the Closing Date, and (d) the Assumed Liabilities; *provided, however*, that except in the case of fraud, (i) Buyer shall be required to indemnify and hold harmless under clauses (a) and (b) of this Section 8.3 with respect to Claims incurred by Seller Group Members only to the extent that the aggregate amount of such Claims suffered by Seller Group Members exceeds $10,000 and (ii) the aggregate amount required to be paid by Buyer pursuant to clause (a) of this Section 8.3 shall not exceed 25% of the Purchase Price, as may be adjusted pursuant to Section 1.5(d). Provided, however, such $10,000 exclusion and 25% cap shall not apply to Buyer's obligation to pay Seller any amount due from Buyer as provided in Section 1.3(b).

8.4 Notice of Claims.

(a) Any Buyer Group Member or Seller Group Member seeking indemnification hereunder (the "*Indemnified Party*") shall give promptly to the Party obligated to provide indemnification to such Indemnified Party (the "*Indemnitor*") a written notice (a "*Claim Notice*") describing in reasonable detail the facts giving rise to the claim for indemnification hereunder and shall include in such Claim Notice (if then known) the amount or the method of computation of the amount of such claim, and a reference to the provision of this Agreement or any other agreement, document or instrument executed hereunder or in connection herewith upon which such claim is based; *provided, however*, that the failure of any Indemnified Party to give the Claim Notice promptly as required by this Section 8.4(a) shall not affect such Indemnified Party's rights under this Section 8 except to the extent such failure is actually prejudicial to the rights and obligations of the Indemnitor.

(b) In calculating any Liability or Expense there shall be deducted (i) any insurance recovery in respect thereof (and no right of subrogation shall accrue hereunder to any insurer); (ii) any indemnification, contribution or other similar payment actually recovered by the Indemnified Party from any third Party with respect thereto; and (iii) any tax benefit or refund actually received or enjoyed by, the applicable Indemnified Party as a result of such Liability or Expense. Any such amounts or benefits received by an Indemnified Party with respect to any indemnity claim after it has received an indemnity payment hereunder shall be promptly paid over to the Indemnitor, but not in excess of the amount paid by the Indemnitor to the Indemnified Party with respect to such claim.

(c) After the giving of any Claim Notice pursuant hereto, the amount of indemnification to which an Indemnified Party shall be entitled under this Section 8 shall be determined: (i) by the written agreement between the Indemnified Party and the Indemnitor; (ii) by a final judgment or decree of any court of competent jurisdiction; or (iii) by any other means to which the Indemnified Party and the Indemnitor shall agree. The judgment or decree of a court shall be deemed final when the time for appeal, if any, shall have expired and no appeal shall have been taken or when all appeals taken shall have been finally determined. The Indemnified Party shall have the burden of proof in establishing the amount of Liabilities and Expenses suffered by it. All amounts due to the Indemnified Party as so finally determined shall be paid by wire transfer within thirty days after such final determination.

8.5 Third Person Claims.

(a) In order for a Party to be entitled to any indemnification provided for under this Agreement in respect of, arising out of or involving a claim or demand made by any third Person against the Indemnified Party, such Indemnified Party must notify the Indemnitor in writing, and in reasonable detail, of the third Person claim within ten days after receipt by such Indemnified Party of written notice of the third Person claim. Thereafter, the Indemnified Party shall deliver to the Indemnitor, within five days after the Indemnified Party's receipt thereof, copies of all notices and documents (including court papers) received by the Indemnified Party relating to the third Person claim. Notwithstanding the foregoing, should a Party be physically served with a complaint with regard to a third Person claim, the Indemnified Party must notify the Indemnitor with a copy of the complaint within five days after receipt thereof and shall deliver to the Indemnitor within seven days after the receipt of such complaint copies of notices and documents (including court papers) received by the Indemnified Party relating to the third Person claim (or in each case such earlier time as may be necessary to enable the Indemnitor to respond to the court proceedings on a timely basis).

(b) In the event of the initiation of any legal proceeding against the Indemnified Party by a third Person, the Indemnitor shall have the sole and absolute right after the receipt of notice, at its option and at its own expense, to be represented by counsel of its choice and to control, defend against, negotiate, settle or otherwise deal with any proceeding, claim, or demand which relates to any loss, liability or damage indemnified against hereunder; *provided, however*, that the Indemnified Party may participate in any such proceeding with counsel of its choice and at its expense. The Parties agree to cooperate fully with each other in connection with the defense, negotiation or settlement of any such legal proceeding, claim or demand. To the extent the Indemnitor elects not to defend such proceeding, claim or demand, and the Indemnified Party defends against or otherwise deals with any such proceeding, claim or demand, the Indemnified Party may retain counsel, at the expense of the Indemnitor, and control the defense of such proceeding. Neither the Indemnitor nor the Indemnified Party may settle any such proceeding, which settlement obligates the other Party to pay money, to perform obligations or to admit liability without the consent of the other Party, such consent not to be unreasonably withheld. After any final judgment or award shall have been rendered by a court, arbitration board or administrative agency of competent jurisdiction and the time in which to appeal therefrom has expired, or a settlement shall have been consummated, or the Indemnified Party and the Indemnitor shall arrive at a mutually binding agreement with respect to each separate matter alleged to be indemnifiable by the Indemnitor hereunder, the Indemnified Party shall forward to the Indemnitor notice of any sums due and owing by it with respect to such matter and the Indemnitor shall pay all of the sums so owing to the Indemnified Party by wire transfer within thirty (30) days after the date of such notice.

8.6 Limitations.

(a) Any indemnity payment hereunder shall be treated for tax purposes as an adjustment of the Purchase Price to the extent such characterization is proper or permissible under relevant tax law, including court decisions, statutes, regulations and administrative promulgations.

(b) Except for remedies that cannot be waived as a matter of law and injunctive and provisional relief and except as otherwise provided in this Section 8,, if the Closing occurs, this Section 8 shall be the exclusive remedy for breaches of this Agreement (including any covenant, obligation, representation or warranty contained in this Agreement or in any certificate delivered pursuant to this Agreement) or otherwise in respect of the sale of the Purchased Assets.

(c) No Party shall have any liability for any special, exemplary, punitive, indirect, or consequential damages (including loss of profit or revenue) suffered or incurred by any Buyer Group Member or Seller Group Member, as the case may be.

(d) The Closing of the transactions contemplated by this Agreement shall constitute a waiver by any Party of its rights to indemnification or otherwise at law or equity hereunder, if the Party claiming such right had Knowledge of the breach, violation or failure of condition constituting the basis of the claim at or before the Closing Date.

8.6 Mitigation. Each Party agrees to take all reasonable steps and use commercially reasonable efforts to mitigate their respective liabilities and Expenses upon and after becoming aware of any event or condition which could reasonably be expected to give rise to any liabilities and Expenses that are indemnifiable hereunder.

8.7 Setoff. If Seller becomes obligated to Buyer Group as a consequence or in connection with Seller's indemnification obligations set forth in this Section 8, Buyer at all times shall have the right to setoff the same against any monies payable by Buyer to Seller, including without limitation rental payments payable to Jones Resource Group, Inc., under the Lease or the purchase price payable by Buyer if it purchases the Property pursuant to the purchase option granted in the Lease. .

9. GENERAL PROVISIONS

9.1 Survival. No covenant or agreement contained herein to be performed wholly prior to or on the Closing Date shall survive the Closing Date and any covenant and agreement to be performed wholly or partially after the Closing Date (including without limitation the obligations arising under Section 1.5(d)) shall survive the Closing indefinitely, except as otherwise specifically provided herein; provided, however, except as otherwise specifically provided in (a) and (b) of this Section 9.1, or as otherwise expressly may be provided elsewhere in this Agreement, each representation and warranty and the indemnifications contained herein shall survive the Closing until, and will expire and be of no force and effect on, the conclusion of six (6) months following the Closing Date; provided, however, (a) in regard to a claim arising from or in connection with fraud, such claim, and any indemnification obligation pertaining thereto shall be barred only by an applicable statute of limitation, and (b) in regard to a claim arising from or in connection with Sections 3.17 and/or 8.2, such claim, and any indemnification obligation pertaining thereto, shall be barred if the claim arises more than five (5) years after the Closing Date.

9.2 Notices. All notices or other communications required or permitted hereunder shall be in writing and shall be deemed given or delivered (a) when delivered personally against written receipt, (b) if sent by registered or certified mail, return receipt requested, postage prepaid, when received, (c) when received by facsimile transmission if confirmed by the other means described in clause (a), or (b), and (d) when delivered by a nationally recognized overnight courier service, prepaid, and shall be addressed as follows:

If to Seller, to:

Mr. Byron Jones
1410 Pecan St.
Crossett, AR 71635

with a copy to:

Hyden, Miron & Foster, PLLC
200 Louisiana
Little Rock, AR 72201
Attn.: James W. Hyden
Facsimile: (501) 376-7047

If to Buyer, to:

Gregory M. Bowie, Vice President of Finance
Synalloy Corporation
2155 West Croft Circle
Post Office Box 5627
Spartanburg, South Carolina 29304
Facsimile: (864) 240-3300

with a copy to:

Haynsworth Sinkler Boyd, P.A.
P.O. Box 2048
75 Beattie Place
Greenville, South Carolina 29602
Attention: Andrew J. White Jr.

Facsimile: (864) 240-3300

or to such other address as such Party may indicate by a written notice delivered to the other Party in accordance with this Section 9.2.

9.3 Successors and Assigns. Except in the case of Buyer's Designee, neither Party may assign its rights under this Agreement without the written consent of the other Party (which consent shall not be unreasonably withheld or delayed), it being agreed that no such consent shall relieve the assigning Party of its obligations hereunder or thereunder; provided, however, Buyer on or prior to the Closing Date may assign all its rights and obligations under this Agreement to a Person in which Buyer's ownership interest is 50% or more. Notwithstanding the foregoing, the assignment of this Agreement by the Buyer shall not release the Buyer or Seller from their specific obligations to each other, or diminish their respective rights against each other, with respect to any covenants or obligations set forth in this Agreement or in any related agreements executed as part of the transactions contemplated herein. This Agreement shall be binding upon and inure to the benefit of the Parties and their successors and permitted assigns. Nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon any Person, other than the Parties and successors and assigns permitted by this Section 9.3, and the Indemnified Parties under Section 8, any right, remedy or claim under or by reason of this Agreement.

9.4 Entire Agreement; Amendments. This Agreement and the Attachments referred to herein (which are hereby incorporated herein by such references), contain the entire understanding of the Parties with regard to the subject matter contained herein or therein, and supersede all other prior agreements, understandings, term sheets, or letters of intent between the Parties. Neither this Agreement shall be amended, modified or supplemented except by a written instrument signed by an authorized representative of each of the Parties.

9.5 Interpretation.

(a) Titles and headings to articles, sections and subsections in this Agreement are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

(b) This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting or causing any instrument to be drafted.

9.6 Waivers. Any term or provision of this Agreement may be waived, or the time for its performance may be extended, by the Party or Parties entitled to the benefit thereof. Any such waiver shall be validly and sufficiently authorized for the purposes of this Agreement if, as to any Party, it is authorized in writing by an authorized representative of such Party. The failure of any Party to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor in any way to affect the validity of this Agreement or any part hereof or thereof or the right of any Party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

9.7 This section is intentionally left blank.

9.8 Partial Invalidity; Severability. Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law. In case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such provision or provisions shall be ineffective to the extent, but only to the extent, of such invalidity, illegality or unenforceability without invalidating the remainder of such invalid, illegal or unenforceable provision or provisions or any other provisions hereof or thereof, unless such a construction would be unreasonable.

9.9 Execution in Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement, and shall become binding when one or more counterparts have been signed by each of the Parties and delivered to the other. Fax signatures shall be sufficient under this Agreement.

9.10 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws (as opposed to the conflicts of law provisions) of the State of Arkansas.

9.11 Attorneys' and Experts' Fees. If any legal action, suit or proceeding arising out of or related to this Agreement (any of the foregoing, an "Action") is brought for the enforcement of this Agreement, the successful or prevailing Party shall be entitled to recover reasonable attorneys' and experts' fees and other costs incurred in the Action, in addition to any other relief to which it may be entitled.

9.12 Jurisdiction and Venue. Any Party (the "Plaintiff") wishing to bring an Action against the other Party (the "Defendant") hereby irrevocably and unconditionally agrees to the non-exclusive jurisdiction of any state or federal court located in Pulaski County, Arkansas, Without limiting the foregoing, each Party agrees not to plead or claim that any such court is an inconvenient or otherwise improper or inappropriate forum.

9.13 Warranty of Title; Disclaimer of Other Warranties. Seller makes no representations or warranties with respect to any projections, forecasts or forward-looking information provided to Buyer, if any. Buyer acknowledges that there is no assurance that any projected or forecasted results will be achieved. **EXCEPT AS TO THOSE MATTERS EXPRESSLY COVERED BY THE REPRESENTATIONS AND WARRANTIES AND COVENANTS IN THIS AGREEMENT, INCLUDING WITHOUT LIMITATION THOSE IN SECTION 1.7, SELLER IS SELLING THE PURCHASED ASSETS ON AN "AS IS, WHERE IS" BASIS AND SELLER DISCLAIMS ALL OTHER WARRANTIES, REPRESENTATIONS AND GUARANTIES WHETHER EXPRESS OR IMPLIED. SELLER MAKES NO REPRESENTATION OR WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE AND NO IMPLIED WARRANTIES WHATSOEVER.** Except as may otherwise be expressly set forth in this Agreement, Buyer acknowledges that neither Seller nor any of its Representatives or Affiliates nor any other Person has made any representation or warranty, express or implied, as to the accuracy or completeness of any memoranda, charts, summaries, Attachments or schedules heretofore made available by Seller or its Representatives or Affiliates to Buyer or any Affiliate of Buyer or any other information which is not included in this Agreement or the schedules and Attachments hereto, and neither Seller nor any of its Representatives or Affiliates nor any other Person will have or be subject to any liability to Buyer, any Affiliate of Buyer or any other Person resulting from the distribution of any such information to, or use of any such information by, Buyer, any Affiliate of Buyer or any of their agents, consultants, accountants, counsel or other Representatives.

9.14 No Third Party Benefits. There are no third party beneficiaries of this Agreement. The representations, warranties, covenants and agreements contained in this Agreement are for the sole benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and permitted assigns, and they shall not be construed as conferring any rights on any other persons.

9.15 Announcements. The Parties agree that no press release or other public statement concerning the negotiation, execution and delivery of this Agreement or the transactions contemplated hereby shall be issued or made without the prior written approval of both Buyer and Seller (which approval shall not be unreasonably withheld).

9.16 Post-Closing Actions. After the Closing Date Seller shall cooperate with Buyer as reasonably necessary to grant Buyer the benefits of this Agreement.

9.17 Monetary Units. All dollars referenced in this Agreement are U.S. dollars.

10. DEFINITIONS

10.1 Definitions. In this Agreement, the following terms have the meanings specified or referred to in this Section 10.1 and shall be equally applicable to both the singular and plural forms.

"*ADFA Collateral*" means those items of property described in Uniform Commerical Code financing statements filed with the Secretary of State of Arkansas showing the Arkansas Development Finance Authority as the Secured Party and showing Jones Resource Group, Inc. as the debtor.

"*Affiliate*" means, with respect to any Person, any other Person, which directly or indirectly controls, is controlled by or is under common control with such Person.

"*Buyer Group Member*" means Buyer and its Affiliates and their respective directors, officers, employees, agents, attorneys and consultants and their successors and assigns.

"*Encumbrance*" means any lien, encumbrance, claim, charge, security interest, mortgage, pledge, easement, conditional sale or other title retention agreement, defect in title or other restrictions of a similar kind.

"*Expenses*" means any and all reasonable expenses incurred in connection with investigating, defending or asserting any claim, action, suit or proceeding incident to any matter indemnified against hereunder (including, without limitation, court filing fees, court costs, arbitration fees or costs, witness fees and reasonable fees and disbursements of legal counsel, investigators, expert witnesses, accountants and other professionals).

"*Governmental Authority*" means any foreign, domestic, federal, territorial, state or local governmental authority, quasi-governmental authority, court, commission, board, bureau, agency or instrumentality, or any regulatory, administrative or other department, agency, or any political or other subdivision, department or branch of any of the foregoing or any arbitrator or arbitration panel.

"*Governmental Authorization*" means any consent, license, registration or permit issued, granted or given or otherwise made available by or under the authority of any Governmental Authority pursuant to any legal requirement.

"Insider" shall have the same definition as used in the United States Bankruptcy Code.

"Intellectual Property" means any and all (by whatever name or term known or designated) tangible and intangible and now known or hereafter existing (a) rights associated with works of authorship throughout the universe, including, without limitation, all exclusive exploitation rights, copyrights, neighboring rights, moral rights, and mask-works, (b) trademark, trade dress, and trade name rights and similar rights, (c) proprietary information, confidential information and trade secret rights, (d) patents, designs (including without limitation packaging designs), algorithms, and other industrial property rights, (e) all other intellectual and industrial property and proprietary rights (of every kind and nature throughout the universe and however designated), whether arising by operation of law, contract, license, or otherwise, and (f) all registrations, applications, renewals, extensions, continuations, continuations in part, divisions, reexaminations or reissues thereof now or hereafter in force throughout the universe. For purposes of this Agreement, the Intellectual Property of or belonging to Seller shall also include the rights of Seller to Intellectual Property of its licensors, service providers, and business partners that may be lawfully assigned.

"*Knowledge*," as used herein with respect to the Seller, shall mean the actual knowledge of the Party or Person.

"*Order*" means any judgment, consent, decree, injunction, or any other judicial or administrative mandate.

"*Person*" means any individual, trust, corporation, partnership, limited liability company, joint venture or other business association or entity, court or Governmental Authority.

"*Representatives*" means each Party's directors, officers, partners, members, managers, employees, agents, brokers, or other representatives (including advisers, attorneys, accountants, investment bankers, financial advisers and potential financing sources).

"*Seller Group Member*" means Seller and its Affiliates and their respective directors, board of managers, officers, members, employees, agents, attorneys and consultants and their successors and assigns.

[signature page follows]

IN WITNESS WHEREOF, the Parties have caused this Asset Purchase Agreement to be executed as of the day and year first above written.

SELLER: RAM-FAB, INC.

By:

Name: R. Byron Jones

Title: Chief Executive Officer

SELLER: JONES RESOURCE GROUP, INC.

By:

Name: Michael Jones

Title: President

BUYER: ORGANIC PIGMENTS, LLC

By: Synalloy Corporation, Member

By: Gregory M. Bowie

Title: Vice President, Finance

THIS AGREEMENT IS SUBJECT TO ARBITRATION PURSUANT

TO §15-48-10, CODE OF LAWS OF SOUTH CAROLINA (1976)

AGREEMENT FOR THE PURCHASE AND SALE OF ASSETS

by and among

SANTOLUBES MANUFACTURING LLC AND SANTOLUBES SPARTANBURG HOLDINGS LLC
as the Buying Parties,

AND

BLACKMAN UHLER SPECIALTIES, LLC,
AND
SYNALLOY CORPORATION,
as the Selling Parties

Dated

October 2, 2009

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SCHEDULES

EXHIBITS

AGREEMENT FOR THE PURCHASE AND SALE OF ASSETS

THIS PURCHASE AND SALE AGREEMENT (this "**Agreement**") is made as of October 2, 2009, by and among SantoLubes Manufacturing LLC, a Missouri limited liability company ("**Santolubes**"), SantoLubes Spartanburg Holdings LLC, a South Carolina limited liability company ("**Santolubes Spartanburg**") (collectively, Santolubes and Santolubes Spartanburg are the "**Buying Parties**"), Blackman Uhler Specialties, LLC, a South Carolina limited liability company ("**BU**") and Synalloy Corporation, a Delaware corporation ("**Synalloy**") (collectively, BU and Synalloy are the "**Selling Parties**"). Unless otherwise indicated, capitalized terms used herein shall have the meanings given such terms in Annex A of this Agreement.

W I T N E S S E T H:

WHEREAS, BU engages in the specialty chemical business from a plant site in Spartanburg, South Carolina (the "**Spartanburg Site**"), and in the past also conducted such specialty chemical business from a plant site in Augusta, Georgia (the "**Augusta Site**"), where it manufactures, uses sells and distributes the products listed onSchedule A (the "**Products**"), and performs conversions under toll and contractual agreements (the "**Purchased Business**"); and

WHEREAS, Synalloy owns all the real estate and improvements containing the Spartanburg Site and the Augusta Site (collectively, "**Sites**") and formerly conducted the Purchased Business from the Sites; and

WHEREAS, BU desires to sell, transfer and assign to Santolubes, and Santolubes

desires to purchase and acquire from BU, substantially all of the assets of BU associated with the Purchased Business excluding the Sites, and Santolubes has agreed to assume certain of the Liabilities of BU relating to the Purchased Business, all on the terms set forth herein; and

WHEREAS, Synalloy desires to sell, transfer and assign the Spartanburg Site to Santolubes Spartanburg, and Santolubes Spartanburg desires to buy the Spartanburg Site from Synalloy;

NOW THEREFORE, in consideration of the premises and the agreements, covenants, representations and warranties hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and agreed, the Selling Parties and the Buying Parties agree as follows:

1. PURCHASE AND SALE PURCHASED BUSINESS.

1.1 Purchased Assets. Upon the terms and subject to the conditions of this Agreement and in reliance upon the representations and warranties contained herein, on the Closing Date, BU shall sell, transfer, assign, convey and deliver to Santolubes, and Santolubes shall purchase from BU, free and clear of all Liens (except Permitted Liens and subject to the Excluded Assets set forth in Section 1.3), all of the assets that are used, owned, or leased by BU and that are used or held for use by BU in or in connection with the Purchased Business, including, without limitation:

(a) All improvements and fixtures owned by BU and located on or at the Spartanburg Site;

(b) all of BU's owned or leased equipment, machinery, fixtures and improvements, tooling, spare parts, supplies, tools, dies, and other material located upon or in the Spartanburg Site or used in or in connection with the operation of the Purchased Business, including without limitation, all of the items of equipment and machinery, identified and/or included in the Master Balance Sheet, and all of the replacements for any of the foregoing, and any rights of BU to the warranties and licenses received from the manufacturers and distributors of said items and to any related claims, credits, rights of recovery and set-off with respect to said items, but only to the extent such rights are assignable (the "**Manufacturing Equipment**");

(c) all of the motor vehicles, whether or not licensed or registered to operate on public highways, including, without limitation, automobiles, trucks, forklifts, loaders, self-propelled carts, sweepers and other motorized equipment, used or held for use by BU in the conduct of the Purchased Business, including without limitation, those vehicles and equipment identified and/or included in the Master Balance Sheet, and all spare parts, fuel and other supplies, tools and other items used or held for use by BU in the operation or maintenance thereof (collectively, the "**Motor Vehicles**");

(d) All Product-related Inventory, wherever located as of the Closing Date as well as BU's right to receive Product-related Inventory that was ordered by BU from suppliers prior to but not received by BU as of the Closing Date;

(e) All of BU's Contracts relating exclusively or principally to the Purchased Business or the manufacture, purchase, use, sale and distribution (or any of them) of the Products, all of which are set forth on Schedule 1.1(e) (the "**Assigned Contracts**"), provided, however, none of the following Contracts are included in the Assigned Contracts: (1) all computer, software, telephone (except rights to BU's telephone number(s)), financial, employee support or other services, goods and accommodations which Synalloy or any Affiliate of Synalloy furnished to BU prior to Closing, and (2) Contracts involving the lending of money to or for the benefit of BU;

(f) All deposits and rights associated with prepaid expenses, if any, made by BU that are accrued but unused as of the Closing Date and that relate exclusively to the Assigned Contracts, including, without limitation, the items listed or otherwise included in the Master Balance Sheet (the "**Prepaid Expenses**");

(g) the Intellectual Property Assets as described in Section 3.5, including BU's domain name, web addresses, and telephone number(s);

(h) to the extent their transfer is permitted by Law, all Permits related to the Purchased Business, including all applications therefore, including, without limitation, those identified on Schedule 1.1(h);

(i) all trade, customer accounts and notes receivable, unbilled retention, costs in excess of billings, unbilled revenues, reimbursable costs and expenses and other claims for money due to BU relating to the Purchased Business, including, without limitation, those identified and/or included in the Master Balance Sheet (collectively, the "**Accounts Receivables**"); provided, however, no Accounts Receivable owed by any Affiliate of Synalloy are included in the Accounts Receivable or the Purchased Assets unless the same are included in the Master Balance Sheet;

(j) all mailing lists, equipment maintenance records, warranty information, specifications for plant facilities and products, records of plant operations and the source and disposition of materials used and produced therein, standard forms of documents, manuals of operation or business procedures, and other proprietary or confidential information to the extent the same may be necessary or desirable for the operation of the Purchased Business;

(k) all BU customer lists, including that certain recently generated list of all of BU's customers, that have purchased the Products since January 1, 2007, setting forth the name and address of each such customer (the "**Customer List**");

(l) all BU supplier lists, including that certain recently generated list of all of BU's suppliers that have supplied Inventory related to the Purchased Business and the Products, since January 1, 2007, setting forth the name and address of each such supplier (the "**Supplier List**");

(m) all books, files and records of BU relating to the business and operations of the Purchased Business (other than minutes of corporate meetings, capital stock ledger and purely corporate records which Santolubes may agree are not necessary or advisable to the conduct of the Purchased Business);

(n) all goodwill of BU relating to the Purchased Business;

(o) all claims, warranties, guaranties, refunds, causes of action, rights of recovery, rights of set off and rights of recoupment of every kind and nature that relate to the Purchased Business, the Purchased Assets and the Products; and

(p) all other personal property owned by BU or used or held for use by BU in the conduct of the Purchased Business, of whatever type or description including, without limitation, all furniture, office equipment, communicating equipment, computers, and office supplies (but excluding, however, any computer equipment, telephone equipment or software in which BU owns or owned a partial interest together with Synalloy and/or any Affiliate of Synalloy).

The Purchased Business, including, without limitation, the foregoing properties and assets of BU (excepting those assets expressly excluded by Section 1.2), are herein referred to as the "**Purchased Assets**" (which term, however, when used herein with respect to any date prior to the Closing Date, shall be deemed to refer to the properties and assets of BU that would constitute the "Purchased Assets" hereunder if the Closing were to take place on such date).

1.2 Synalloy Quit Claim Conveyance. Upon the terms and subject to the conditions of this Agreement and in reliance upon the representations and warranties contained herein, on the Closing Date, Synalloy, by a Bill of Sale, shall convey to the Buying Parties all right, title and interest of Synalloy, if any, in (a) the fixtures and improvements that are located on the Spartanburg Site and are not otherwise conveyed to Santolubes Spartanburg by Synalloy pursuant to Section 2.3, and (b) all chemical manufacturing/processing equipment and supplies located at the Spartanburg Site and used in connection with the Purchased Business. Such conveyance by Synalloy shall be free and clear of all Liens, except Permitted Liens.

1.3 Excluded Assets. Notwithstanding the provisions of Sections 1.1 and 1.2, it is hereby agreed that the Purchased Assets shall not include, and BU and Synalloy are not selling to Santolubes, and Santolubes is not purchasing or acquiring from BU or Synalloy, those assets expressly excluded in Sections 1.1 (e), (i), (m) and (p) (the assets expressly excluded by this Section 1.3, collectively the "**Excluded Assets**").

1.4 Assumed Liabilities. At the Closing, Santolubes shall by written instrument assume, and after the Closing shall perform and discharge (i) the Liabilities and obligations of BU under the Assigned Contracts but only to the extent any required third party consents to the assignment and transfer thereof to Santolubes has been obtained and only to the extent such Liabilities and obligations relate to periods subsequent to the Closing and do not arise from acts or omissions of the BU that give rise to a breach of any of the Assigned Contracts, (ii) all Accounts Payable of BU incurred in the ordinary course of the Purchased Business, but only to the extent so reflected in the Master Balance Sheet subject to any adjustments reflected in the Revised Closing Date Balance Sheet, and (iii) all Accruals of BU incurred in the ordinary course of the Purchased Business, but only to the extent so reflected in the Master Balance Sheet subject to any adjustments reflected in the Revised Closing Date Balance Sheet (collectively, the "**Assumed Liabilities**"). The undertakings of Santolubes referred to in this Section 1.4 shall not in any way limit Santolubes's right of recourse as set forth in this Agreement for any breach of the covenants, representations or warranties of BU contained herein. The assumption by Santolubes of the Assumed Liabilities shall not enlarge any rights or remedies of any third parties under any Contracts or arrangements with BU. Nothing herein shall prevent Santolubes from contesting with a third party in good faith any of the Assumed Liabilities.

1.5 Retained Liabilities. Except for the Assumed Liabilities, Santolubes shall not assume or incur any Liabilities or obligations of BU (the "**Retained Liabilities**"). BU shall remain liable to pay, perform and discharge, any and all of the Retained Liabilities; provided however, that BU makes no such commitment with regard to Environmental Claims.

1.6 Closing Date. The purchase and sale of the Purchased Assets provided for inSection 1.1 (the "**Closing**") shall take place October 2, 2009, at the office of BU at the Spartanburg Site contemporaneously with the execution and delivery of this Agreement by the Buying Parties and the Selling Parties on the date set forth above, provided all of the conditions specified in Articles 7 and 8 shall have been satisfied or waived, or at such other place or time or on such other date as BU and Santolubes may agree upon in writing The effective date and time of the sale and purchase transactions described in this Agreement shall be 11:59 p.m., October 2, 2009 (such date and time being herein called the "**Closing Date**").

1.7 Purchase Price.(a) Purchase Price. The purchase price for the Purchased Assets (the "**Purchase Price**") shall be the Net Book Value on the Closing Date, as shown in the Master Balance Sheet, subject to any adjustments determined in accordance with Section 1.7(c) below. The Purchase Price shall be adjusted and paid in the amount and in the manner set forth in Sections 1.7(b) and (c) below.

(b) Payment Amount. At the Closing, Santolubes shall pay to BU, in United States dollars by wire transfer of immediately available funds, the Purchase Price as calculated by reference to a preliminary Master Balance Sheet prepared by the Selling Parties based on the most recent financial information of the Selling Parties as of the Closing Date, which information may not reflect all financial transactions of BU occurring on or shortly before the Closing Date. Within five (5) Business Days following the Closing Date, the Selling Parties shall update the preliminary Master Balance Sheet with financial information of the Selling Parties based on the actual financial information of BU as of the Closing Date and shall furnish this revised Master Balance Sheet to Buying Parties by said fifth Business Day. If the Purchase Price determined in the revised Master Balance Sheet is less that the Purchase Price determined in the preliminary Master Balance Sheet, the Selling Parties shall immediately pay such difference to Santolubes. If the Purchase Price determined in the revised Master Balance Sheet is greater that the Purchase Price determined in the preliminary Master Balance Sheet, Santolubes shall immediately pay such difference to the Selling Parties. Nothing in this Section 1.7 (b) shall affect or in any way prejudice the parties' rights and obligations under Section 1.7 (c).

(c) Purchase Price Adjustment.

(i) Revised Closing Date Balance Sheet. As soon as practicable after the Closing, but no later than the ninetieth (90th) day following the Closing, Santolubes, at its expense, may prepare and deliver, or cause to be prepared and delivered, to BU (i) a balance sheet that reflects proposed adjustments to the Master Balance Sheet (the "**Revised Closing Date Balance Sheet**") and (ii) a schedule (the "**Revised Closing Schedule**") setting forth a calculation of any difference between the Purchase Price paid at Closing, and the Net Book Value of the Purchased Assets based on the Revised Closing Date Balance Sheet. The Revised Closing Date Balance Sheet and the Revised Closing Schedule shall be prepared in a manner consistent with Section 1.7(c)(v).

(ii) Protest Notice. Within thirty (30) days after Santolubes's delivery of the Revised Closing Date Balance Sheet and the Revised Closing Schedule to BU, BU may deliver written Notice, which may be electronic, to Santolubes of any objections, including the basis therefor, BU may have to the Revised Closing Date Balance Sheet and/or the Revised Closing Schedule (the "**Protest Notice**"). Unless otherwise agreed by BU and Santolubes in writing, the failure of BU to deliver such Protest Notice within the prescribed time period will constitute BU's irrevocable acceptance of the Revised Closing Date Balance Sheet and the Revised Closing Schedule.

(iii) Resolution of Protest. If Santolubes and BU are unable to resolve any accounting disagreement with respect to the Revised Closing Date Balance Sheet and/or the Revised Closing Schedule within twenty (20) days following the delivery of any Protest Notice, then either BU or Santolubes may refer the items in dispute (the "**Contested Items**") to a nationally recognized firm of independent public accountants as to which BU and Santolubes mutually agree (the "**Accountants**"), which will not be the regular accounting firm of BU or Santolubes or any firm providing material services thereto. Any undisputed amount due from BU to Santolubes or Santolubes to BU, as the case may be, shall be paid within five (5) Business Days after delivery of the Protest Notice as set forth in Section 1.7(c)(ii), with payment calculated and paid as set forth in Section 1.7(c)(iv). Promptly, but not later than thirty (30) days after acceptance of their appointment, the Accountants will determine resolution of (based solely on presentations to the Accountants by BU and Santolubes and not by independent review) and will render a report as to the Contested Items and the resulting Revised Closing Date Balance Sheet and Revised Closing Schedule, which report will be conclusive and binding upon BU and Santolubes. In resolving any Contested Item, the Accountants may not assign a value to any particular item greater than the greatest value for such item claimed by BU or Santolubes or less than the lowest value for such item claimed by BU or Santolubes, in each case as presented to the Accountants. The fees and expenses of the Accountants shall be borne on a proportionate basis by each of BU and Santolubes, based on the inverse proportion of the respective percentages of the dollar value of disputed issues determined in favor of BU and Santolubes. In making its determination, the Accountants shall only consider the Contested Items that remain in dispute.

(iv) Payment of Adjustment. Within five (5) Business Days after the final determination of the Revised Closing Date Balance Sheet and the Revised Closing Schedule (or with respect to undisputed amounts thereon or the failure of BU to submit a timely Protest Notice) pursuant to the provisions of this Section 1.7(c), the amount shall be calculated and paid as follows:

(a) If the Net Book Value as determined in the Revised Closing Date Balance Sheet is less than the Purchase Price, BU shall pay for the account of Santolubes the amount of such difference by wire transfer of immediately available funds to the bank account specified by Santolubes.

(b) If the Net Book Value as determined in the Revised Closing Date Balance Sheet is greater than the Purchase Price, Santolubes shall pay to BU the amount of such difference by wire transfer of immediately available funds to the bank account specified by BU.

(c) To the extent amounts are owed by both BU and Santolubes, the amounts due shall be netted and the party with the remaining amount payable shall wire funds as set forth above.

The amount of any payment to be made pursuant to this Section 1.7(c)(iv) shall bear interest from and including the Closing Date, but excluding the date of payment, at a rate per annum equal to the prime rate as published in *The Wall Street Journal, Eastern Edition* in effect from time to time during the period from the Closing Date to the date of payment. Such interest shall be payable at the same time as the payment to which it relates and shall be calculated daily on the basis of a year of 365 days and the actual number of days elapsed. BU or Santolubes, as the case may be, shall provide wire instructions to Santolubes or BU, as the case may be, with respect to any such payment at least two (2) Business Days prior to the payment thereof.

(v) Determinations. The Net Book Value for all purposes of this Agreement shall be calculated in accordance with GAAP, and to the extent consistent therewith, in accordance with BU's historical practices.

(vi) Cooperation. For purposes of complying with the terms set forth herein, each party will reasonably cooperate with and promptly make available to the other party and its auditors and representatives all information, records, data and supporting papers relevant to the preparation of the Revised Closing Date Balance Sheet and the Revised Closing Schedule and any adjustment being disputed, and will cause BU to permit access to its facilities and personnel, as may be reasonably required in connection with the preparation and analysis of the Revised Closing Date Balance Sheet and the Revised Closing Schedule and the resolution of any disputes thereunder.

1.8 Allocation of Purchase Price. BU and Santolubes acknowledge and agree that the consideration paid by Santolubes for the Purchased Assets shall be allocated as set forth on Schedule 1.8, which allocation is consistent with the requirements of Section 1060 of the Code and the regulations thereunder. Each party hereto agrees (i) to complete jointly and to file separately Form 8594 with its Federal income tax return, consistent with such allocation, for its current tax year, and (ii) that it will no take a position on any income, transfer or gains tax return, before any Governmental or Regulatory Authority charged with the collection of any such Tax or in any judicial proceeding, that is in any manner inconsistent with the terms of such allocation without the consent of the other party.

1.9 Other Calculations. All assets and Liabilities in respect of the business of BU affecting the calculation of the Purchase Price shall be determined, and all utilities, property taxes, lease payments and similar items of expense (exclusive of insurance) in respect of the Purchased Business and Purchased Assets of BU, and BU's reserves for the same as of the Closing Date, shall be shown or included in the Master Balance Sheet.

2. PURCHASE AND SALE OF REAL PROPERTY.

2.1 Purchase and Sale. Upon the terms and subject to the conditions of this Agreement and in reliance upon the representations and warranties contained herein, on the Closing Date, Synalloy shall sell, transfer and convey to Santolubes Spartanburg, the Spartanburg Site, which site is more fully described in Schedule 2.1, together with all buildings, fixtures and other improvements located on the Spartanburg Site and rights and interests associated therewith or otherwise appurtenant thereto (collectively, the "**Real Property**"). Contemporaneously with the purchase and sale of the Real Property, Santolubes Spartanburg, as lessor, and Synalloy, as lessee, shall execute and deliver a lease, substantially in the form attached as **Exhibit A**, with respect to a portion of the Spartanburg Site (the "**Real Property Lease**").

2.2 Real Property Purchase Price. The purchase price for the Real Property shall be One Million One Hundred Twenty-Nine Thousand Nine Hundred Twenty-Two ($1,129,922.00) (the "**Real Property Purchase Price**"). The Real Property Purchase Price shall be paid by wire transfer of immediately available funds contemporaneously with the payment of the Purchase Price for the Purchased Assets and pursuant to written wire transfer instructions delivered by Synalloy to Santolubes Spartanburg prior to Closing.

2.3 Conveyance. Synalloy shall convey to Santolubes Spartanburg at the Closing good, valid, marketable, indefeasible and insurable fee simple title to the Real Property that it is purchasing herein by limited warranty deed in customary recordable form reasonably acceptable to Santolubes Spartanburg, free and clear of any and all liens, claims, encumbrances, options, restrictions and adverse rights and interests whatsoever, save and except the Permitted Liens.

2.4 Title Insurance. Santolubes Spartanburg shall be responsible for purchasing such title insurance, if any, as it deems advisable, and the Selling Parties shall have no liability to obtain or pay for such title insurance.

2.5 Review Right, Inspection and Survey. Santolubes Spartanburg acknowledges and agrees that prior to the Closing Date it and its authorized representatives, including surveyor and environmental inspection personnel, have had reasonable access to the Real Property for the purpose of inspecting same and obtaining a survey or updated survey, and customary environmental investigation reports, as SantoLubes Spartanburg reasonably determined. The Selling Parties have no responsibility to pay the cost of any such survey or environmental inspections or reports obtained by Santolubes Spartanburg.

2.6 Closing. The closing of the purchase of the Real Property as contemplated by this Agreement shall occur simultaneously with, and at the same location as, the Closing of the Purchased Assets.

2.7 Taxes; Closing Costs and Prorations.

(a) Taxes. All Taxes and special assessments accrued and not yet payable for the current tax year and relating to the Real Property and Equipment should be reflected as an Accrual in the Master Balance Sheet.

(b) Other Prorations. All accrued and not yet payable utility costs for the Business as of the Closing Date should be reflected as an Accrual or Accounts Payable in the Master Balance Sheet, and to the extent a final meter reading is obtained as of the Closing Date, the final meter reading shall be utilized for purposes of allocating such utilities between the Selling Parties and the Buying Parties.

(c) Other Closing Costs. The Buying Parties shall be responsible for paying the costs of any title search and abstracting fees, environmental examinations performed or requested by any of the Buying Parties, and the cost of any title insurance and survey procured by the Buying Parties. Each party shall pay its own attorneys fees incurred in connection with the negotiation and preparation of this Agreement and the consummation of the Closing as contemplated hereby. Synalloy shall pay the recording fees and Taxes for the recording of the deed to Santolubes Spartanburg, and the Buying Parties shall pay the recording fee and Taxes for any mortgage securing any financing obtained by them. Other closing costs shall be allocated between the parties in accordance with normal custom in connection with commercial real estate closing transactions in the community where the Real Property is located.

2.8 Allocation of Real Property Purchase Price. Synalloy and Santolubes Spartanburg acknowledge and agree that the consideration paid by Santolubes for the Real Property shall be allocated as set forth on Schedule 2.8, which allocation is consistent with the requirements of Section 1060 of the Code and the regulations thereunder. Synalloy and Santolubes Spartanburg agree (i) to complete jointly and to file separately Form 8594 with its Federal income tax return, consistent with such allocation, for its current tax year, and (ii) that it will no take a position on any income, transfer or gains tax return, before any Governmental or Regulatory Authority charged with the collection of any such Tax or in any judicial proceeding, that is in any manner inconsistent with the terms of such allocation without the consent of the other party.

3. REPRESENTATIONS AND WARRANTIES OF THE SELLING PARTIES.

With respect to the Purchased Business, the Purchased Assets and the Real Property, the Selling Parties jointly and severally hereby represent and warrant to the Buying Parties, as of the Closing Date, as follows:

3.1 Organization and Authority. BU is a limited liability company and is duly organized, validly existing and in good standing under the laws of the State of South Carolina, and Synalloy is a corporation and is duly organized, validly existing and in good standing under the laws of the State of Delaware. The Selling Parties have all power and authority necessary to carry on that portion of the Purchased Business as now conducted by them and to own or lease and operate the Purchased Business, Purchased Assets and Real Property as and in the places where such business is now conducted and such assets are now owned, leased or operated. The Selling Parties are duly qualified or licensed to do business and are in good standing as a foreign limited liability company or foreign corporation, as the case may be, in each of the jurisdictions where the nature of its business requires it to be so qualified, except where the failure to be so qualified has not or would not result in, or is not reasonably expected to result in, a Material Adverse Effect on the Purchased Business, the Purchased Assets or the Real Property.

3.2 Authorization; Binding Obligation. The Selling Parties have the power and authority to execute and deliver this Agreement and the Transaction Documents and to perform and consummate the transactions contemplated hereby or thereby. The execution, delivery and performance by the Selling Parties of this Agreement and the Transaction Documents have been duly authorized and approved by all requisite corporate or company or other action, as applicable. This Agreement and the Transaction Documents to be executed and delivered by either or both of the Selling Parties are the valid and legally binding obligation of the Selling Parties, enforceable against the Selling Parties in accordance with their respective terms, except to the extent that enforcement of the rights and remedies created thereby may be limited by bankruptcy and other similar Laws of general application affecting the rights and remedies of creditors and by general equity principles.

3.3 No Violations. The execution, delivery and performance of this Agreement and the Transaction Documents by the Selling Parties and the consummation of the transactions contemplated hereby and thereby will not result in a breach or violation of, or in a default under BU's certificate of formation or operating agreement (or other governing document), Synalloy's articles of incorporation or by-laws, or any statute applicable to the Selling Parties, any Contract to which either of the Selling Parties is a party or by which the Selling Parties or their properties are bound or affected, or any Order. No consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental or Regulatory Authority is required by the Selling Parties in connection with the execution and delivery of this Agreement, the Transaction Documents or the consummation of the transactions contemplated hereby or thereby.

3.4 Real Property.(a) The Real Property is the only real property owned or leased by the Selling Parties and used by the Selling Parties in the operation of the Purchased Business. With respect to the Real Property: (i) Synalloy has good, valid and marketable fee simple title to such parcel, free and clear of any Lien except for the Permitted Liens; (ii) there are no leases, subleases, licenses, concessions, or other Contracts, written or oral, granting to any Person the right of use or occupancy of any portion of the Real Property; (iii) there are no outstanding options or rights of first refusal to purchase the Real Property, or any portion thereof or interest therein; (iv) the Real Property has permanent, direct, immediate and uninterrupted rights of access to dedicated public rights of way and roads sufficient for the operation of the Purchased Business, and Synalloy has obtained all necessary curb cut permits or other necessary authorization from all applicable Governmental or Regulatory Authorities allowing Synalloy to connect and/or tie the Real Property directly into such public rights of way; (v) no fact or condition exists which would prohibit or adversely affect the ordinary rights of access to and from the Real Property from and to the existing highways and roads and there is no pending or threatened restriction or denial, governmental or otherwise, upon such ingress and egress; (vi) except for the Permitted Liens, the Real Property may be used and occupied for the Purchased Business, and no Laws prohibit the occupancy of the Real Property for such purpose; (vii) there are no commitments or agreements with any Governmental or Regulatory Authority affecting the Real Property that would be binding on the Buying Parties after the Closing Date that have not been specifically disclosed in writing in Schedule 3.4(a); (viii) the Selling Parties have not received notice of any condemnation, proposed condemnation or any similar proceeding affecting the Real Property and to the Knowledge of the Selling Parties, no such condemnations, proposed condemnations or any similar proceedings affecting the Real Property are planned; (ix) the Real Property is serviced by public utilities or utilities that are available to the Real Property by valid, unencumbered and appurtenant easements, all such utilities are installed and operating and all installation and connection charges with respect thereto have been paid in full; (x) all Permits for use of such utilities have been obtained from all Governmental or Regulatory Authorities or other entities regulating the use thereof, and there is sufficient water, sewer, gas and electricity available to the Real Property to service properly the Purchased Business; (xi) there is not any claim of adverse possession or prescriptive rights involving the Real Property, and there are no parties in possession of any portion of the Real Property other than the Selling Parties; and (xii) no public improvements have been commenced and, to the Knowledge of the Selling Parties, no such public improvements are planned, which may result in special assessments against or otherwise materially adversely affect the Real Property.

(b) Except for the Permitted Liens, the current use of the Real Property does not violate any instrument of record or agreement affecting the Real Property. There is no violation of any covenant, condition, restriction, easement, agreement or order of any Governmental or Regulatory Authority having jurisdiction over any of the Real Property that affects such Real Property or the use or occupancy thereof or which would adversely affect the Buying Parties' conduct of the Purchased Business following the Closing in substantially the same manner as BU conducting the Purchased Business prior to Closing. To the Knowledge of the Selling Parties, no part of the Real Property consists of a wetlands area protected as such under applicable Law.

3.5 Intellectual Property.

(a) The following intellectual property of BU is included in the Purchased Assets (collectively, the "**Intellectual Property Assets**"): the name "Blackman Uhler," processes, common law trademarks, common law trade names, common law service marks, trade dress, logos, copyrights and mask works, domain names (and all registrations, applications, reissuances, continuations, continuations-in-part, revisions, extensions, reexaminations and associated goodwill with respect to each of the foregoing), trade secrets, confidential business information (including ideas, formulas, compositions, inventions, know-how, production processes and techniques, research and development information, drawings, designs, plans, proposals and technical data, financial, marketing and business data and pricing and cost information), Permits, franchises, licenses, distribution rights and the like and other proprietary rights used in or relating to the Products, (in whatever form or medium), including all rights to institute and prosecute all suits and proceedings and take all actions necessary or proper to collect, assert or enforce any claim, right of title of any kind in and to the items listed above.

(b) With respect to the Intellectual Property Assets: (i) BU owns and possesses all right, title and interest in and to, or has a valid and enforceable license to use, the Intellectual Property Assets, (ii) no claim by any third party contesting the validity, enforceability, use or ownership of any of the Intellectual Property Assets, has been made or is threatened; (iii) BU has received no notice of any infringement or misappropriation by any third party with respect to the Intellectual Property Assets; and (iv) with respect to the Intellectual Property Assets, BU has not infringed, misappropriated or otherwise conflicted with any Intellectual Property of any third parties.

(c) The Intellectual Property Assets comprises all of the Intellectual Property that is owned by BU and used by BU in the operation of the Purchased Business as currently conducted. All of the Intellectual Property Assets will be owned or available for use by Santolubes immediately after the Closing.

3.6 Environmental Matters. Schedule 1.1(h) sets forth, and the Selling Parties have obtained, all Permits required under applicable Environmental, Health or Safety Laws in connection with the conduct and operations of the Purchased Business. Each of such Permits is in full force and effect, and the Selling Parties are and have at all times been in compliance in all material respects with the terms and conditions of all such Permits and with any Environmental, Health or Safety Laws applicable to the Purchased Business, Real Property, or the Purchased Assets. In addition, except as set forth in Schedule 3.6 (with paragraph references corresponding to those set forth below), to the Knowledge of the Selling Parties:

(a) There are no solid or hazardous waste management units located on or in the Real Property except for any which may have been properly closed in place and all remediation and clean up accomplished in accordance with all applicable Environmental, Health or Safety Laws.

(b) No underground fuel storage tanks are or have been located on or in the Real Property.

(c) Since August 13, 2008, no Order has been issued, no Environmental Claim has been filed or asserted, no penalty has been assessed and no investigation or review is pending or threatened by any Governmental or Regulatory Authority with respect to any alleged failure by either of the Selling Parties to have any Permits required under applicable Environmental, Health or Safety Laws in connection with the conduct and operations of the Purchased Business on or from the Real Property or with respect to any generation, treatment, storage, recycling, transportation, discharge, disposal or Release of any Hazardous Substance generated by the Selling Parties on or from the Real Property, and there are no facts or circumstances in existence which could reasonably be expected to form the basis for any such Order, Environmental Claim, penalty or investigation.

(d) Neither of the Selling Parties, or any other prior owner, lessee, or occupant of the Real Property has used the Real Property as a treatment, storage or disposal facility requiring a Permit under the Resource Conservation and Recovery Act, as amended, or under any other comparable state or local Law; and, without limiting the foregoing, (i) there are no surface impoundments for Hazardous Substances, active or abandoned, and (ii) no Hazardous Substance has been Released at, and no Hazardous Substance is present, on or under the Real Property in amounts or concentrations that require, or might require, investigation, removal or remedial actions under any Environmental, Health or Safety Law.

(e) With respect to the Purchased Business or any other business conducted from the Real Property, none of the Selling Parties or any other owner or occupant of the Real Property has been designated as potentially responsible under any Environmental, Health or Safety Law for investigative, removal or remedial costs related to the Purchased Business or the Real Property or activities that occurred thereon (including the generation, treatment, storage, or disposal of Hazardous Substances in connection with activities occurring at the Real Property), and none of the Selling Parties or any other owner or occupant of the Real Property has received any requests for information, administrative subpoena or other similar document from a Governmental or Regulatory Authority relating to the Purchased Business or Real Property (including the generation, treatment, storage, or disposal of Hazardous Substances in connection with activities occurring at the Real Property).

(f) With respect to the Purchased Business, no Hazardous Substance generated by the Selling Parties or any Person acting on behalf of either of the Selling Parties, including, without limitation, transporters of Hazardous Substances, has been recycled, treated, stored, disposed of or Released at any location, except in full compliance with all applicable Environmental, Health or Safety Laws.

(g) With respect to the Purchased Business or the Real Property, no notification of a Release of a Hazardous Substance under 42 USC 9603 has been filed by or on behalf of either of the Selling Parties and neither the Real Property nor any other site or facility now or previously owned, operated or leased by either of the Selling Parties is listed or proposed for listing on the NPL, CERCLIS or any similar state or local list of sites requiring investigation or cleanup.

(h) No Liens have arisen under or pursuant to any Environmental, Health or Safety Law on the Real Property or with respect to the Purchased Business any other site or facility owned, operated or leased by either of the Selling Parties, and no federal, state or local Governmental or Regulatory Authority action has been taken or are in process that could subject any such site or facility to such Liens.

(i) Prior to the Closing, the Selling Parties have given the Buying Parties reasonable access to all environmental investigations, studies, audits, tests, reviews or other analyses with respect to the Purchased Business or the Real Property which exist to the Knowledge of the Selling Parties.

3.7 Product Liability Claims; Warranties.

(a) The Master Balance Sheet sets forth and/or includes all products liability and warranty claims that have been asserted in writing or threatened against BU or, asserted or threatened against any customer of BU or any other Person with respect to the Products. No proceedings seeking the recall, withdrawal, suspension or seizure of any of the Products are pending or threatened against any of the Products.

(b) There have been no actual or threatened claims by any employees or contractors of BU or any other Persons, including any employees or contractors of any of BU's customers, asserting any claim for personal injury or illness arising from or relating to the Products, including any claims for workers compensation or claims under OSHA or any other comparable environmental regulatory acts or otherwise with respect to their use of or exposure to the Products.

(c) The express warranty provisions in certain Assigned Contracts set forth onSchedule 1.1(e), and BU's invoices to its customers and/or customers' purchase orders sent to BU contain any warranties which are currently provided by BU in connection with the sale or distribution of the Products and any other warranty under which BU or Santolubes may have any liability with respect to the sale of the Products at or prior to Closing or after Closing pursuant to contractual commitments entered into prior to Closing.

(d) There is no data or other findings that would contradict any materials published by BU with respect to the safety, toxicity or efficacy of the Products.

3.8 Taxes. With respect to the Purchased Business, all federal, state, local and foreign tax reports and returns required by Law to be filed by the Selling Parties have been filed or will be filed by their normal or extended due dates, and all Taxes and other charges shown on said reports and returns or otherwise required to be paid have been paid other than those presently payable without penalty or interest. Any sales or use taxes due in connection with the transaction contemplated hereby have been or will be paid by the Selling Parties. With respect to the Purchased Business, the Selling Parties have required and collected sales tax exemption certificates from all of customers to whom sales were made without requiring sales tax collection and otherwise complied with applicable sales tax Laws (and has provided Santolubes with copies of all such certificates as part of the books and records included in the Purchased Assets).

3.9 Financial Statements.(a) Set forth on Schedule 3.9 are true, correct and complete copies of: (i) the financials for fiscal year 2007 (i.e., the balance sheet as of the end of the fiscal year, and the related statements of income and cash flow for the year then ended related to the Purchased Business); (ii) the financials for fiscal year 2008 (i.e., the balance sheet as of the end of the fiscal year, and the related statements of income and cash flow for the year then ended related to the Purchased Business); (iii) the financials for the first eight months of fiscal year 2009, which ended August 29, 2009 (i.e., the balance sheet dated as of August 29, 2009, and the related statements of income and cash flow for the eight months then ended related to the Purchased Business); and (iv) the Master Balance Sheet (collectively, the "**Financial Statements**").

(b) Each of the Financial Statements has been prepared in accordance with GAAP consistently applied, and present fairly, in all Material respects, the financial condition, the results of operations, cash flows and ownership of the Purchased Business as of the dates and for the periods indicated therein, and are consistent in all Material respects with the books and records of BU (which books and records are correct and complete in all Material respects). The Master Balance Sheet includes a list of fixed assets, inventory and prepaid items as of the close of business as of the Closing Date and were derived using and consistent with, the accounting principles employed in preparing the year end financials for fiscal years 2007 and 2008.

3.10 Absence of Changes. With respect to the Purchased Business and the Purchased Assets, since August 29, 2009, and except as otherwise disclosed on Schedule 3.10:

(a) BU has (i) conducted the Purchased Business only in the usual and ordinary course, (ii) operated the Purchased Business in all Material respects in accordance with past practices; and (iii) used its best efforts to preserve good business relationships with its employees, customers, suppliers and other persons having business relationships with it;

(b) there has not been any change in the condition (financial or otherwise), assets, Liabilities, capitalization, business or prospects of the Purchased Business, other than changes arising in the ordinary course of business, none of which has been adverse in any Material respect;

(c) BU has not suffered any strike or other labor trouble with the Purchased Business Employees and BU has not entered into any agreement or negotiation with any labor union or other representative of any of the Purchased Business Employees;

(d) with respect to the Purchased Business and the Purchased Assets, and other than in the ordinary course of its business as historically conducted, BU has not experienced, made, or agreed to a Material change with respect to (i) the availability, acquisition, composition, quantity, quality or cost of BU's raw material inventory, (ii) the quantity, quality, composition, value or price of BU's finished goods inventory, or (iii) the volume, price, composition, or profitability of BU's toll processing services;

(e) BU has not granted or promised to grant any increase in the salaries or compensation of any of the Purchased Business Employees, or granted or promised to grant any increase in the employment benefits of any character of, or granted or promised to grant any new benefits to, any Purchased Business Employees, except for routine promotions and salary raises all in the ordinary course of business as historically conducted (none of which exceed a raise of $10,000 per annum for any individual);

(f) with respect to the Purchased Business and the Purchased Assets, BU has not made any change in any method of accounting or accounting practice, including without limitation any change in depreciation or amortization policies or rates;

(g) with respect to the Purchased Business and the Purchased Assets, BU has not done any act or omitted to do any act, or permitted any act or omission to act, which has or could cause a breach of any Contract or commitment to which BU is a party or by which the Purchased Assets are bound or affected; and

(h) with respect to the Purchased Business and the Purchased Assets, BU has not entered into a Contract to do or engage in any of the foregoing.

3.11 Title to Assets; Purchased Assets Complete. BU has good, valid and marketable title to the Purchased Assets free and clear of any Lien except for Permitted Liens (including those set forth on Schedule 3.11), and upon the transfer of the Purchased Assets to Santolubes at the Closing, Santolubes will own all of the Purchased Assets free and clear of any Lien except for Permitted Liens. Synalloy has good, valid and marketable title to the Real Property free and clear of any Lien except for Permitted Liens, and upon the transfer of the Real Property to Santolubes Spartanburg at the Closing, Santolubes Spartanburg will own all of the Real Property free and clear of any Lien except for Permitted Liens. Upon the transfer at the Closing of the Purchased Assets to Santolubes and the Real Property to Santolubes Spartanburg, the Buying Parties will collectively own all of the assets and rights (exclusive of the Excluded Assets) necessary for them to conduct the Purchased Business in a manner consistent with the manner in which BU conducted the Purchased Business on and prior to the Closing.

3.12 Permits, Licenses. Except as set forth on Schedule 3.12, the Selling Parties hold all Permits necessary for or used to carry on the Purchased Business as now being conducted under currently effective Laws. Set forth on Schedule 1.1(h) is a list of all Permits, and their respective dates of termination or renewal, owned or held by either or both of the Selling Parties relating to the ownership or operation of the Purchased Business, Real Property, or the Purchased Assets, together with any formal or specific notices or directives received from the Governmental or Regulatory Authority or Person issuing or responsible therefor, for which noncompliance with any such notice or directives could cause revocation, suspension or material diminution in the term of such item, all of which are in good standing. The Selling Parties shall cooperate with the Buying Parties to the extent reasonably necessary to assist the Buying Parties in obtaining the Permits they deem necessary for the Buying Parties to conduct the Purchased Business.

3.13 This section is intentionally left blank.

3.14 Compliance with Laws and Litigation. The Purchased Business and the Real Property are in compliance with all applicable Laws. There are no actions, suits, proceedings, Orders or governmental investigations pending or threatened against either of the Selling Parties related to the Purchased Business, the Purchased Assets or the Real Property except as disclosed in Schedule 7.3. Notwithstanding anything herein to the contrary nothing in thisSection 3.14 shall be applicable to any Environmental Health or Safety Laws or Environmental Claims, it being the parties' intention that warranties and representations from the Selling Parties regarding environmental matters shall be addressed and governed exclusively in Section 3.6.

3.15 Labor Relations; Employees. Schedule 3.15 contains a complete and correct list of all employees employed by BU in the Purchased Business (the "**Purchased Business Employees**"). Other than amounts which have not yet become payable in accordance with BU's customary practices (which amounts will be paid in a timely manner), (a) BU has paid in full to the Purchased Business Employees all wages, salaries, commissions, bonuses and other direct compensation for all services performed by them to the Closing Date, and (b) BU has paid, or will pay in a timely manner, all wages and benefits, FICA, and withholding taxes accrued as of the Closing Date by all of the Purchased Business Employees, and BU is not subject to any claim for nonpayment or non performance of any of the foregoing. BU has not treated as an independent contractor any individuals who should properly be treated as a Purchased Business Employee. There is no unfair labor practice complaint against BU pending before the National Labor Relations Board or any comparable state or local agency, with respect to the Purchased Business Employees. There is no labor strike, dispute, slowdown or stoppage pending, or threatened against BU. No grievance or proceeding alleging discriminatory practices is pending and no claim therefor has been asserted against BU. No collective bargaining representative is certified to represent any group of Purchased Business Employees under the Labor-Management Relations Act of 1947. No petition for election of a collective bargaining representative for all or any portion of the Purchased Business is pending or in respect of any other group of employees. Neither of the Selling Parties is aware of any organizational effort or campaign by any labor union that affects or might affect employment of any of the Purchased Business Employees. Neither of the Selling Parties is a party to any collective bargaining agreement with respect to any of the Purchased Business Employees. The Selling Parties have no Knowledge that any salaried Purchased Business Employees do not intend to accept employment with Santolubes following the Closing.

3.16 Employees Benefit Plans. With respect to the Purchased Business, neither the Selling Parties nor any ERISA Affiliate of the Selling Parties has, or is obligated with respect to (and at the Closing Date will not have) (i) any "employee benefit plans" as defined in the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), other than the Selling Parties' sick leave, vacation and holiday policies, 401(k) plan and employee group life and health insurance plans, if any, (ii) any defined benefit "employee pension benefit plans" (as defined in ERISA). Santolubes shall not assume any employee benefit plans including, without limitation, plans defined in ERISA Section 3(3). With respect to the Purchased Business, neither the Selling Parties nor any ERISA Affiliate is a party to a multiemployer plan within the meaning of ERISA Section 4001(a)(3) or has or may have any liability to make any withdrawal liability payment to any multiemployer plan. With respect to the Purchased Business, the Selling Parties do not have, and will not at the Closing Date have, any "qualified beneficiaries" as defined in the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended. The Selling Parties have delivered to Santolubes copies of the employee booklets (including any plan summaries), if any, given to the Purchased Business Employees with respect to any benefits currently being provided by the Selling Parties to the Purchased Business Employees or to which the Selling Parties are a party or by which either of them is bound. "**ERISA Affiliate**" shall mean all employers (whether or not incorporated) which by reason of common control (or being a member of a "controlled group" as defined in ERISA Section 4001(a)(14) or 4001(b)(i)) are treated together with either of the Selling Parties as a single employer within the meaning of Section 414(b) or Section 414(c) of the Code.

To the extent allowable under the 401(k) plans of Synalloy and Santolubes LLC, a Missouri limited liability company, and ERISA, both of said parties agree to cause a "trust-to-trust" transfer of the 401(k) plan assets of Synalloy relating to the Purchased Business Employees to be transfered to the 401(k) Plan of Santolubes LLC.

3.17 Agreements. Schedule 1.1(e) correctly and completely shows or includes all outstanding Contracts relating to the Purchased Business to which BU is a party or by which it or its assets or properties are bound or affected. Each Assigned Contract is in full force and effect and is valid and enforceable in accordance with its terms and was entered into in the ordinary course of business at customary rates and prices. Neither BU, nor any other party to any of the Assigned Contracts, has breached any provision of or is in default under the terms of any such agreements. Other than the Assigned Contracts, there are no arrangements or contractual obligations or assessments of any kind, including service or operating Contracts or commitments to any third party or Governmental or Regulatory Authorities that would affect or impose any obligation on either of the Buying Parties or the Purchased Business, the Purchased Assets or Real Property subsequent to the Closing. BU is not a party to any Assigned Contracts, nor has BU submitted any bid or proposal for any Contract that relates to the Purchased Business, the terms of which consists of prices or rates that are less than customary or would result in Losses for BU.

3.18 Books and Records. All books, files and records of the Selling Parties relating to the business and operations of the Purchased Business, the Purchased Assets or Real Property (other than minutes of corporate meetings, capital stock ledger and purely corporate records which Santolubes may agree are not necessary or advisable to the conduct of the Purchased Business) are true, correct and complete in all material respects. All actions reflected in such books and records were duly and validly taken in compliance with all applicable Laws.

3.19 Approvals and Filings. No consent, approval, waiver, release or action of, filing with or notice to any Person or Governmental or Regulatory Authority on the part of the Selling Parties is required in connection with the execution, delivery and performance of this Agreement or any of the Transaction Documents to which any of them is a party or the consummation of the transactions contemplated hereby or thereby.

3.20 Operating Condition. The Manufacturing Equipment, Motor Vehicles and all other items of personal property included in the Purchased Assets are sold in an "AS IS" condition. The Selling Parties have no Knowledge that any of the Manufacturing Equipment violates or does not comply with applicable Laws, including without limitation those of the EPA, OSHA and other applicable state or federal regulatory authorities.

3.21 Purchased Business. The Selling Parties have no Knowledge of any fact (other than matters of a general economic or political nature) that has a Material Adverse Effect, or so far as may be reasonably foreseen, will adversely effect in any Material respect, the Purchased Business, the Purchased Assets, the Real Property or the value of any thereof. Provided, however, the warranty and representation of the Selling Parties in this Section 3.21 shall not extend to a Material Adverse Effect caused by or arising in connection with any Hazardous Substance or any Environmental, Health or Safety Law or any Environmental Claims, it being the parties' intention that warranties and representations from the Selling Parties regarding environmental matters shall be addressed and governed exclusively in Section 3.6.

3.22 Transactions with Affiliated Parties. Neither of the Selling Parties nor any Affiliates of the Selling Parties: (i) has any ownership interest, directly or indirectly, in any competitor, supplier or customer of the Purchased Business, (ii) has any outstanding loan to or receivable from the Purchased Business except as may be shown or included in the Master Balance Sheet, or (iii) is a party to or has any interest in any Assigned Contract.

3.23 Inventory. The Inventories in the Purchased Assets are properly valued in accordance with GAAP as reflected in the Financial Statements. The books and records of BU relating to the Inventories are complete and up to date. All Inventories are located at the Spartanburg Site.

3.24 Accounts Receivable. All Accounts Receivable included in the Purchased Assets have arisen in the ordinary course of business of BU, represent valid obligations due to BU, and will be collectible in the ordinary course of business, subject to the reserves reflected in the Master Balance Sheet. None of such Accounts Receivable (i) is subject to any counterclaim or set off except as may be shown or included in the Master Balance Sheet, or (ii) is subject to any Lien.

3.25 Accounts Payable. All Accounts Payable and Accruals included in the Assumed Liabilities have arisen in the ordinary course of business of BU, and represent valid obligations due from BU.

3.26 Indebtedness. The Master Balance Sheet sets forth a complete and accurate list and description of all Indebtedness of BU related to the Purchased Business and the Purchased Assets.

3.27 Undisclosed Liabilities. Except for Liabilities or obligations shown or included in the Master Balance Sheet, and the reserves, if any, for same, the Selling Parties will not have any Liabilities or obligations with respect to the Purchased Business, Real Property, or the Purchased Assets which would cause any Loss, Liability, cost or expense to the Buying Parties due to or in connection with their purchase of the Purchased Assets and Real Property, other than the Assumed Liabilities. Provided, however, the warranty and representation of BU in this Section 3.27 shall not extend to any liability or obligation caused by or arising in connection with any Hazardous Substance or any Environmental, Health or Safety Law or Environmental Claims, it being the parties' intention that warranties and representations from the Selling Parties regarding environmental matters shall be addressed and governed exclusively in Section 3.6.

3.28 Liabilities; Solvency.(a) The Selling Parties are not entering into this Agreement or any other Transaction Document or other document or instrument related hereto or thereto with the intent to defraud, delay or hinder any of its present or future creditors, and the transfers contemplated hereby and thereby will not have such effect.

(b) The Selling Parties are not now insolvent, nor will they be rendered insolvent by the Buying Parties purchase of the Purchased Assets and Real Property or the consummation of any other transaction contemplated hereby. As used in this Section, "insolvent" means that the debts and other probable Liabilities of an entity exceed the sum of the present fair saleable value of the assets of such entity.

(c) Immediately after giving effect to the consummation of the Buying Parties' purchase of the Purchased Assets and Real Property, the Selling Parties will: (i) be able to pay their liabilities as they become due in the usual course of business, (ii) not have an unreasonably small capital with which to conduct their businesses, and (iii) have assets (calculated at fair market value) that exceed liabilities. The cash available to the Selling Parties, after taking into account all other anticipated uses of the cash, will be sufficient to pay all such debts and judgments, if any, related to the Purchased Business, the Real Property or Purchased Assets promptly in accordance with their terms. The Purchase Price and Real Property Purchase Price constitute a reasonably equivalent value for the Purchased Assets and Real Property, as the case may be, and the consummation of the Buying Parties' purchase of the Purchased Assets and Real Property will not constitute a fraudulent transfer under any Law relating to bankruptcy and insolvency.

(d) The Selling Parties have not, at any time, with respect to the Purchased Business, the Purchased Assets or the Real Property: (i) made a general assignment for the benefit of creditors, (ii) filed, or had filed against it, any bankruptcy petition or similar filing, (iii) admitted in writing its inability to pay its debts as they become due, (iv) been convicted of, or pleaded guilty or no contest to, any felony, or (v) taken or been the subject of any action that could reasonably be expected to have an adverse effect on its ability to comply with or perform any of its covenants or obligations under this Agreement or any of the Transaction Documents.

(e) No writ of attachment, execution or similar process has been ordered, executed or filed against the Selling Parties or any of their assets or properties. The Selling Parties have no intention to file a voluntary petition for relief under the United States Bankruptcy Code, as amended, or to seek relief on their debts under or the protection of any other bankruptcy or insolvency Law or proceeding, and, to the Knowledge of the Selling Parties, no creditor of the Selling Parties has threatened to file an involuntary petition for relief under the United States Bankruptcy Code, as amended, or to institute any other insolvency proceedings against the Selling Parties.

3.29 Customer List. To the Knowledge of the Selling Parties, the Customer List contains a true and correct listing of all of BU's customers that have purchased the Products since January 1, 2007, and no customer listed on the Customer List has threatened in writing, nor threatened orally, to cease or Materially reduce its purchases from Santolubes as a result of the sale of the Purchased Assets or for any other reason. To the Knowledge of the Selling Parties, the relationships of BU with its customers listed on the Customer List are good commercial working relationships. To the Knowledge of the Selling Parties, no customer listed on the Customer List is threatened with bankruptcy or insolvency.

3.30 Supplier List. To the Knowledge of the Selling Parties, the Supplier List contains a true and correct listing of all of BU's suppliers that have supplied Inventory since January 1, 2007. To the Knowledge of the Selling Parties, no supplier listed on the Supplier List has threatened in writing, nor threatened orally, to cease or Materially reduce its supply of Inventory to Santolubes as a result of the sale of the Purchased Assets or for any other reason. To the Knowledge of the Selling Parties, the relationships of BU with its suppliers listed on the Supplier List are good commercial working relationships. To the Knowledge of the Selling Parties, no supplier listed on the Suppliers List is threatened with bankruptcy or insolvency.

3.31 Brokers. No Person has acted directly or indirectly as a broker, finder or financial advisor for either of the Selling Parties in connection with the negotiations relating to the transactions contemplated by this Agreement, and no Person is entitled to any fee or commission or like payment in respect thereof based in any way on any agreement, arrangement or understanding made by or on behalf of either of the Selling Parties.

3.32 Full Disclosure. No representation or warranty by either of the Selling Parties in this Agreement and no statement contained in any of the documents furnished, or to be furnished, by either of the Selling Parties to either of the Buying Parties pursuant to the provisions hereof contains or will contain any untrue statement of material fact, or omits or will omit to state any material fact necessary, in light of the circumstances under which it was made, in order to make the statements herein or therein not misleading. To the Knowledge of the Selling Parties, except as otherwise disclosed or addressed in this Agreement or the Schedules hereto, there are no facts with specific application to the Selling Parties (excluding general economic conditions), that might reasonably be expected to have a Material Adverse Effect upon the Purchased Assets, Real Property or upon Santolubes's ability to operate the Purchased Business following the Closing in substantially the manner in which BU operated the Purchased Business at and prior to Closing.

4. REPRESENTATIONS AND WARRANTIES OF THE BUYING PARTIES Santolubes represents and warrants to BU as of the date here, and as of the Closing Date, that:

4.1 Organization and Authority. Santolubes is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Missouri. Santolubes Spartanburg is a limited liability company duly organized, validly existing and in good standing under the laws of the State of South Carolina. The Buying Parties have all power and authority necessary to carry on their respective businesses as now conducted by them and to own or lease and operate those businesses as and in the places where such businesses are now conducted. Each of the Buying Parties is duly qualified or licensed to do business and is in good standing as a foreign company in each of the jurisdictions where the nature of its business requires it to be so qualified, except where the failure to be so qualified has not or would not result in, or is not reasonably expected to result in, a Material Adverse Effect.

4.2 Authorization; Binding Obligation. The Buying Parties have the power and authority to execute and deliver this Agreement and the Transaction Documents to which they are a party and to perform and consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by the Buying Parties of this Agreement and the Transaction Documents to which they are a party have been duly authorized and approved by all requisite limited liability company action. This Agreement and the Transaction Documents to be executed and delivered by the Buying Parties are valid and legally binding obligations of the respective Buying Parties enforceable against them in accordance with their respective terms, except to the extent that enforcement of the rights and remedies created thereby may be limited by bankruptcy and other similar Laws of general application affecting the rights and remedies of creditors and by general equity principles.

4.3 No Violations. (a) The execution, delivery and performance of this Agreement and the Transaction Documents by the Buying Parties and the consummation of the transactions contemplated hereby will not result in a Material breach or violation of, or in a default under, the Buying Parties respective articles of organization, operating agreement, (or other governing document), any statute applicable to the Buying Parties, any Contract to which either of the Buying Parties are a party or by which either of their properties are bound or affected, or any Order, and (b) no consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental or Regulatory Authority is required by the Buying Parties in connection with the execution and delivery of this Agreement, the Transaction Documents or the consummation of the transactions contemplated hereby or thereby.

4.4 Brokers. No Person has acted directly or indirectly as a broker, finder or financial advisor for the Buying Parties in connection with the negotiations relating to the transactions contemplated by this Agreement, and no Person is entitled to any fee or commission or like payment in respect thereof based in any way on any agreement, arrangement or understanding made by or on behalf of the Buying Parties.

5. CERTAIN COVENANTS.

5.1 General. Each of the parties will use its respective Reasonable Efforts to take all action and to do all things necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement (including satisfying the closing conditions set forth in Articles 7 and 8).

5.2 Information. If either of the Selling Parties after Closing has a reasonable need to have access to any records or information regarding the Purchased Business and concerning a period of time prior to the Closing Date, the Buying Parties will provide to the Selling Parties and to their officers, employees, accountants, counsel and other representatives, reasonable access during the Buying Parties' normal business hours to all such records and information then within their possession or control, and shall allow the Selling Parties, at their cost, to make copies of the same.

5.3 Employees.

(a) BU shall be responsible for, shall pay and discharge and shall indemnify and hold Santolubes harmless from and against, all wages, salaries, commissions, bonuses, severance, vacation and similar payments which through the Closing Date have accrued or are payable to any Purchased Business Employees or which have accrued or are payable, or may become payable as a result of the termination of employment or otherwise, of any Purchased Business Employees during any period through the Closing Date. Provided, however, if Santolubes on or within thirty (30) days after the Closing Date hires any Person who was employed by BU immediately prior to the Closing, Santolubes shall credit and provide such Person with all unused sick days, personal leave days and vacation days which such Person was entitled to receive from BU as of the Closing Date. Any such Person shall be a third party beneficiary of this Section 5.3(a).

(b) BU shall pay over to the Internal Revenue Service and any other applicable Governmental or Regulatory Authority all amounts withheld or required to be withheld with respect to Purchased Business Employees for periods prior to the Closing Date and shall issue in accordance with applicable federal Law Forms W-2 and equivalent forms in accordance with similar state and local Law, with respect to the Purchased Business Employees.

(c) Santolubes may employ and/or retain the services of any or all the Purchased Business Employees, subject to Santolubes's discretion in hiring and firing.

5.4 Completion of Identified Retained Environmental Projects. The Selling Parties shall complete the Identified Retained Environmental Projects in accordance with the scope and timelines described in Schedule 5.4. All such work shall be performed in a good and workmanlike manner, and in accordance with all Environmental, Health or Safety Laws. The Buying Parties shall grant the Selling Parties, and their agents and contractors reasonable access to the Spartanburg Site (including without limitation access after Santolubes' normal business hours and on days that are not Business Days) for all activities undertaken by the Selling Parties in connection with the Identified Retained Environmental Projects, and the Buying Parties shall reasonably cooperate with the Selling Parties in connection with such actions of the Selling Parties, and their agents and contractors.

5.5 Performance of Identified Transferred Environmental Projects. Santolubes shall complete or perform the Indentified Transferred Environmental Projects described in Schedule 5.5 All such work shall be performed in a good and workmanlike manner, and in accordance with all Environmental, Health or Safety Laws. Buying Parties shall reasonably consult with Synalloy regarding actions to be undertaken with DHEC in regard to the Identified Transferred Environmental Projects and shall give Synalloy copies of all filings and communications sent by Buying Parties to DHEC, or from DHEC to Buying Parties, in regard to Buying Parties activities taken pursuant to this Section 5.5.

Provided, however, so long as the LC is issued and outstanding, then: If in the reasonable opinion of Synalloy, and based on objective facts, it appears to Synalloy that (i) DHEC may take enforcement action in connection with any of the Identified Transferred Environmental Projects due to any actions or non-actions of Buying Parties relating thereto, or (ii) DHEC may call payment of the letter of credit described in the RCRA Permit Financial Assurance Agreement due to any actions or non-actions of Buying Parties relating to the Identified Transferred Environmental Projects, then in that event Synalloy shall have the right to take over and perform itself the Identified Transferred Environmental Projects, and in that event Buying Parties shall give Synalloy full access to their books and records regarding the Identified Transferred Environmental Projects, they shall direct their employees to fully cooperate with Synalloy in Synalloy's activities undertaken to itself perform the Identified Transferred Environmental Projects, and it shall grant Synalloy and its agents and contractors reasonable access to all parts of the Spartanburg Site as necessary or advisable for Synalloy to itself perform the Identified Transferred Environmental Projects. So long as Synalloy is itself performing the Identified Transferred Environmental Projects as provided herein, Buying Parties shall reimburse Synalloy for all its costs and expenses in connection with the Identified Transferred Environmental Projects to the same extent and in the same manner as Buying Parties reimburse Synalloy for its costs and expenses in connection with the Augusta Pump and Treat Obligations. Further, in addition to reimbursing Synalloy for such cost and expenses as aforesaid, Buying Parties also shall pay Synalloy an administrative fee equal to 15% of all cost reimbursements due Synalloy, and such administrative fee shall be due and payable at the same time as the relevant cost and expense reimbursement is due and payable. The parties hereto acknowledge and agree that Synalloy will incur overhead expenses which will not be included in the costs and expenses to be reimbursed by Buying Parties pursuant to this paragraph and that the administrative fee is a fair and reasonable manner of compensating Synalloy should it have to take over and perform the Identified Transferred Environmental Projects as provided in this paragraph.

5.6 Reimbursement for Augusta Pump and Treat Obligations. Synalloy will continue to engage a qualified environmental remediation contractor that is reasonably acceptable to Santolubes to perform the Augusta Pump and Treat Remediation Work, and Santolubes will reimburse Synalloy for the out-of-pocket costs charged from time to time by such contractor for any such work performed from and after the Closing. Provided, however, (i) Santolubes shall not refuse to pay Synalloy such reimbursement because Santolubes disagrees with the charges or the services of the contractor, and (ii) Santolubes may directly communicate with the contractor regarding any disagreements which Santolubes has regarding the contractor's services and charges, and any refunds granted by the contractor to Synalloy shall be paid over to Santolubes to the extent they previously were reimbursed by Santolubes to Synalloy. Each such reimbursement shall be made within thirty (30) days after written request accompanied with the presentment of a copy of the relevant contractor's invoice and any documentation provided by the contractor as a part of that invoice. Synalloy will cause the contractor to perform all of the Augusta Pump and Treat Remediation Work in a good, workmanlike, and cost efficient manner, and in accordance with all Environmental, Health or Safety Laws and Government or Regulatory Agency Statutes, Regulations, or Orders. Any alteration or expansion of the Augusta Pump and Treat Remediation Work to be performed from and after the Closing shall be subject to Santolubes's reasonable prior approval; provided, however, to the extent that said alterations or expansions to the Pump and Treat System or monitoring well network are required by a Governmental or Regulatory Agency, Santolubes shall reimburse Synalloy for the out of pocket costs charged for such work performed. Buying Parties at their option and cost may request applicable Governmental or Regulatory Authoirites to reduce or eliminate the need for the Augusta Pump and Treat Obligations, and Synalloy will consent to such action so long as such actions will not result in accelerated remediation costs, increased remediation costs, increased duties or any other cost or detriment to Synalloy. To the extent that a Governmental or Regulatory Agency requires active microbial or chemical oxidation or other active remediation in addition to operation of the Augusta Pump and Treat Work, Synalloy shall not be reimbursed for the out of pocket costs charged for such work performed. Santolubes's obligations under this Section 5.6 shall continue until such time as the Augusta Pump and Treat Remediation Work is completed or Synalloy sells the Augusta Site or Synalloy is no longer responsible for the Augusta Pump and Treat Remediation Work, whereupon all further obligations of Santolubes under this Section 5.6 shall forever terminate. At any time, Santolubes may request that the remediation contractor provide a reasonable estimate of the then present value of the sum of all of the remaining costs to be incurred to complete the Augusta Pump and Treat Remediation Work, and SantoLubes may pay the same to Synalloy whereupon all further obligations of Santolubes under this Section 5.6 shall forever terminate. Santolubes shall reimburse Synalloy for the out of pocket costs expended by the contractor associated with creating any cost estimate. To the extent that it has reimbursed Synalloy, SantoLubes shall be subrogated to any rights or claims that Synalloy or BU may have against any third party with respect to the implementation or need for the Augusta Pump and Treat Remediation, and the Selling Parties will take such action, including prosecution of legal action if so requested by Santolubes, to recover amounts owed with respect to the same, provided that any costs so incurred by the Selling Parties, shall be reimbursed by Santolubes, and any amounts recovered from such third parties shall be remitted to Santolubes.

5.7 Santolubes's Post-Closing Payment and Contract Duties. After the Closing Santolubes shall timely pay all Assumed Liabilities and timely perform and fulfill all obligations of BU under the Assumed Contracts. Provided however, Santolubes in good faith may refuse to pay any such liabilities or perform such obligations if prior to disputing its payment or its contract performance with the third party, Santolubes consults with BU regarding the impending dispute and explains to BU all reasons justifying Santolubes's decision to dispute the liability or obligation, but Santolubes's good faith refusal to pay or perform shall not diminish or otherwise affect its indemnity obligation under Article IX.

5.8 Santolubes's Utility Duties. As of the Closing or promptly thereafter, one or both of the Buying Parties shall have opened accounts with electric, gas, water and other utilities serving the Spartanburg Site and shall perform all actions necessary to cause the Selling Parties or any of their Affiliates to be removed as the payor or other responsible party for such accounts.

5.9 Adjustments for Taxes. Included in the Master Balance Sheet is a reserve for estimated ad valorem property taxes payable on the Purchased Assets and Real Property as of the Closing Date (the "**Ad Valorem Taxes**"). If the amounts of actual, applicable Ad Valorem Taxes prorated as of the Closing Date are different from the reserves used in the Master Balance Sheet and the same is not corrected in the Revised Closing Balance Sheet, BU shall pay Santolubes any amount by which such taxes were under-reserved, and Santolubes shall pay BU any amount by which such taxes were over-reserved.

5.10 Name Change. After the Closing, at a time and date requested by Santolubes, Synalloy agrees that it will cause BU to amend its articles of organization to remove any reference to "Blackman Uhler" and to change its name to any name that is not confusingly similar to either "Blackman Uhler," "BU," or any other trademark or trade name included within the Purchased Assets.

5.11 Further Assurances. From time to time following the Closing, the Selling Parties and the Buying Parties shall execute and deliver, or cause to be executed or delivered, to the other parties such additional instruments of conveyance and transfer as any other party may reasonably request or as may be otherwise necessary to more effectively convey or transfer to, and vest in, Santolubes and/or Santolubes Spartanburg, as the case may be, and put Santolubes and/or Santolubes Spartanburg, as the case may be, in possession of, all or any part of the Purchased Assets and Real Property, and BU shall, in the case of Permits, Contracts, easements and other commitments that would have been included in the Purchased Assets but for the reason that they cannot be assigned or transferred effectively without the consent of third Persons which consent has not been obtained prior to the Closing, cooperate with the Buying Parties at their reasonable request in endeavoring to obtain such consent promptly. The Selling Parties also agree that in the event either of them receives an order for Products from a purchaser after the Closing, whether by purchase order or otherwise, or if either or both of them receives any communication from a Person regarding the Products or the Purchased Business, the receiving party will direct such purchaser, purchaser's order, or Person to Santolubes.

6. CLOSING.

6.1 Closing Deliveries of the Selling Parties. At the Closing, the Selling Parties will execute and deliver or cause to be executed and delivered, as applicable, to Santolubes or Santolubes Spartanburg, as appropriate:

(a) Assignment and Bill of Sale. An assignment and bill of sale for the Purchased Assets acquired from BU (the "**Assignment and Bill of Sale**");

(b) FIRPTA Certificate. A FIRPTA certificate from Synalloy;

(c) Lien Terminations. A document, in recordable form and in proper format, terminating the judgment, security interest or other Liens of any Person in the Purchased Assets or Real Property;

(d) Deed for the Spartanburg Site. Such deeds, affidavits, and other documents from Synalloy for the Spartanburg Site as may be required to transfer title to Santolubes Spartanburg as provided herein, and to cause the title policies with respect thereto to be issued;

(e) *The section is intentionally left blank*;

(f) Tax Clearance Certificates. Tax clearance certificates (or similar certificates), if available from the relevant Governmental Authority, for BU dated not more than ten (10) Business Days prior to the Closing Date, stating that BU does not owe any Tax related to the Purchased Assets to the particular jurisdiction for which BU may be held liable;

(g) Third Party Consents. Copies of all consents, notices and approvals of any Person necessary to the consummation of the Closing and other consents and approvals from parties to Assigned Contracts and consents and approvals, if applicable, from Governmental or Regulatory Authorities, whether federal, state or local shall have been obtained, and a copy of each such consent or approval shall have been provided to Santolubes at or prior to the Closing;

(h) Real Property Lease. The Real Property Lease;

(i) Resolutions. Certified copies of the resolutions of the manager(s) and member(s) of BU and directors of Synalloy approving the transactions contemplated by this Agreement (the "**Sellers' Resolutions**");

(j) Good Standing Certificates. Current certificates, of any state of the United States or any other jurisdiction where the Selling Parties are qualified to do business providing that the Selling Parties are in good standing;

(k) Secretary's Certificate. A certificate from the secretary of Synalloy and the manager of BU, dated as of the Closing Date, certifying to: (i) the certificate of incorporation and by-laws or certificate of formation and operating agreement of BU, as applicable; with copies of same attached (ii) the Sellers' Resolutions and (iii) the incumbency and signatures of the signatories of the Selling Parties signing this Agreement, the Transaction Documents or any other certificate or document delivered in connection herewith or therewith;

(l) Closing Certificate. A closing certificate executed on behalf of Synalloy and BU confirming the matters referred to in Sections 7.1 and 7.2;

(m) Master Balance Sheet. The Master Balance Sheet, as mutually agreed to by the Selling Parties and the Buying Parties in writing;

(n) Synalloy Bill of Sale. Synalloy's Bill of Sale as described in Section 1.2;

(o) Outsourcing Agreement. The Outsourcing Agreement;

(p) RCRA Permit Financial Assurance Agreement. The RCRA Financial Assurance Agreement; and

(q) Other Documents. All other previously undelivered documents, instruments or writings required to be delivered by the Selling Parties to any Buying Parties at or prior to the Closing pursuant to this Agreement and such other documents and instruments as the Buying Parties or their counsel reasonably shall deem necessary to consummate the transactions contemplated hereby.

6.2 Closing Deliveries of Santolubes. At the Closing, Santolubes will execute and deliver or cause to be executed and delivered to BU simultaneously with delivery of the items referred to in Section 5.1 above:

(a) Assumption Agreement. An assumption agreement for the Assumed Liabilities of BU (the "**Assumption Agreement**");

(b) Real Property Lease. The Real Property Lease;

(c) Resolutions. Certified copies of the resolutions of the manager(s) and member(s) of the Buying Parties approving the transactions contemplated by this Agreement (the "**Santolubes Resolutions**");

(d) Manager's Certificate. A certificate from the manager of Santolubes, dated as of the Closing Date, certifying to: (i) the articles of formation and operating agreement of Santolubes, with copies of same attached; (ii) the Santolubes Resolutions and (iii) the incumbency and signatures of the manager(s) of Santolubes signing this Agreement, the Transaction Documents or any other certificate or document delivered in connection herewith;

(e) Closing Certificate. A closing certificate executed on behalf of Santolubes confirming the matters referred to in Sections 8.1 and 8.2;

(f) Outsourcing Agreement. The Outsourcing Agreement;

(g) RCRA Permit Financial Assurance Agreement. The RCRA Financial Assurance Agreement; and

(h) Other Documents. All other previously undelivered documents, instruments or writings required to be delivered by Santolubes to the Selling Parties at or prior to the Closing pursuant to this Agreement and such other documents and instruments as the Selling Parties or their counsel reasonably shall deem necessary to consummate the transactions contemplated hereby.

7. CONDITIONS PRECEDENT TO SANTOLUBES'S OBLIGATIONS. All obligations of the Buying Parties under this Agreement are subject to the fulfillment, prior to or at the Closing of each of the following conditions, any of which may be waived in writing by the applicable Buying Parties:

7.1 Representations and Warranties of both the Selling Parties True at the Closing The representations and warranties of both the Selling Parties contained in this Agreement or in any schedule, certificate or document delivered pursuant to the provisions hereof or in connection with the transactions contemplated hereby shall be true and correct at and as of the Closing Date as though such representations and warranties were made at and as of such time.

7.2 Performance by the Selling Parties. The Selling Parties shall have performed and complied with all agreements and conditions required by this Agreement and the Transaction Documents to be performed or complied with by them prior to the Closing and the Selling Parties shall be ready and able to perform and comply with their obligations at the Closing.

7.3 Litigation. There shall be no litigation, proceeding or investigation pending or threatened against the Selling Parties with respect to the Purchased Business, the Real Property or the Purchased Assets which could have an adverse effect thereon or which questions the validity or legality of this Agreement, the Transaction Documents or of any action taken or to be taken by the Selling Parties pursuant to or in connection with the provisions of this Agreement or the Transaction Documents.

7.4 Delivery of Materials. The Selling Parties shall have delivered to Santolubes each of the materials required to be delivered by the Selling Parties under Section 6.1 hereof.

8. CONDITIONS PRECEDENT TO OBLIGATIONS OF THE SELLING PARTIES. All obligations of the Selling Parties under this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions, any of which may be waived in writing by the applicable Selling Parties:

8.1 Representations and Warranties of the Buying Parties True at the Closing The representations and warranties of each of the Buying Parties contained in this Agreement or in any certificate or document delivered pursuant to the provisions hereof or in connection with the transactions contemplated hereby shall be true at and as of the Closing Date as though such representations and warranties were made at and as of such time.

8.2 Performance by Santolubes. The Buying Parties shall have performed and complied with all agreements and conditions required by this Agreement and the Transaction Documents to be performed or complied with by it prior to the Closing and the Buying Parties shall be ready and able to perform and comply with their obligations at the Closing.

8.3 Delivery of Materials. The Buying Parties shall have delivered to the Selling Parties each of the materials required to be delivered by the Buying Parties under Section 6.2 hereof.

8.4 Purchase Prices. The Buying Parties shall have paid the Purchase Price and the Real Estate Purchase Price.

9. SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS; INDEMNIFICATION.

9.1 Survival. All representations and warranties contained in this Agreement shall survive until the day that is two (2) years after the Closing Date; provided, however, that (i) the representations or warranties set forth in Section 3.1 (Organization and Authority), Section 3.2 (Authorizations; Binding Obligation), Section 3.3 (No Violations), Section 3.19 (Approvals and Filings), Section 3.8 (Taxes), and Section 3.6 (Environmental Matters) shall survive through the 90th day after the date of the expiration of any applicable statute of limitations during which a claim may be brought against any Santolubes Indemnified Party or any Purchased Asset in respect of the subject matter thereof, and (ii) the representations and warranties set forth in Section 3.11 (Title to Assets; Purchased Assets Complete) shall survive indefinitely. The indemnification stated in Section 9.2(h) shall terminate if the results of DHEC's anticipated domestic drinking water sampling event show no exceedances of relevant state or federal safe drinking water Primary Maximum Contaminant Levels (MCLs) or other applicable standards such that DHEC does not require corrective action, or if it is determined that exceedances are not attributable to BU. Should DHEC determine to take no action other than to continue to sample some or all of these wells, this indemnification shall terminate. All covenants and agreements that by their terms contemplate or involve actions to be taken or obligations in effect after the Closing shall survive the Closing and remain in full force and effect in accordance with their terms and the terms of this Agreement.

9.2 Indemnification by the Selling Parties. Subject to the other provisions of this Article 9, from and after the Closing, the Selling Parties, jointly and severally, shall indemnify, hold harmless and reimburse the Buying Parties and theirs officers, directors, members, managers, agents and representatives (each a "**Santolubes Indemnified Party**") from and against and in respect of any and all Losses that may be imposed on, sustained, incurred or suffered by or assessed against each Santolubes Indemnified Party, directly or indirectly, to the extent relating to or arising out of or in connection with:

(a) any breach of any of the representations or warranties contained in Article 3;

(b) any failure by BU or Synalloy to perform or comply with their covenants and agreements contained in this Agreement;

(c) any Third Party Claim asserted against any Santolubes Indemnified Party related to the ownership or operation of the Purchased Business, the Purchased Assets or Real Property by the Selling Parties or their predecessors or Affiliates prior to the Closing Date, other than (i) Third Party Claims related to the Assumed Liabilities, or (ii) Claims for which Buying Parties have indemnification obligations under Section 9.3(d);

(d) the failure of BU to pay or otherwise satisfy any Retained Liabilities;

(e) the Identified Retained Environmental Projects listed in Schedule 5.4.;

(f) Claims arising from any matter identified on Schedule 3.6.e.ii;

(g) Claims arising from any matter identified on Schedule 3.6.e.iii;

(h) Claims filed by owners of affected property and orders from Governmental or Regulatory Agencies requiring corrective action arising from any matter identified on Schedule 3.6.c.iv; and

(i) Claims arising from any matter identified on Schedule 3.7(b)

9.3 Indemnification by Santolubes. Subject to the other provisions of this Article 9, from and after the Closing, the Buying Parties shall indemnify the Selling Parties and their respective officers, directors, members, managers, agents and representatives (each a "**Selling Parties Indemnified Party**" and collectively, the "**Selling Parties Indemnified Parties**") from and against and in respect of any and all Losses incurred by any of the Selling Parties Indemnified Parties that may be imposed on, sustained, incurred or suffered by or assessed against a Selling Parties Indemnified Party, directly or indirectly, to the extent relating to or arising out of:

(a) any breach of the representations or warranties of the Buying Parties contained in Article 4;

(b) any failure by either of the Buying Parties to perform or comply with its covenants and agreements contained in this Agreement, including without limitation, the failure of Santolubes to pay or otherwise satisfy any Assumed Liabilities;

(c) the Identified Transferred Environmental Projects listed on Schedule 5.5;

(d) any Environmental Claim arising out of or in connection with the Purchased Business or Synalloy's past operations at the Spartanburg Site or its ownership of the Real Property, excepting however any such claim that arises out of (i) the Selling Parties' obligation to complete the Identified Retained Environmental Projects listed on Schedule 5.4, (ii) any Environmental Claim associated with a breach of any representation or warranty contained in Section 3.6, (iii) a claim made by an individual person alleging his/her personal injury due to actions or inactions of the Selling Parties occurring prior to the Closing Date; (iv) Selling Parties' offsite transportation, arrangement for offsite transportation, offsite treatment, or offsite disposal of any Hazardous Substance if such claim arises out of a notice or request for information issued by a Governmental or Regulatory Authority on or before the second anniversary of the Closing Date; or (v) any Environmental Claim arising in connection with the Augusta Site (provided, however, this exception (v) shall in no way affect the Buying Parties duties and obligations under Section 5.6).

9.4 Timing of Delivery of Notice of Claim. No party to this Agreement, including without limitation Synalloy, shall be liable for any Losses pursuant to Section 9.2(a) or 9.3(a) unless the party seeking such indemnification (the "**Indemnified Party**") has delivered the notice of Claim in respect of such Loss required by Section 9.9 below to the party from which indemnification is sought (the "**Indemnifying Party**") on or prior to expiration of the representation and warranty to which such Loss relates.

9.5 Limitation of Liability. Notwithstanding anything to the contrary in Sections 9.2 or 9.3, an Indemnifying Party shall not have any liability with respect to Losses any Indemnified Party would otherwise be entitled to recover pursuant to Section 9.2(a) or 9.3(a), as the case may be, until the aggregate amount of Losses for which an Indemnified Party would otherwise be entitled to indemnification pursuant to Section 9.2(a) or 9.3(a) exceeds twenty-five thousand dollars ($25,000) (the "**Threshold**"), whereupon, the Indemnifying Party shall be liable for all Losses including the Threshold. The Indemnifying Party's maximum aggregate indemnification liability pursuant to Section 9.2(a) or 9.3(a) shall be an amount equal to the sum of the Purchase Price, the Real Property Purchase Price, and the reimbursement obligation under Section 5.5; provided, however, that there shall be no limitation with respect to liability for damages arising out of or based upon (i) intentional misrepresentation or fraud, (ii) an inaccuracy in or breach of a representation or warranty contained in Section 3.6 (Environmental Matters), (iii) a products liability claim with respect to finished product Inventory sold by BU or its Affiliates prior to Closing, or (iv) a personal injury claim with respect to finished product Inventory sold by BU or its Affiliates prior to Closing.

9.6 Right of Subrogation. To the extent that an Indemnifying Party makes any payment pursuant to this Article 9 in respect of Losses for which the Indemnified Party has a right to recover against a third party (including an insurance company or an environmental consultant or contractor), the Indemnifying Party shall be subrogated to the right of the Indemnified Party to seek and obtain recovery from such third party, including, but not limited to, the right to recover from an Indemnified Party the amount of any such recovery paid to such Indemnified Party.

9.7 No Duplication. Any liability for indemnification hereunder shall be determined without duplication of recovery by reason of the state of facts giving rise to such liability constituting a breach of more than one representation, warranty, covenant or agreement or more than one right to indemnification.

9.8 Exclusive Remedy. Except as otherwise contemplated hereby, from and after the Closing, except for a party's right to recover Losses and obtain all other legal and equitable remedies as may be available in connection with any acts of fraud, intentional misrepresentation or active concealment, indemnification under this Article 9 shall be the sole and exclusive remedy of the parties to this Agreement, as applicable, for breach of any representation, warranty, covenant or agreement contained in this Agreement, and the Selling Parties and the Buying Parties, as applicable, shall have no other liability to the other party or parties resulting from any such breach.

9.9 Notice of Claim. If the Indemnified Party shall become aware of any claim, proceeding or other matter (a "**Claim**"), that may give rise to a Loss that will be taken into account for purposes of calculating the amount of any indemnity obligation under this Article 9, the Indemnified Party shall promptly give Notice thereof to the Indemnifying Party. Such Notice shall specify whether the Claim arises as a result of a Claim by a third party against the Indemnified Party (a "**Third Party Claim**") or whether the Claim does not so arise as a result of a Claim by a third party against the Indemnified Party (a "**Direct Claim**"), and shall also specify with reasonable particularity (to the extent that the information is available) the factual basis for the Claim and the amount of the Claim, if known. If the Indemnified Party does not promptly give Notice of any Claim as specified above, such failure shall not affect the Indemnified Party's right to indemnification hereunder for Losses in connection with such Claim, except to the extent the Indemnifying Party's rights are prejudiced by such failure; provided, however, that nothing in this Section 9.9 shall mitigate the obligation of an Indemnified Party to provide such Notice during the period specified in Section 9.1.

9.10 Direct Claims

. With respect to any Direct Claim, following receipt of Notice from the Indemnified Party of the Claim, the Indemnifying Party shall have ninety (90) days to make such investigation of the Claim as it considers necessary or desirable. For the purpose of such investigation, the Indemnified Party shall make available to the Indemnifying Party the information relied upon by the Indemnified Party to substantiate the Claim, together with all such other information as the Indemnifying Party may reasonably request. If all parties agree at or prior to the expiration of such 90-day period (or any mutually agreed upon extension thereof) to the validity and amount of such Claim, the Indemnifying Party shall immediately pay to the Indemnified Party the full agreed upon amount of the Claim. If the parties do not agree, such dispute shall be determined in accordance with Section 10.10.

9.11 Third Party Claims.

(a) With respect to any Third Party Claims as to which the Indemnified Party intends to seek indemnity from the Indemnifying Party, the Indemnifying Party shall have the right, at its expense and at its election, to assume control of the negotiation, settlement and defense of the Claim through counsel of its choice; provided, however, that the Indemnifying Party shall have no right to assume control of the negotiation, settlement or defense of any Third Party Claim (i) insofar as such Third Party Claim would have a Material Adverse Effect on the Indemnified Party if resolved adversely to the interests of the Indemnified Party, product recall, or any injunctive or other equitable relief or criminal penalty, and (ii) unless the Indemnifying Party acknowledges in writing to the Indemnified Party the Indemnifying Party's liability hereunder to indemnify, hold harmless and reimburse the Indemnified Party in accordance herewith for all Losses arising in connection with such Third Party Claim. Provided further, that with respect to any indemnifiable claim involving environmental remediation, (a) the Indemnifying Party shall reasonably consult with the Indemnified Party regarding the nature and timing of any remediation activities which the Indemnifying Party intends to take, (b) the Buying Parties shall grant Synalloy, its agents and contractors reasonable access to the Spartanburg Site for the purpose of performing the remediation actions, and the Buying Parties shall reasonably cooperate with Synalloy, its agents and contractors in connection with such remediation work, and (c) the Indemnifying Party shall act in good faith in undertaking any such remediation activities required by the relevant Governmental or Regulatory Authorities. The election of the Indemnifying Party to assume such control shall be made within thirty (30) days of receipt of notice of the Third Party Claim, failing which the Indemnifying Party shall be deemed to have elected not to assume such control. If the Indemnifying Party elects to assume such control, the Indemnified Party shall have the right to be informed and consulted with respect to the negotiation, settlement or defenses of such Third Party Claim and to retain counsel to act on its behalf, but the fees and disbursements of such counsel shall be paid by the Indemnified Party unless the Indemnifying Party consents to the retention of such counsel or unless the named parties to any action or proceeding include both the Indemnifying Party and the Indemnified Party and a representation of both the Indemnifying Party and the Indemnified Party by the same counsel would be inappropriate due to the actual or potential differing interests between them (such as the availability of different defenses). If the Indemnifying Party, having elected to assume such control, thereafter fails to defend the Third Party Claim within a reasonable period of time, the Indemnified Party shall be entitled to assume such control, and the Indemnifying Party shall be bound by the results obtained by the Indemnified Party with respect to the Third Party Claim.

(b) If the Indemnifying Party assumes control of the negotiation, settlement or defense of any Third Party Claim, the Indemnifying Party shall not settle any such Third Party Claim without the written consent of the Indemnified Party (which consent shall not be unreasonably withheld).

(c) The Indemnified Party and the Indemnifying Party shall cooperate fully with each other with respect to Third Party Claims and, regardless of which party has control thereof as provided for herein, shall keep each other reasonably advised with respect thereto.

9.12 Effect of Investigation. The right to indemnification by a Santolubes Indemnified Party based upon the breach of a representation or warranty of the Selling Parties shall not be affected by any investigation (including any environmental investigation or assessment) conducted by the Buying Parties prior to the Closing, unless the Selling Parties can establish by clear and convincing proof that the Buying Parties had actual conscious knowledge of the breach prior to the Closing and elected to close the transaction notwithstanding such breach.

9.13 Workers' Compensation Claims. Notwithstanding anything to the contrary contained in this Section 9, if any personal injury Claim is made against Santolubes or its Affiliates by a current or former employee of Santolubes, and such Claim is made under any applicable Workers Compensation Law, then the Losses that are subject to indemnification under this Section 9 shall exclude (i) any award payable to the claimant under applicable Workers Compensation Law with respect to such Workers Compensation Claim, and (ii) any increased premium costs incurred by Santolubes or its Affiliates as a consequence of such Workers Compensation Claim.

10. MISCELLANEOUS PROVISIONS.

10.1 Bulk Sales Laws, Sales, Use and Transfer Tax

. If the Buying Parties request compliance by the Selling Parties with the provisions of any applicable bulk sales Laws, the Selling Parties jointly and severally agree to comply therewith and if no such request is made, the Selling Parties agree jointly and severally to indemnify and hold the Buying Parties harmless from, and reimburse the Buying Parties for, any Loss, cost, expense, liability or damage which the Buying Parties may suffer or incur by virtue of noncompliance by the Buying Parties or the Selling Parties with applicable bulk sales Laws. The Selling Parties shall be responsible for any sales, use and transfer taxes imposed by the State of South Carolina on the transactions contemplated hereby.

10.2 Restrictive Covenants.

(a) Without Santolubes's prior written consent, neither of the Selling Parties or any of their respective Affiliates shall for a period of three (3) years after the Closing Date, directly or indirectly (i) within the Territory, market, sell or solicit the sale of the Restricted Products; (ii) in the Territory, engage in or render services to or have an interest in any business that sells or manufactures the Restricted Products; or (iii) solicit any current or potential customers of BU for any business that sells or manufactures Restricted Products.

(b) From the Closing Date through the period ending on the second (2nd) anniversary of the Closing Date: (1) the Selling Parties shall not, nor will they cause or permit any of their respective Affiliates to directly or indirectly, solicit the employment of or hire any Purchased Business Employees who after the Closing Date become employees of either of the Buying Parties, or otherwise interfere with the relationship between the Buying Parties and any such person; (2) the Buying Parties, without the written consent of BU, shall not, nor will it cause or permit any of its respective Affiliates to directly or indirectly, solicit the employment of or hire any Person who on the Closing Date was an employee of Synalloy or its Affiliates other than BU.

(c) From and after the Closing, (i) the Selling Parties will not disparage the Buying Parties or their respective shareholders, partners, members, directors, officers, employees or agents, or the Restricted Products manufactured or sold by the Buying Parties; and (ii) the Buying Parties will not disparage the Selling Parties, their Affiliates or the respective shareholders, partners, members, directors, officers, employees or agents of the same.

(d) Until the Closing, in the case of the Buying Parties, and thereafter in the case of the Selling Parties, of the transactions contemplated hereby, each party agrees that it will treat in confidence (a) all documents, materials and other information which it shall have obtained regarding the other parties or their Affiliates during the course of the negotiations leading to the consummation of the transactions contemplated hereby (whether obtained before or after the date of this Agreement), any investigations made in connection therewith and the preparation of this Agreement and related documents (the "**Provided Information**"), and (b) all analyses, reports, compilations, evaluations and other materials prepared by a party or by its counsel, accountants or financial advisors that contain or otherwise reflect or are based upon, in whole or in part, any of the Provided Information (the "**Derived Information**"). The obligation of each party to treat the Provided Information and the Derived Information in confidence shall not apply to any information which (w) is or becomes available to such party from a source other than the other parties, (x) is or becomes available to the public other than as a result of disclosure by such party or its agents, (y) is required to be disclosed under applicable Law or judicial process or (z) such party deems it necessary to disclose to obtain any of the consents or approvals contemplated hereby, provided, however, that if the information is to be disclosed in reliance upon clause (y) or clause (z) above, the disclosing party shall so notify the other party promptly so that such party may seek a protective order or take such other action as may be available to avoid the necessity of disclosure of the information and, in all events, the disclosing party shall use its reasonable best efforts to protect the information through court orders or other appropriate means. Following the Closing, the Buying Parties shall have no obligation to treat in confidence Provided Information and Derived Information so long as the Buying Parties' use of such information is related to the ongoing operation of the Purchased Business, but notwithstanding anything to the contrary in this Section 10.2(d), the Selling Parties will be obligated to maintain such Provided Information and Derived Information in confidence and treat the same as if it originated from the Buying Parties.

(e) The Selling Parties hereby acknowledge and agree that the provisions, restrictions and remedies contained in this Section 10.2, including the limitations as to time, geographical area and scope of activities to be restrained, are reasonable and do not impose a greater restraint than is necessary to protect the goodwill and the legitimate business interests of Santolubes arising out of the acquisition of the Purchased Assets pursuant to the Agreement. The Selling Parties acknowledge that such restrictions are material conditions and inducement to the agreement of the Buying Parties to enter into this Agreement and the restrictions constitute a material and integral part of this Agreement.

(f) The Selling Parties acknowledge that irreparable Loss and injury may result to the Buying Parties or the Purchased Business upon any breach of any of the covenants contained in this Section 10.2 and that damages arising out of such breach would be difficult to ascertain. The Selling Parties agree that, in addition to all the remedies provided at Law or at equity, any of the Buying Parties may petition and seek from a court of Law or equity, without bond, both temporary and permanent injunctive relief to prevent a breach by the Selling Parties any such covenant.

(g) If any court determines that any one or more of the restrictive covenants contained in this Section 10.2, or any part thereof, is unenforceable because of the duration of such provision or the territory covered thereby, such court shall have the power to reduce the duration or territory of such provisions, and, in its reduced form, such provisions shall then be enforceable and shall be enforced.

(h) The restrictions of Sections 10.2(a) and (b) shall not apply to any Person which is not an Affiliate of Selling Parties and which after Closing purchases or acquires control of substantially all the assets of Manufacturer's Chemicals, LLC.

10.3 Notices

. All notices, requests, demands, tenders or other communications required or permitted hereunder ("**Notices**") must be in writing and are deemed to have been duly given if (a) delivered personally, (b) mailed, certified or registered mail, return receipt requested, postage prepaid, (c) sent by Federal Express or other nationally recognized overnight courier service or overnight express U.S. Mail, postage prepaid, or (d) sent by facsimile or e-mail transmission, followed with an original sent in accordance with (a), (b) or (c) above, as follows:

If to the Buying Parties, to:

SantoLubes LLC
P.O. Box 960
St. Charles, MO 63302-0960
Attn: George Garrison
Fax no.: (636) 723-4210
E-mail address: ggarrison@santolubes.com

with a copy to:

Smith, Gambrell & Russell, LLP
1230 Peachtree Street, N.E., Suite 3100
Atlanta, Georgia 30309-3592
Attn: Eric H. Mandus
Facsimile No.: (404) 685-6937
E-mail address: emandus@sgrlaw.com

If to the Buying Parties, to:

Synalloy Corporation
2155 West Croft Circle
Post Office Box 5627
Spartanburg, South Carolina 29304
Facsimile: (864) 596-1501
Gregory M. Bowie, Vice President of Finance
Facsimile No.: (864)
E-mail address: gbowie@synalloy.com

with a copy to:

Haynsworth Sinkler Boyd, P.A.
75 Beattie Place, Eleventh Floor
Greenville, SC 29601
Attn: Andrew J. White Jr.
Facsimile No.: (864) 240-3300
E-mail address: awhite@hsblawfirm.com

Notices personally delivered or transmitted by facsimile (with confirmation of delivery) are deemed to have been given on the date so delivered or transmitted*provided*, that if the confirmation of delivery sets forth a delivery time later than 5:00PM on any Business Day, then the facsimile will be deemed delivered on the succeeding Business Day. Notices mailed are deemed to have been given on the date three (3) Business Days after the date posted, and Notices sent in accordance with (c) above are deemed to have been given on the next Business Day after delivery to the courier service or U.S. Mail (in time for next day delivery). The parties may change their address for receipt of Notices by delivery of a Notice of change of address in accordance with the terms of this Section 10.3.

10.4 Expenses. Except as otherwise specifically provided herein, each of the parties shall pay all costs and expenses incurred or to be incurred by it in negotiating and preparing this Agreement and in closing and carrying out the transactions contemplated by this Agreement.

10.5 Entire Agreement, Modification. This Agreement, the Transaction Documents, the Annex and the Schedules and Exhibits attached to this Agreement (all of which shall be deemed incorporated in the Agreement and made a part hereof) set forth the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements, understandings or letters of intent among any of the parties hereto.

10.6 Assignment; Binding Effect. This Agreement, or any rights hereunder, may not be assigned by any party hereto without the prior written consent of the other parties; provided, however, that either or both of the Buying Parties may, without the consent of the Selling Parties, assign their respective rights hereunder to any of their respective Affiliates or subsidiaries, or to any lender or lenders of either or both of the Buying Parties, or to any party that succeeds to the Purchased Business or Real Property; provided that any such assignment shall not result in a release of the Buying Parties from there continuing obligations under this Agreement. No assignment in violation of this Section 10.6 shall be effective. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the successors, legal representatives and permitted assigns of each party hereto.

10.7 Additional Assurances. The parties shall cooperate in good faith to facilitate and accomplish the transactions contemplated herein. The provisions of this Agreement shall be self-operative and shall not require further agreement by the parties except as may be herein specifically provided to the contrary; provided, however, at the request of any party, the other parties shall execute such additional instruments and take such additional acts as are reasonably necessary to effectuate this Agreement.

10.8 Consents, Approvals and Discretion. Whenever this Agreement requires any consent or approval to be given by a party or a party must or may exercise discretion, the parties agree that, unless expressly provided to the contrary, such consent or approval shall not be unreasonably withheld or delayed and such discretion shall be reasonably exercised.

10.9 Governing Law. This Agreement shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Agreement shall be governed by, the laws of the State of South Carolina, without giving effect to provisions thereof regarding conflict of laws.

10.10 Arbitration. Any controversy or claim arising out of or relating to this Agreement shall be settled exclusively by arbitration in accordance with the following provisions:

(a) Disputes Covered. The agreement of the parties to arbitrate covers all disputes of every kind relating to or arising out of this Agreement. Disputes include actions for breach of contract with respect to this Agreement, as well as any claim based upon tort or any other causes of action relating to the transactions that are the subject of this Agreement, such as claims based upon an allegation of fraud or misrepresentation and claims based upon a federal or state statute. In addition, the arbitrators selected according to procedures set forth below shall determine the arbitrability of any matter brought to them, and their decision shall be final and binding on the parties.

(b) Forum. The forum for the arbitration shall be Greenville, South Carolina.

(c) Selection. There shall be three arbitrators, unless the parties are able to agree on a single arbitrator. In the absence of such agreement within ten (10) days after the initiation of an arbitration proceeding, the Selling Parties shall select one arbitrator and the Buying Parties shall select one arbitrator, and those two arbitrators shall then select, within ten (10) days, a third arbitrator. If those two arbitrators are unable to select a third arbitrator within such ten (10)-day period, a third arbitrator shall be appointed by the commercial panel of the American Arbitration Association. The decision in writing of at least two of the three arbitrators shall be final and binding upon the parties.

(d) Administration. The arbitration shall be administered by the American Arbitration Association.

(e) Rules. The rules of arbitration shall be the Commercial Arbitration Rules of the American Arbitration Association, as modified by any other instructions that the parties may agree upon at the time, except that each party shall have the right to conduct discovery in any manner and to the extent authorized by the Federal Rules of Civil Procedure as interpreted by the federal courts. If there is any conflict between those rules and the provisions of this section, the provisions of this section shall prevail.

(f) Substantive Law. The arbitrators shall be bound by and shall strictly enforce the terms of this Agreement and may not limit, expand or otherwise modify its terms. The arbitrators shall make a good faith effort to apply substantive applicable Law, but an arbitration decision shall not be subject to review because of errors of Law. The arbitrators shall be bound to honor claims of privilege or work-product doctrine recognized at Law, but the arbitrators shall have the discretion to determine whether any such claim of privilege or work product doctrine applies.

(g) Decision. The arbitrators' decision shall provide a reasoned basis for the resolution of each dispute and for any award.

(h) Expenses. Each party shall bear its own fees and expenses with respect to the arbitration and any proceeding related thereto and the parties shall share equally the fees and expenses of the American Arbitration Association and the arbitrators.

(i) Remedies; Award. The arbitrators shall have power and authority to award any remedy or judgment that could be awarded by a court of law in South Carolina. The decision of the arbitrator(s) shall be final, binding, and nonappealable (except in the case of fraud or malfeasance of the arbitrator) with respect to all persons, including without limitation persons who have failed or refused to participate in the arbitration process. Judgment upon the award may be entered in any court of competent jurisdiction in the United States.

10.11 Waiver. The failure of any party to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor in any way to affect the validity of this Agreement or the right of such party thereafter to enforce each and every such provision. The waiver by any party of a breach or violation of any term or provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same provision by any party or of the breach of any other term or provision of this Agreement. The delay or a failure of a party to transmit any written notice hereunder shall not constitute a waiver by such party of any default hereunder or of any other or further default under this Agreement except as may expressly be provided for by the terms of this Agreement.

10.12 Rules of Interpretation.(a) Whenever this Agreement provides that an event is to occur on or performance of an obligation or activity is to be completed by a specified day or date and the specified day or date falls on a day other than a Business Day, the event will be deemed to have occurred on or the performance will be deemed to have been completed by the specified day or date if it occurs or is completed on the next succeeding Business Day. For purposes of this Agreement, a "**Business Day**" shall be any day other than a Saturday, Sunday, bank holiday, or any other day on which the principal offices of either Santolubes or BU are closed as required by Law or as a result of an act of God or other reason beyond their control including, but not limited to, adverse weather conditions.

(b) The subject headings of Articles and Sections of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

(c) Each of the parties has agreed upon the particular language of the provisions of this Agreement, including all attached Exhibits, Annex and Schedules, and any questions of doubtful interpretation shall not be resolved by any rule or interpretation against the draftsman but rather in accordance with the fair meaning thereof, having due regard to the benefits and rights intended to be conferred upon the parties hereto and the limitations and restrictions upon such rights and benefits intended to be provided.

(d) Whenever the context of this Agreement requires, the gender of all words herein shall include the masculine, feminine and neuter, and the number of all words herein shall include the singular and plural.

10.13 Public Announcement. Neither the Selling Parties nor the Buying Parties shall, without the approval of the other parties hereto, make any press release or other public announcement concerning the terms of the transactions contemplated by this Agreement, except as and to the extent that any such party shall be so obligated by Law, in which case the other party shall be advised and the parties shall use their best efforts to cause a mutually agreeable release or announcement to be issued; provided that the foregoing shall not preclude communications or disclosures necessary to (a) implement the provisions of this Agreement, (b) comply with Law or accounting disclosure obligations, or (c) respond to inquiries initiated by the press as long as the party making such communications or disclosures informs the other parties in a timely manner that they have been made, and provided further that the parties shall cooperate in making a public announcement concerning this Agreement immediately following its execution.

10.14 Severability. In the event any provision of this Agreement is held to be invalid, illegal or unenforceable for any reason and in any respect, such invalidity, illegality, or unenforceability shall in no event affect, prejudice or disturb the validity of the remainder of this Agreement, which shall be in full force and effect, enforceable in accordance with its terms, including, without limitation, those terms which contemplate or require the further agreements of the parties. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and still be legal, valid or enforceable.

10.15 Amendment of Agreement. This Agreement may be amended by a written instrument duly executed on behalf of each party hereto by its duly authorized officer or employee.

10.16 Execution in Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement, it being understood that all of the parties need not sign the same counterpart. In the execution of this Agreement, facsimile or scanned and emailed manual signatures shall be fully effective for all purposes.

10.17 No Third Party Beneficiary. The terms and provisions of this Agreement are intended solely for the benefit of each party hereto and their respective successors or permitted assigns, and it is not the intention of the parties to confer third-party beneficiary rights upon any other Person other than any Person entitled to indemnity under Article 9, and except as otherwise provided in Section 5.3(a).

(signatures begin on next page)

IN WITNESS WHEREOF, each of the Selling Parties and the Buying Parties have caused this Agreement to be duly executed as of the day and year first written above.

BUYING PARTIES:

SANTOLUBES MANUFACTURING LLC

By: _____
George E. Garrison, sole manager

SANTOLUBES SPARTANBURG HOLDINGS LLC

By: _____
George E. Garrison, sole manager

SELLING PARTIES:

BLACKMAN UHLER SPECIALTIES, LLC

By: Synalloy Corporation, sole member

_____
By: Gregory M. Bowie

Title: Vice President of Finance

SYNALLOY CORPORATION

_____
By: Gregory M. Bowie

Title: Vice President of Finance

ANNEX A

"**Accountants**" has the meaning given to such term in Section 1.7(c)(iii).

"**Accounts Payable**" means the amount of all trade accounts payable related to the Purchased Business, the Purchased Assets and the Real Property determined in accordance with GAAP consistently applied.

"**Accounts Receivables**" has the meaning given to such term in Section 1.1(i).

"**Accruals**" means expenses which have been incurred but not yet paid for as of a date in time.

"**Ad Valorem Taxes**" has the meaning given to such term in Section 5.9.

"**Affiliate**" of a Person shall mean any Person controlling, controlled by, or under common control with, such Person;

"**Agreement**" has the meaning given to such term in the forepart of this Agreement.

"**Assigned Contracts**" has the meaning given to such term in Section 1.1(e).

"**Assignment and Bill of Sale**" has the meaning given to such term in Section 6.1(a).

"**Assumed Liabilities**" has the meaning given to such term in Section 1.4.

"**Assumption Agreement**" has the meaning given to such term in Section 6.2(a).

"**Augusta Pump and Treat Remediation Work**" mean the operation of the pump and treat and monitoring work with respect to the Augusta Site that is described in Section 5.6 of this Agreement.

"**Augusta Site**" has the meaning given to such term in the recitals of this Agreement.

"**BU**" has the meaning given to such term in the forepart of this Agreement.

"**Business Day(s)**" has the meaning given to such term in Section 10.12(a).

"**Buying Parties**" has the meaning given to such term in the forepart of this Agreement.

"**Claim**" has the meaning given to such term in Section 9.9.

"**Closing**" has the meaning given to such term in Section 1.6.

"**Closing Date**" has the meaning given to such term in Section 1.6.

"**Code**" means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

"**Contested Items**" has the meaning given to such term in Section 1.7(c)(iii).

"**Contract**" means any agreement, arrangement, lease, license, evidence of Indebtedness, mortgage, indenture, security agreement or other contract (whether written or oral).

"**Customer List**" has the meaning given to such term in Section 1.1(k).

"**Derived Information**" has the meaning given to such term in Section 10.2(d).

"**Direct Claim**" has the meaning given to such term in Section 9.9.

"**Environmental Claim(s)**" means any Claim which arises from or in connection with any Hazardous Substance or Environmental, Health or Safety Law.

"**Environmental, Health or Safety Law**" means any federal, state, local or foreign statute, Law, ordinance, regulation, rule, code, Order, consent decree or judgment relating to or addressing pollution, protection of the environment, health or safety matters relating to (i) the use, handling, or disposal of any Hazardous Substance, or (ii) workplace or worker safety and health, as such requirements are promulgated by any Governmental or Regulatory Authority responsible for administering such requirements.

"**ERISA**" has the meaning given to such term in Section 3.16.

"**ERISA Affiliate**" has the meaning given to such term in Section 3.16.

"**Excluded Assets**" has the meaning given to such term in Section 1.3.

"**Financial Statements**" has the meaning given to such term in Section 3.9(a).

"**GAAP**" means generally accepted accounting principles in the United States;

"**Governmental or Regulatory Authority**" means any court, tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the United States, any foreign country or any domestic or foreign state, county, city or other political subdivision.

"**Hazardous Substance(s)**" mean(s) any substances, materials, and wastes listed by the Environmental Protection Agency as hazardous substances under 40 CFR part 302 and amendments thereto, or such substances, materials and wastes which are or become regulated under any applicable local, state or federal Law, including any substance defined as a "hazardous substance" or "hazardous waste" under applicable local, state or federal Law or designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, or defined as "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, or defined as "hazardous substances" pursuant to Section 101 (14) of the Comprehensive Environmental Response, Compensation, and Liability Act..

"**Identified Retained Environmental Projects**" means the presently scheduled environmental remediation projects set forth in Schedule 5.4.

"**Identified Transferred Environmental Projects**" means those tasks set forth in Schedule 5.5.

"**Indebtedness**" means (i) any indebtedness for borrowed money, (ii) any indebtedness evidenced by any note, bond, debenture or other debt security, (iii) any Liabilities or obligations for the deferred purchase price of services with respect to which either of the Selling Parties are liable, contingently or otherwise, as obligor or otherwise (other than trade payables and other current Liabilities which are recorded on the Revised Closing Schedule, (iv) any commitment by which either of the Selling Parties assures a creditor against Loss (including contingent reimbursement obligations with respect to letters of credit), (v) any Indebtedness guaranteed in any manner by either of the Selling Parties (including guarantees in the form of an agreement to repurchase or reimburse), (vi) any Liabilities or obligations under capitalized leases with respect to which either of the Selling Parties are liable, contingently or otherwise, as obligor, guarantor or otherwise or with respect to which obligations either of the Selling Parties assures a creditor against Loss (except to the extent recorded on the Revised Closing Schedule and included in the calculation of the Net Book Value in the Master Balance Sheet), (vii) any Liabilities secured by a Lien on either of the Selling Parties' assets, (viii) any amounts owed by either of the Selling Parties to any Person under any noncompetition, consulting or deferred compensation arrangements and (ix) any deferred purchase price obligations related to past asset or stock acquisitions by either of the Selling Parties with respect to the Purchased Business.

"**Indemnified Party**" has the meaning given to such term in Section 9.4.

"**Indemnifying Party**" has the meaning given to such term in Section 9.4.

"**Intellectual Property**" means, collectively, patents, patent disclosures, inventions, designs, models, processes, trademarks, trade names, service marks, trade dress, logos, copyrights and mask works (and all registrations, applications, reissuances, continuations, continuations-in-part, revisions, extensions, reexaminations and associated goodwill with respect to each of the foregoing), computer software (including source and object codes), computer programs, computer data bases, written, magnetic and storage media and related documentation and materials, data, trade secrets, confidential business information (including ideas, formulas, compositions, inventions, know-how, production processes and techniques, research and development information, drawings, designs, plans, proposals and technical data, financial, marketing and business data and pricing and cost information), Permits, franchises, licenses, distribution rights and the like and other proprietary rights used in or relating to the conduct of the Purchased Business (in whatever form or medium), including all rights to institute and prosecute all suits and proceedings and take all actions necessary or proper to collect, assert or enforce any claim, right of title of any kind in and to the items listed above.

"**Intellectual Property Assets**" has the meaning given to such term in Section 3.5(a).

"**Inventory**" means the raw materials, work-in-process, and finished goods, including any inventory of packaging and labels.

"**Knowledge**" means the knowledge of a fact or other matter by a current officer of BU or Synalloy. For purposes of this definition, an individual will be deemed to have knowledge of a particular fact or other matter if such individual is actually aware of such fact or other matter.

"**Law**" or "**Laws**" means all laws, statutes, rules, regulations, ordinances and other pronouncements having the effect of law of the United States, any foreign country or any domestic or foreign state, county, city or other political subdivision or of any Governmental or Regulatory Authority.

"**Liability**" or "**Liabilities**" means all Indebtedness, obligations and other liabilities of a Person (whether absolute, accrued, contingent, fixed or otherwise, or whether due or to become due).

"**Liens**" means any mortgage, pledge, assessment, security interest, lease, lien, adverse claim, levy, charge or other encumbrance of any kind, or any conditional sales Contract, title retention Contract or other Contract to give any of the foregoing.

"**Loss**" or "**Losses**" means any and all damages (including incidental, punitive, exemplary and consequential damages), fines, fees, penalties, deficiencies, diminution in value, losses and expenses (including the fees of attorneys and accountants) whether or not arising from a Third Party Claim.

"**Manufacturing Equipment**" has the meaning given to such term in Section 1.1(b).

"**Master Balance Sheet**" means the balance sheet and supporting schedules prepared by the Selling Parties in accordance with GAAP, reflecting the Purchased Assets, Assumed Liabilities, and Net Book Value of BU as of the Closing Date and any reserved liabilities relating to the Real Property.

"**Material**" or "**Materially**" means any fact or circumstance that involves or is likely to involve matters that give rise or could reasonably be expected to give rise to Losses, Liabilities, damages (including punitive damage and consequential damage), costs or expenses in an amount equal to, or more than, Two Thousand Five Dollars ($2,500).

"**Material Adverse Effect**" means, with respect to any event, act, circumstance, condition, change, development, effect or occurrence of whatever nature (including any adverse determination in any litigation, arbitration, or governmental investigation or proceeding), whether singly or in conjunction with any other event or events, act or acts, circumstance or circumstances, condition or conditions, change or changes, development or developments, effect or effects or occurrence or occurrences, whether or not related, a material adverse effect upon, any of (a) the condition (financial or otherwise), operations or results of operations, business, properties, assets or Liabilities of the Purchased Business, taken as a whole, (b) the rights and remedies of a party under this Agreement, or the ability of any party to perform any of its obligations under this Agreement to which it is a party, or (c) the legality, validity or enforceability of this Agreement, but excluding (i) any such effect that results from changes affecting general U.S. or worldwide economic or capital market conditions, (ii) any such effect that results from changes affecting the chemical industry generally, (iii) any changes in any Law or changes in the interpretation thereof by any Governmental or Regulatory Entity affecting the Purchased Business, (iv) the announcement or pendency of the transaction contemplated by this Agreement, or (v) the commencement, continuation or escalation of a war, material armed hostilities or other material international or national calamity or act of terrorism directly or indirectly involving the United States of America.

"**Motor Vehicles**" has the meaning given to such term in Section 1.1(c).

"**Net Book Value**" means the recorded costs, net of reserves, of the Purchased Assets, less the Assumed Liabilities, all as of the Closing Date, and all determined in accordance with GAAP consistently applied and to the extent consistent therewith, in accordance with BU's historical practices.

"**Notices**" has the meaning given to such term in Section 10.3.

"**Order**" means any writ, judgment, decree, injunction or similar order of any Governmental or Regulatory Authority (in each such case whether preliminary or final).

"**Outsourcing Agreement**" means that certain outsourcing services agreement, dated as of October 2, 2009, between Synalloy and Santolubes, substantially in the form attached as **Exhibit B**

"**Permits**" means all licenses, permits, certificates of authority, certificates of inspection, authorizations, approvals, registrations, franchises and similar consents granted or issued by any Governmental or Regulatory Authority or any other Person.

"**Permitted Lien(s)**" means: (i) statutory liens for current Taxes or other governmental charges with respect to the Real Property or Purchased Assets not yet due and payable or the amount or validity of which is being contested and for which adequate reserves have been established in accordance with GAAP; (ii) mechanics, carriers, workers, repairers and similar statutory liens arising or incurred in the ordinary course of business for amounts which are not delinquent and which could not, individually or in the aggregate, have a Material Adverse Effect on BU; (iii) zoning, entitlement, building and other land use regulations imposed by a Governmental or Regulatory Authority having jurisdiction over the Real Property which are not violated by the current use and operation of the Real Property; (iv) covenants, conditions, restrictions and easements of record and other matters of record affecting title to the Sites which do not Materially interfere with the use or occupancy of the Sites currently used in the Purchased Business; and (v) any Lien or other matter identified on Schedule 3.11.

"**Person**" shall mean and include any individual, corporation, partnership, firm, association, joint venture, trust or other entity, or any government, regulatory, administrative or political subdivision or agency, department or instrumentality thereof.

"**Prepaid Expenses**" has the meaning given to such term in Section 1.1(f).

"**Products**" has the meaning given to such term in the recitals of this Agreement.

"**Protest Notice**" has the meaning given to such term in Section 1.7(c)(ii).

"**Provided Information**" has the meaning given to such term in Section 10.2(d).

"**Purchase Price**" has the meaning given to such term in Section 1.7(a).

"**Purchased Assets**" has the meaning given to such term in Section 1.1.

"**Purchased Business**" has the meaning given to such term in the recitals of this Agreement.

"**Purchased Business Employees**" has the meaning given to such term in Section 3.15.

"**RCRA Permit Financial Assurance Agreement**" means the agreement in the form of **Exhibit C**.

"**Real Property**" has the meaning given to such term in Section 2.1.

"**Real Property Lease**" has the meaning given to such term in Section 2.1.

"**Real Property Purchase Price**" has the meaning given to such term in Section 2.2.

"**Reasonable Efforts**" means the good faith and commercially reasonable efforts that a reasonably prudent Person desirous of achieving a result would use in similar circumstances to ensure that such result is achieved as reasonably expeditiously as possible.

"**Release**" means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, migrating, disposing or dumping of a Hazardous Substance into the environment (including, without limitation, the abandonment or discarding of barrels, containers and other closed receptacles containing any Hazardous Substance) and any condition that results in the exposure of a Person to a Hazardous Substance.

"**Restricted Products**" collectively means and refers to the Products, and any hydrogenated or spray dried products, and any products that are competitive with any of the foregoing, but excluding any products currently or previously sold by Manufacturer's Chemicals, LLC, an Affiliate of Synalloy, prior to the Closing Date that were not manufactured by Manufacturer's Chemicals, LLC, for or on behalf of BU.

"**Retained Liabilities**" has the meaning given to such term in Section 1.5.

"**Revised Closing Date Balance Sheet**" has the meaning given to such term in Section 1.7(c)(i).

"**Revised Closing Schedule**" has the meaning given to such term in Section 1.7(c)(i).

"**Santolubes**" has the meaning given to such term in the forepart of this Agreement.

"**Santolubes Indemnified Party**" has the meaning given to such terms in Section 9.2.

"**Santolubes Resolutions**" has the meaning given to such term in Section 6.2(c).

"**Santolubes Spartanburg**" has the meaning given to such term in the forepart of this Agreement.

"**Sellers' Resolutions**" has the meaning given to such term in Section 6.1(i).

"**Selling Parties**" has the meaning given to such term in the forepart of this Agreement.

"**Selling Parties Indemnified Parties**" has the meaning given to such term in Section 9.3.

"**Selling Parties Indemnified Party**" has the meaning given to such term in Section 9.3.

"**Sites**" has the meaning given to such term in the recitals of this Agreement.

"**Spartanburg Site**" has the meaning given to such term in the recitals of this Agreement.

"**Supplier List**" has the meaning given to such term in Section 1.1(l).

"**Synalloy**" has the meaning given to such term in the forepart of this Agreement.

"**Tax**" or "**Taxes**" shall mean all taxes, charges, fees, duties, levies, penalties or other assessments imposed by any federal, state, local or foreign governmental authority, including, but not limited to, income, gross receipts, excise, property, sales, gain, use, license, custom duty, unemployment, capital stock, transfer, franchise, payroll, withholding, social security, minimum, estimated, and other taxes, and shall include interest, penalties or additions attributable thereto.

"**Territory**" shall mean Anguilla, Antigua and Barbuda, Aruba, Bahamas, Barbados, Bermuda, British Virgin Islands, Cayman Islands, Cuba, Dominica, Dominican Republic, Grenada, Guadeloupe, Haiti, Jamaica, Martinique, Montserrat, Netherlands Antilles, Puerto Rico, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Trinidad and Tobago, US Virgin Islands, Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, French Guiana, Guyana, Paraguay, Peru, Suriname, Uruguay, Venezuela, Canada, Mexico, United States, Belarus, Bulgaria, Czech Republic, Hungary, Moldova, Poland, Romania, Russian Federation, Slovakia, Ukraine, Denmark, Estonia, Faroe Islands (Denmark), Finland, Greenland (Denmark), Iceland, Ireland, Latvia, Lithuania, Northern Ireland (UK), Norway, Scotland (UK), Sweden, United Kingdom, Wales (UK), Albania, Andorra, Bosnia and Herzegovina, Croatia (Hrvatska), Cyprus, Gibraltar (UK), Greece, Holy See (Vatican City State), Italy, Macedonia, Rep. of, Malta, Montenegro, Portugal, San Marino, Serbia, Slovenia, Spain, Turkey, Austria, Belgium, France, Germany, Liechtenstein, Luxembourg, Monaco, Netherlands, and Switzerland.

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"**Third Party Claim**" has the meaning given to such term in Section 9.9.

"**Threshold**" has the meaning given to such term in Section 9.5.

"**Transaction Documents**" means all agreements and instruments contemplated by and being delivered pursuant to or in connection with this Agreement, including without limitation, this Agreement, the Assignments and Bills of Sale, the Assumption Agreements, the Real Property Lease, the Outsourcing Agreement, and the limited or special warranty deed, as applicable, with respect to the Spartanburg Site.

"**Workers Compensation Law**" means the South Carolina Workers' Compensation Laws or the similar Laws of another state.

EXHIBIT A

REAL PROPERTY LEASE

EXHIBIT B

OUTSOURCING AGREEMENT

EXHIBIT C

RCRA PERMIT FINANCIAL ASSURANCE AGREEMENT

AGREEMENT

BETWEEN

BRISTOL METALS, LLC

AND

UNITED STEELWORKERS OF AMERICA

LOCAL 4586

DECEMBER 10, 2009

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P R E A M B L E

THIS AGREEMENT, dated December 10, 2009, is entered into between BRISTOL METALS, L.L.C., Bristol, Tennessee (hereinafter referred to as the Company), and the UNITED STEELWORKERS on behalf of Local 4586 (hereinafter referred to as the Union).

It is the intent and purpose of the parties hereto that this agreement will promote and improve industrial and economic relationships between the employees and the Company, and to set forth herein the basic agreement covering rates of pay, hours of work and conditions of employment to be observed between the parties hereto.

ARTICLE 1 – Recognition

1. As a result of the election, supervised by the National Labor Relations Board of April 5, 1951 and May 5, 1954, and the Decision in Case No. 10-UC-23, January 10, 1969, the Company recognizes the United Steelworkers, as the sole exclusive bargaining agency for all fabrication, production and maintenance employees at the Company's Bristol, Tennessee Plant, excluding all office, clerical, technical, professional, supervisory and custodial employees, as defined in the National Labor Relations Act.

2. The Company and the Union agree to attempt the settlement of all grievances at lowest levels possible, and the Union agrees to conserve as much of the Company's time as possible, in the disposition of complaints.

3. It is understood that all provisions of this Agreement are subject to existing Federal, State and Local Laws.

4. In order to insure maximum, uninterrupted production during the term of this contract, the Company will not lock out its employees on account of labor differences and the Union on its behalf and on behalf of its agents, representatives, employees and members, individually and collectively, agrees there will be no strikes of any kind or nature, including sympathy strikes, during the term of this contract.

In the event of such a strike or threat thereof, the Company, while hereby preserving all the rights and remedies it may have at law or equity, will notify the Union promptly, which in turn, will exert all maximum efforts to prevent or terminate any such strike activity or conduct.

Any employee who engages in such prohibited conduct may be disciplined or discharged at the sole discretion of the Company, and such decision will not be reviewable under the grievance-arbitration procedures of the contract, except on the question of whether the grieving employee actually participated, actively or passively, in such conduct; or whether such employee was irrationally disciplined or discharged.

ARTICLE 2 – Management

1. The Union agrees that, subject to the other provisions of this agreement, the function of Management belongs solely to the Company, and that it will not interfere with the Company's free exercise of this function.
2. The function of Management includes, among other things: The right to select and to hire new employees; the right to direct the work forces; the right to formulate reasonable plant rules; the right to discipline, suspend, discharge for cause, transfer, demote or promote, and the right to relieve employees of their duty because of lack of work, lack of skill or inefficiency, in such manner as to promote the efficient operation of the plant; and the right to assign work to employees; to decide the number and location of its plants; to determine the products to be manufactured, including the means and processes of manufacturing and to introduce new or improved production methods or facilities and except to the extent provided for in this agreement, the Company reserves and retains, solely and exclusively, all of its inherent rights to manage the business as such rights existed prior to the execution of this agreement.

ARTICLE 3 - Check Off Provisions

Upon receipt of voluntary written authorization from any employee in the form to be provided by the Union, the Company will deduct from the earnings of said employee his monthly membership dues in the Union under the following procedure:
The greater amount of Five Dollars or an amount equal to 1.45% of the employee's total earnings in the immediately prior month not to exceed two and one-half times an employee's average hourly earnings in the immediate prior month. Such authorization may be in the following form:

CHECK-OFF AUTHORIZATION
For the United Steelworkers
Company _____
Plant _____
Date _____, 20_____

Pursuant to this authorization and assignment, please deduct from my pay each month, while I am in employment within the collective bargaining unit in the Company, monthly dues, assessments and (if owing by me) an initiation fee each as designated by the Treasurer of the International Union, as my membership dues in said Union.
The afore said membership dues shall be remitted promptly by you to the International Treasurer of the United Steelworkers, or its lawful successor at the address which he authorizes, in writing, for that purpose.
The assignment and authorization shall be effective and cannot be canceled for a period of one (1) year from the date appearing above or until the termination date of the current collective bargaining agreement between the Company and the Union, whichever occurs sooner.
I hereby voluntarily authorize you to continue the above authorization and assignment in effect after the expiration of the shorter of the periods above specified, for further successive periods of one (1) year from such date. I agree that this authorization and assignment shall become effective and cannot be canceled by me during any such years, but that I may cancel and revoke by giving to the appropriate management representative of the plant in which I am then employed, an individual written notice signed by me and which shall be postmarked or received by the Company within fifteen days following the expiration of any such year or within the fifteen days following the termination date of any collective bargaining agreement between the Company and the Union covering my employment if such date shall occur within one of such annual periods. Such notice of revocation shall become effective respecting the dues for the month following the month in which such written notice is given; a copy of any such notice will be given by me to the Financial Secretary of the Local Union.

Local Union No. _____

United Steelworkers Signature _____

Witness _____

Check No. _____

Ledger No._____

The Union shall indemnify and save the Company harmless against any and all claims, demands, suits or other form of liabilities that rise out of or by reason of action taken by the Company in reliance on the aforementioned written assignment or for the purpose of complying with any of the provisions of this section.
The Union shall submit to the Company at its request a list of its members; such list shall not be required more often than three month intervals. The Company will furnish a designated officer or individual of the Local Union each month as expeditiously as reasonably practicable, two (2) copies of the names of the employees from whose earnings such deductions have been made, along with the amounts of money so deducted.

ARTICLE 4 – PAC Check-off Authorization

The Company agrees that it will check-off and transmit to the Treasurer of the United Steelworkers Political Action Committee (USW PAC) voluntary contributions to the USW Political Action Fund from the earnings of those employees who voluntarily authorize such contributions on forms provided for that purpose by the USW PAC. The amount and timing of such check-off deductions and the transmittal of such voluntary contributions shall be as specified in such forms and in conformance with any applicable state or federal statue.
The signing of such USW PAC check-off form and the making of such voluntary annual contributions are not conditions of membership in the Union or of employment with the Company.
The Union shall indemnify and save the Company harmless against any and all claims, demands, suits or other forms of liability that shall arise out of or by reason of action taken or not taken by the Company for the purpose complying with any of the provisions of this Section.

The United Steelworkers Political Action Committee supports various candidates for federal and other elective office, is connected with the United Steelworkers, a labor organization, and solicits and accepts only voluntary contributions, which are deposited in an account separate and segregated from the dues fund of the Union, in its own fund raising efforts and in joint fund raising efforts with the AFL-CIO and its Committee on Political Education.
In cases where a deduction is made which duplicates a payment already made to the union by an employee, or where a deduction is not in conformity with the provisions of the Union Constitution and Bylaws or the National Labor Relations Act, refunds to the employee will be make by the local Union.

ARTICLE 5 - No Discrimination
It is agreed that there shall be no discrimination as provided in applicable State and Federal Statutes, against any employee by the Union or the Company because of race, color, religion, national origin, sex, age, or memberships or non membership in a labor organization.
The parties recognize that the individuals covered by this Agreement are likewise covered by the Family and Medical Leave Act of 1993, and that the Company will abide the Act which provides for up to twelve (12) weeks of unpaid leave per year for employees in appropriate circumstances.

ARTICLE 6 - Wages
The various jobs within the following classifications shall be:

Job Classification	Jobs in Classification
1	General Helper
	Fit-Up Helper
	Press Opeator Helper
	7-1/2 Ton Overhead Crane
	10 To Overhead Crane
	All other small machine operators

2	Yard Tractor Driver Gas Furnaces Fork Lift Operator Maintenance Apprentice Crane Hookup Tack & Spot Welding Pickle Tank Operator Doall Saw Operator Storekeeper Shipping & Receiving Warehouse Operator Helper Sand Belt Operator
3	Power Press Brake Helper Power Shear Heler Ajax Furnace Pipe Sizing Pipe sixzing Press Operator Pipe Plasma Burner Plate Plasma Burner Template Operator Rotary Straightener Lubrication Technician Planisher (165 Mill) Machine Beveler Pickle Tank Operator Pipe Marker Operator Warehouse Oprator Hydro Tester Operator
4	Power Press Brake Operator Power Press Brake Operator Power Roll, Tank Head, and Angel oll Operator MobileCrae Operator Tube, Stake and Semi-Audomatic Equipment X-Ray Tech Shipping Tech

5	Welder QC Senior Lab Tech Boring Mill
6	Fit-Up Level 3 Radiographer (X-Ray)
7	Maintenance Mechanic Maintenance Electrician Special Projects Mechanic

RATES

Rates of pay for the foregoing classifications are set forth in Appendix "A". Rates shown in the various Columns of Appendix "A" shall become effective as follows: Column 1, February 1, 2010; Column 2, February 7, 2011; Column 3, February 6, 2012; Column 4, February 4, 2013; Column 5; February 3, 2014.

All job classifications deleted will be restored to the classification where located at the time of deletion, if the Company brings the job back. Employees in Classifications 2 and 4 can bid on job vacancies in Classifications 2+ and 4+, respectively, without such bids being prohibited as cross bids.

RATES FOR NEW JOBS AND CHANGED JOBS

When the Company establishes a new job in the bargaining unit, it shall temporarily place it in a classification in line with the wage scale of similar work in jobs covered by this Agreement.

After a reasonable period of time allowed for perfecting the procedures and the machine or equipment involved, and when the job becomes fully operational, that is, is functioning normally in the production process, the Company will provisionally place it in a classification in line with the wage rate for similar work in jobs covered by this Agreement.

If no one in the classification is available to fill the job, it shall be posted for bids in the normal manner.

The provisional classification for such a job will remain in effect for sixty days from the time the provisional classification is made. If, after the sixty day period, the Company deems the classification to be proper and accurate and the Company notifies the Union in writing, and no grievance is filed by the Union within five calendar days after the end of the sixty day period, the provisional classification will be considered the permanent classification for the job.

If during the term of this Agreement a significant and substantial change in job content in a job has been effected by the Company to the extent that the wage rate has become inappropriate as compared to the wage rate for similar jobs covered by this Agreement, and the company fails to reclassify the job, the Union may request the Company to review the circumstances in conference with the Union.
However, resort to the grievance procedure may be invoked only on the basis that the action of the Company is arbitrary and capricious.
There will be no retroactivity with respect to rates. Grievances filed hereunder shall be concerned only with the consistency of the rate paid for similar work in jobs covered by this agreement.

ARTICLE 7 - Shift Assignments and Shift Preference

The Company will staff all shifts on the basis of the employee's preference of shifts, taking into account his classification, skills and experience and plant seniority as vacancies occur. However, the junior qualified employee may be assigned to a particular shift when in the judgment of the Company, his skills and experience are needed to provide a balance of skills and experience between the shifts, and such will promote the efficient operation of the plant.
When such an assignment takes place, however, and the employee who was assigned possesses sufficient plant seniority to work on a different shift of his preference, after a period of thirty days on such assignment he may apply for a shift of his preference within his department based on his plant seniority, classification, skill and experience, provided that such application may be made by the employee only once in any six (6) calendar month period and provided that an employee with the necessary skill and experience, who possesses less plant seniority, is available to replace him. Under such circumstances, the Company will train a junior employee. Subject to the foregoing conditions but in addition to the above applications, application for shift preference may be made throughout the plant once each year during a period of two consecutive calendar weeks to be designated by the Company.

The parties hereto agree it is not the intention of the parties to abuse the assignment of employees between shifts, and that the company agrees to confer with the Union, upon request, concerning alleged abuse.

A premium rate of $.25 per hour will be paid for workers assigned to second and third shift.

ARTICLE 8 - Profit Sharing Plan

Reason for the Profit Sharing Plan

The manufacture and sale of stainless steel pipe and fittings is a highly competitive business with many domestic as well as foreign producers. Because worldwide productive capacity is much greater than demand, prices for these products will continue to be under pressure. Under these conditions, the only way we can produce profits is by working together to control costs and operate efficiently. It is hoped that this profit sharing plan ("plan"), which is effective only during the term of this agreement, will:

1. Motivate every employee eligible under the plan to improve his or her performance and help in every way they can to produce profits.
2. Reward employees for their efforts by paying them a share of Brismet profits as additional remuneration over and above their wages and salaries.

Who Participates

Every production, maintenance and supervisory employee who is assigned to pipe and fittings manufacturing (Departments 75 and 72), hereinafter called Brismet, and who:

1. Is a full-time employee that has completed 90 days of full-time employment
2. Is employed at the end of any quarter for which a distribution is paid
3. Is employed by the Company or on layoff at the time any distribution is paid for the first, second, third and fourth quarter unless termination was due to retirement or disability for which the employee received benefits under the Company's corresponding benefit plan; and
4. Is employed by the Company at the end of the fiscal year in question unless termination was due to retirement or disability for which the employee received benefits under the Company's corresponding benefit plan.

Source of Pool

Six percent (6%) of Brismet's operating earnings before income taxes as reflected in the corporate accounting records and financial statements will form a pool to be distributed to eligible employees. Such earnings are to be the sole source of contributions to the pool. Revenues and expenses will be allocated to Brismet using accounting methods which the Company believes, at its sole discretion, most accurately reflect Brismet's profits.

Allocation of Pool to Employees

The pool will be divided so that every eligible employee gets the same percent of his or her straight-time pay (excluding all overtime) that all other eligible employees receive. Only wages earned after 90 days of full-time employment will be included for purposes of calculating the distribution made to an employee.

When Distribution Will Be Paid

Profits for each fiscal year and any related distribution will not be finally determined until completion of the annual audit by the Company's outside certified public accountants. However, in order to give employees the opportunity to receive their distributions sooner, any distributions will be made according to the following schedule:

1. Approximately 45 days after the end of the Company's fiscal first, second and third quarters for each fiscal year, the Company will pay 75% of any estimated distributions for each quarter based on Brismet's cumulative earnings.

2. Approximately 75 days after the Company's fiscal year-end, but in no event sooner than the completion of the Company's audit, distributions will be made for the year less any previous quarterly payments. Should the actual distributions for the year be less than the previous payments, employees will not be asked to return the overpayment.

Qualifying as a Bona Fide Profit Sharing Plan

It is agreed that the inclusion of this plan in the collective bargaining agreement and its implementation is conditioned upon the plan being qualified as a bona fide "profit sharing plan" under 29 C.F.R. Part 549.

ARTICLE 9 – Vacations/Paid Time Off

All eligible employees on the payroll of the Company on June 1st of a Vacation Year who have been in the Company's employ for twelve (12) consecutive months or more on June 1st of the Vacation Year shall be entitled to a vacation with pay in accordance with the following:

Accumulated Seniority	**Days of Vacation**
Less than a year	Partial
1 year but less than 3 years	1 week (40 hours)
3 years but less than 10 years	2 weeks (80 hours)
10 years but less than 20 years	3 weeks (120 hours)
20 years or more	4 weeks (160 hours)

Employees continuously on the payroll on June 1with less than 1 year of seniority and who have satisfactorily completed the 90 day probationary period shall receiver partial vacation pay equal to one-twelfth (1/12) of forty hours pay at his regular rate for each full month of uninterrupted service prior to the initial June 1 eligibility date or receive the equivalent vacation time off. This partial vacation will be paid on the first pay day after the initial eligibility date.

Employees who have not completed the 90-day probationary period prior to the initial June 1 eligibility date must satisfactorily complete the probationary period prior to receiving any partial vacation pay. Upon successful completion of the probationary period, such employees shall receive partial vacation pay equal to one-twelfth (1/12) of forty hours pay at his regular rate for each full month of uninterrupted service prior to the initial eligibility date. This partial vacation pay will be paid on the first day after the employee has satisfactorily completed the probationary period. Each of the forgoing elections is conditioned upon the employee being otherwise eligible for the vacation benefits described herein. Thereafter, the normal eligibility rules will apply.

Where an employee otherwise would be eligible for an additional week (40 hours) of vacation benefit under the above schedule for the June 1 eligibility date, such employee shall receive vacation with pay for the amount of vacation benefit for which he is eligible plus partial vacation pay equal to one-twelfth (1/12th) of forty (40) hours pay at his regular hourly rate for each full month of uninterrupted service between the employee's anniversary date of hire and June 1 of the current year or receive the equivalent vacation benefit time off.

The above vacation table was changed during December 9, 2004 contract negotiations. The change to the vacation benefit is not retroactive and shall be implemented beginning June 1, 2005.

All vacations will be allowed and must be taken during the twelve (12) months or vacation year after an employee becomes eligible. EXAMPLE: An employee who is eligible for one (1) week on June 1, 2010, will be given and must take his week's vacation prior to June 1, 2011.

Vacations are not cumulative. Vacation period may be designated by the Company to meet the operating needs of the Plant and may be designated during a one or two week period in which the plant may be closed for vacation. Notice to this effect shall be posted each year during the last seven days of March. Provided, the Company agrees not to close the plant for vacation period during a week in which July 4 is observed as a holiday under the terms of this Agreement.

In the event a decision is made not to close down the plant for vacation, employees will be granted vacations on the basis of seniority as far as possible, subject to the efficient operating requirements of the plant. Employees with more than two weeks vacation will have priority over junior employees for two week's vacation period.

All requests for choice of vacation period shall be made by employees, in writing, and to which they shall be bound, between the 15th and 20th day of April, and the Company, after consultation with the Union, will announce by May 1, whether the request will be honored or not. Employees will be reminded of this requirement during the last seven days of March.

An employee may elect to waive his vacation time off and receive vacation pay in lieu thereof, by requesting such between the 15th and 20th day of April. Under such circumstances, vacation pay will be paid at the end of the first full week in June.

Upon retirement, a retiring employee shall be entitled to receive a pro-rated portion of his or her vacation allotment for the coming year, based upon the observed vacation year (June 1 to May 31). The amount of such payment shall be computed by determining the amount of vacation time that the employee would have received had he remained on the payroll until June 1 and pro-rating such amount based upon the number of months of active employment on the employee's part between June 1 in one calendar year and May 31 of the next calendar year. Such amount shall be paid after the next vacation year commences on June 1. EXAMPLE: Employee A retires December 1, 2009. Had he remained on the payroll until June 1, 2010, he would have received four weeks of vacation which he could have taken between June 1, 2010 and May 31, 2011. Upon retirement on June 1, 2010, he would receive payment for two weeks of vacation computed as follows: 6 months of active employment (June 1, 2009 – December 1, 2009) divided by 12 potential months of employment (June 1, 2009 – May 31, 2010) = ½; ½ x 4 weeks vacation = 2 weeks vacation.

ELIGIBILITY

An employee must have been employed twelve (12) consecutive months and worked a minimum of 1,400 hours during those twelve (12) months prior to June 1st in order to be eligible for a vacation 1 week (40 hours)**.**

An employee must have been employed thirty-six (36) consecutive months and worked a minimum of 1,400 hours during the twelve (12) month period prior to June 1st in order to be eligible for a vacation of two (2) weeks (40 hours/week). This may consist of two separate periods one (1) week (40 hours**)** as designated by the Company.

An employee must have been employed one hundred twenty (120) consecutive months and worked a minimum of 1,400 hours during the twelve (12) month period prior to June 1st in order to be eligible for a vacation of three (3) weeks (40 hours/week). This may consist of three separate periods one (1) week (40 hours) as designated by the Company.

An employee must have been employed two hundred forty (240) consecutive months and worked a minimum of 1,400 hours during the twelve (12) month period prior to June 1st in order to be eligible for a vacation of four (4) weeks (40 hours/week). This may consist of four separate periods one (1) week (40 hours) as designated by the Company.

For the purpose of determining whether 1,400 or more hours have been worked, time lost due to an injury arising out of Company employment, jury duty or due to absence from work while on vacation under the agreement, shall be added to the actual hours the employee worked, at the rate of eight (8) , ten (10) or twelve (12) hours per day but not less than forty (40) or more than forty-eight (48) hours per week (if his job has operated at 48 hours per week during his absence.)

An employee who is laid off, quits or is discharged, and who meets the eligibility requirements for vacation and has not had a vacation after becoming eligible therefore shall receive his vacation pay at the time of such layoff, quit or discharge.

Time lost by an employee for a period of at least an entire payroll week, due to a bona fide sickness supported by a physician's certificate or other unusual hardship, acceptable to the Company, may be applied to any vacation time to which such employee is entitled if the employee so requests.

Employees will receive pay for holidays as defined in this agreement occurring during vacation period, unless an election has been made under the paragraph following immediately.

Holidays, legal or otherwise, which may occur during the time an employee is on vacation shall not extend the employee's vacation period. Provided, however, that any employee who elects ~~not~~ to receive time off for a holiday, as defined in this Agreement, which occurs during his vacation period, may at the time of this election prior to his/her vacation designate another day, more than thirty (30) days after his vacation period, and be entitled to time off on that day, having already received holiday pay. Provided, further, that no more than five (5) percent of the employees shall be permitted to elect any one alternate day, and that no premium shall attach, in any manner, to such holiday.

The vacation pay for a vacation of one or more weeks shall be forty (40) hours pay per week at the employee's regular hourly rate.

The vacation pay will be paid on the regular payday for the period of the employee's vacation. However, an employee may receive vacation pay (40 hours) before he leaves for vacation time off provided such request is made in writing to the Company at least fourteen (14) days prior to the date his vacation is scheduled to start.

For the employee who requests that vacation be applied because of time lost due to bona fide sickness as described above, the vacation shall be paid on the first regular payday occurring not less than ten (10) days following the date this employee makes such request.

In the event of death of an employee after becoming eligible for a vacation but before taking a vacation, the amount of vacation pay to which he would have been entitled shall be paid to his proper legal representative.

Employees can reserve vacation time to be used one day at a time. Employees with a total of four (4) weeks of vacation time can reserve two (2) weeks (80 hours) of vacation and employees with less than four (4) weeks of vacation time can reserve one (1) week (40 hours) of vacation. These days of vacation have to be taken in whole days depending on the employee's regular work schedule. For example: If an employee's regular work schedule is for an eight (8) hour work day, than his day at a time vacation will be eight (8) hours. If and employee's regular work schedule is for ten (10) hour work day, than his day at a time vacation will be ten (10) hours. Days at a time vacation are not subject to being paid prior to the employee taking the vacation time off. Employees requesting a day at a time vacation have to schedule the vacation day prior to the day requested. Two weeks' notice is preferred.

Employees who have completed the 90 day probationary period can request two (2) days off for personal use and these days have to be taken during the 12 month period starting June 1 and ending May 31. These days can be taken as a ½ day or a whole day. The employee will receive time off depending on his regular work day schedule. For example: If the employee's regular work day is (8) hours the employee will receive eights (8) hours pay. If the employee's regular work day is ten (10) hours the employee will receive ten (10) hours pay. Personal Days do not count as hours worked, therefore personal days do not count toward the 40 hours required before overtime starts to accumulate.

ARTICLE 10 - Hours of Work

1. Eight (8), ten (10), or twelve (12) consecutive hours (exclusive of lunch period) shall constitute a standard day's work and forty (40) hours shall constitute a standard week's work. The Company shall determine the starting and quitting time and the number of hours to be worked. However, before the starting time is changed from 7:00 a.m., the Company will confer with the Union. Eight (8), ten (10), twelve (12) consecutive hours plus lunch periods, within any period of twenty-four (24) hours, shall constitute a shift.
2. All time worked over forty (40) hours in any one week, shall be paid for at the rate of time and one-half.

3. The opportunity for overtime work assignments shall be based on seniority among qualified employees in the classification in which overtime work is being performed.
An employee absent from work for any reason on the day that daily overtime is assigned will be deemed to have had an opportunity to perform overtime work.
Equalization of overtime work shall be based on a calendar month-to-month cycle. Any employee believing he has been unreasonably denied an equal opportunity for overtime work during any calendar month may raise the question under Article 16. The "date of origin" under Paragraph 1 (a) of that Article shall be the last day of the calendar month in which the alleged unequal treatment took place.
If it is decided that the employee's allegation has merit, the employee will be placed in a preferential position to perform overtime turns sufficient to remedy the unequal treatment.
When notice is given concerning casual overtime worked two (2) hours before the end of an employee's shift, on any day the Company may require employees to perform overtime work to the extent of securing the number of employees for which overtime work is assigned, based on the inverse order of seniority among qualified employees plant wide in the classification in which overtime work is being performed. For weekend overtime the Company will give a one and one-half (1 ½) days notice for 1st shift employees and give a two (2) days notice for 2nd and 3rd shift employees. For example: Weekend overtime work for 8 hour shifts (Monday through Friday) will require a notification by the end of 1st shift on Thursday for 1st and 2nd shift and on Wednesday for 3rd shift. Overtime work for 10 hour shifts (Monday through Thursday) will require a notification by lunch break of 1st shift on Wednesday for 1st and 2nd shifts. If the Company does not notify the affected employee as required above, the affected employee will be considered not scheduled to work weekend overtime. Weekend overtime greater than six hours will include paid lunch.
However, first choice for casual overtime work shall be given to the employee or employees actually performing the work on the day on which the overtime is necessary.
Employees refusing under such circumstances to perform overtime work will be subject to discharge.
Casual overtime, or daily overtime, is that work outside regular working hours, which occurs from time to time, and which is not pre-scheduled.

Scheduled overtime is that work which is pre-scheduled no later than the previous day, generally by department or larger entities, and becomes a part of the scheduled workday.

4. Employees who have not been notified at quitting time and are called in for work after completion of their regular scheduled workday shall receive a minimum of four (4) hours' pay at his regular hourly rate.

5. When it becomes necessary, the Company will make every effort to notify the employees of reduced working schedules by posted or individual notices on or before the close of the previous day's shift. Should the Company not so notify and an employee reports for work the next morning, he shall be allowed to work at least four (4) hours at his regular hourly rate or be paid for four (4) hours if work is not available which he can do. Employees who were not at work the preceding day may not claim this benefit. In cases of emergency beyond the control of the employer, or absence of an employee at time of notice, it may not be possible to give advance notice of lack of work. In such cases, there will be no "call-in" pay for employees reporting to work.

6. Scheduled work week will be normally.

7. Pay day shall normally be Friday and pay will be computed from Monday through Sunday inclusive of the preceding week. Those working on Thursday night shifts will be paid at the end of the shift. Day shift employees will be paid before checking out on Fridays.

8. Double time will be paid for hours worked on Sunday, except for hours worked on Sunday by an employee whose regular shift begins on Saturday and ends on Sunday or begins on Sunday and ends on Monday. There will be no duplication of pay under this provision and any other provision.

REST PERIODS

Employees shall be granted two (2) rest periods per day not to exceed ten (10) minutes each, one during the earlier part of the shift and one during the later part of the shift. The times at which such rest periods are taken are to be determined by the employee's foreman or other designated Management representatives. The employees working on the continuous tube mills are required to work during the foregoing rest periods and will receive additional pay for such periods equal to their regular straight time rate of pay.

ARTICLE 11 – Holidays

1. The following days shall be recognized as holidays for the purpose of this Agreement: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, Day before Christmas, Christmas Day.

When any of these holidays fall on a Saturday or Sunday, Friday or the following Monday will be recognized as a holiday.

2. Employees shall be paid for the holidays provided they meet all of the following eligibility requirements:

a. If the holiday falls on a day on which the employee would normally have been scheduled to work had a holiday not occurred, the Company shall not disqualify such employee by changing such normal schedules for the purpose of avoiding payment for the holiday.

b. Except during his authorized vacation period, the employee's working at least eight hours during the week in which the holiday occurs.

c. An employee who is scheduled and agrees to work on a holiday and is absent for any reason except sickness, death in the family, or some similar extraordinary circumstance is not eligible for holiday pay.

d. The holiday pay shall be at the employee's regular hourly rate for eight (8) hours.

e. It is the policy of the Company to avoid working on holidays covered by this contract. No work will be performed on these holidays unless absolutely necessary to meet customer delivery requirements. Two and one-half times will be paid for hours worked on these holidays. It is understood that this two and one-half times includes the regular holiday pay to which an employee would be entitled had he not worked and that there will be no duplication of pay under this provision and any other provision.

ARTICLE 12 - Seniority

1. For purposes of this Agreement, plant-wide seniority shall prevail for transfers, recalls, layoff, promotions, demotions, and shift preference as vacancies occur subject to giving consideration to the qualifications, which shall include experience, ability, physical fitness, and efficiency required by the job. A seniority list of all employees shall be supplied by the Company to the Union each three (3) months, which, if not questioned by the Union within seven (7) calendar days after receipt, shall be conclusive for the purposes of this Agreement.

2. An employee shall lose his seniority under the following conditions:

   a. If he resigns or voluntarily quits;
   b. If he is terminated for just cause;
   c. If he has less than two (2) years seniority at the time of layoff and remains in layoff status for more than one (1) year;
   d. If he has two (2) or more years of seniority at the time of the layoff and remains in layoff status for more than three (3) years.

   e. If he fails to return to work upon the expiration of an approved leave of absence or his vacation;

   f. If he fails to return to work at the appropriate time upon being recalled from layoff;

   g. If he has not been actively employed due to disability twenty-four (24) consecutive months.

3. All newly hired employees shall be considered to be on probation for a period of ninety (90) working days. The duration of the probationary period may be extended by mutual agreement of the Company and the Union. At the end of the probationary period, the employee's seniority should be measured from his or her most recent hire date. Probationary employees may be discharged without recourse to the Grievance and Arbitration procedures. During the probationary period, the employee shall not be eligible to participate in employee benefit programs or the receive pay for any time not actually worked, suck as vacation or holiday, as may be available to employees who have completed their probationary period.

LAYOFFS

1. When a reduction of forces is necessary, the Company will post the names of the employees to be laid off two (2) days, excluding Saturdays, Sundays, or holidays, prior to such reduction, unless cancellations of orders, changes in customer's requirements, breakdown, accidents or other emergency makes such notice impossible. A copy of the posted list of employees to be laid off will be given to the local Union at the time of posting. Any questions of grievance arising from such reduction of forces must, if possible, be presented within the two (2) day period of such notice.

2. During periods of layoff or cutback the Company will adjust the active work force by transferring employees, on the basis of seniority, to other classifications where needed, and for which they are qualified to immediately perform the full requirements of the job available; provided however that for available jobs in Classification 1 the employees affected need only have minimum qualifications which are defined as not requiring direct supervision, and requiring no more than familiarity instruction. In either case, qualifications will be determined on the basis of the affected employee having previously bid on the classification and performed the available job; temporary transfers thereto; previous experience; individual knowledge, physical abilities; and skills.

Applying the foregoing provisions, such transfers shall be made within the department in which the layoff or cutback has occurred. Only in the event such transfers cannot be effected within the department are such transfers to take place outside the department, pursuant to the foregoing provisions. In the event an employee otherwise would transfer to a classification within his department which is more than three (3) job classifications below his present classification, such employee may elect to be transferred outside the department pursuant to the foregoing provisions, Classifications and incumbents of classifications within a particular department are determined solely by the Company on the basis of the type of product normally worked upon by the employees in their respective classification. Departments are to be pipe manufacturing, custom fabrication, and maintenance.

RECALL

When the work force is to be increased, qualified employees in a classification on layoff will be recalled before additional hiring is accomplished for that classification.
In recalling employees, the Company will notify employees to be recalled by telephone, if feasible, of the date on which they are expected to return to work.
If personal contact is not made by telephone, the Company will notify employees to be recalled by Certified Mail, Return Receipt Requested, mailed to the last address given by the employee to the Company.
It will be the responsibility of the employee to notify the Company by telephone, if feasible, of his intention to return to work on the designated date before 4:00 p.m. of the second day following delivery of the Company's certified letter.
If contact by telephone is not feasible, the employee shall notify the Company of his intention to return to work on the designated date by notifying the Company by Certified Mail, Return Receipt Requested, which shall be mailed prior to the end of the second day following the delivery of the Company's certified letter.
In the interim period, or in the event of an emergency, the Company may recall any employee for a period not to exceed three (3) days, provided efforts for the emergency recalls are made by seniority.
When recall is complete, it is the sense of the parties that employees will be returned to the classifications they held prior to layoff, if sufficient work in their classification is available.

JOB VACANCIES AND PROMOTIONS

New jobs, classifications or vacancies, which are not filled by stand-by employees, other than additional general helpers and laborers will be posted (two copies) on the Bulletin Board for a period of three (3) workdays.
Applications for such opportunities shall be made on both copies (one for the Company, one for the Union) during this three day period, and may be withdrawn only prior to the time the award is made. If the job is not a full-time job, it shall be posted in the same manner and called a stand-by job, and when the job becomes a full-time job, the employee who successfully bids the stand-by job for that operation shall automatically become the full-time operator. Standby operators shall be paid the same and considered on the same basis as full-time operators while they are performing the duties of the full-time operators. A stand-by operator shall be considered a full-time operator when the job becomes a full-time job or when he works over fifty percent (50%) of his time on the job for any six (6) month period.

An employee will be given a reasonable trial period on a new job or in a new classification. If retained therein at the end of thirty days (sixty days for welding operators), it will be presumed the employee is qualified. If deemed unsatisfactory prior thereto, he will be returned to the job he held prior to the bid. Other employees affected by a move of this type will likewise be returned to their previous job.

An employee may bid downward to a lower paying job, when biding on a new job, classification or vacancy, for health reasons only. In such downward bid, he must be presently fully qualified to perform the work without additional training. If successful in such bid, the employee will not be permitted to bid in either direction on any job a full 12 calendar month period from the time he began work on the lower paying job.

An employee who has been cutback from an earlier classification during a cutback or layoff period may elect to remain in the classification to which he was cut back with withdrawal. Withdrawals are permitted in only two circumstances - withdrawal of a bid before an award is made; and the type withdrawal set forth in this paragraph.

At the beginning of this contract term, the Company will designate those employees who are presently stand-by operators, and may from time to time post other stand-by jobs for bid. When a job has no stand-by operator, or when a stand-by operator is not available, that is, not at work on the premises at the time, temporary vacancies may be filled without regard to seniority for a period of three (3) days in filling a temporary vacancy, and employee working regularly at a job in a lower classification, but who has previously worked regularly at the temporarily vacant job, will, if he has seniority over other employees similarly situated, be given preference over other employees in filling the temporary vacancy. However, if such vacancy continues beyond three (3) days because of illness, leave of absence, vacation or other cause of the employee regularly assigned to the job, then the Shop Committee and Management will meet in an effort to fill the vacancy either by continuing the employee temporarily selected or selecting another employee for such additional period of time as may be agreed upon. If such vacancy cannot be filled from among employees within the bargaining unit then the Company may employee a new employee to fill the job. Employees who are transferred from their regular job in order to fill a temporary vacancy as described above will be paid their regular rate or the rate of the job to which they are transferred, whichever is higher.

In lieu of actually moving the proper employee to the temporary vacancy, the Company, in its discretion, may elect to compensate the employee for the difference in compensation involved. Compensation will be limited to one employee.
A stand-by operator, or any employee, who takes the job of an operator, or any other employee, on a temporary basis--that is, when the operator or other employee is absent because of illness, leave of absence, vacation, or other such temporary absence--shall acquire no rights to such job over the operator or other employee, regardless of seniority.
In the event it is determined that no present employee with seniority is qualified to fill the position in question, then the Company may hire a new employee to fill the position.
Employees absent from work shall be notified by the Shop Committee when a job is posted for bid.
The Company agrees to furnish the Shop Committee the names of employees on the active payroll who are absent from work on the day a job is initially posted for bid.

ARTICLE 13 - Absenteeism

1. To maintain efficient production schedules, the parties insist on regular, punctual attendance of all employees.
2. Chronic absenteeism or chronic tardiness will be cause for discharge or other disciplinary action.
3. An employee who has previous knowledge of an expected absence from work shall notify the Company in advance of such absence.

In emergency situations, or where unexpected events cause an absence from work, an employee must notify the Company as soon as possible on the day of such absence and provide the reason therefore.
Employees who fail to provide notice, as provided above, for three successive workdays shall be considered as voluntary quits.

ARTICLE 14 - Safety and Health

1. Both parties to this Agreement will strive to improve the safety conditions for the protection of employees and to agree to police this provision so as to insure against unnecessary injury to the employee and costly interruption to operation. Neither party will uphold needless or careless acts calculated to injure an employee or his fellow workers.
2. The Company will furnish without cost to the employees all protective equipment deemed necessary by the Company. All such items shall be checked out to the employee who shall be responsible for its safekeeping and care. Failure of this responsibility by the employee shall result in the cost of the item being deducted from his next check. The Company will pay a differential of $50.00 per pair for Safety Shoes, purchased and worn regularly by employees while on duty. Employees who regularly work in the pickling operation will be eligible to receive this payment twice per year. Should employees be required by law to wear hard hats and ear plugs, they will be furnished by the Company. The Company will supply cold weather clothing to employees assigned to jobs that requires them to be outdoors on a daily basis.
3. The Union shall designate at least two (2) safety committeemen in the Plant. These committeemen shall be part of the Plant's safety committee which shall meet monthly with the company's representative in an effort to improve safety conditions and practices in the Plant.
4. An employee shall not be required to work on a job which will be dangerous to life or limb.
5. The Company agrees to equip a satisfactory First Aid Station.
6. Should an employee suffer a job-related, compensable injury, he shall be paid for the balance of the day on which the injury occurred.

ARTICLE 15- Shop Committee

1. The Union Shop Committee shall consist of not more than four (4) members, one of whom shall be designated as Chairman. There may be one additional committeeman for the night shift.

2. The Union Shop Committee shall be recognized as the Plant Grievance Committee and all disputes resulting from the application and/or interpretation of this agreement shall be handled by said Committee with the assistance of the Union International Representative in cases where such assistance is deemed necessary by the Committee.
3. The Union shall notify the Company in writing of the names of the Shop Committee, and the Company shall furnish in writing to the Union the names of its Supervisors.

ARTICLE 16 - Grievance Procedure

1. All grievance and/or disputes arising out of the application or interpretation of the provisions of the Agreement shall be handled in accordance with the following procedure. Employees may be discharged during their probationary period without recourse to the grievance and arbitration procedures.

a. The aggrieved employee shall register his grievance within two (2) workdays from the date of origin of his alleged grievance with his immediate foreman, or he may request his foreman to call the grievance committeeman in his area and the committeeman shall be called as soon as possible, but not later than the end of the shift in which the request is made.

b. Failing satisfactory adjustment within two (2) workdays after being presented to the immediate foreman, the grievance shall be reduced to writing by the Shop Committee and appealed to the Superintendent within two (2) workdays thereafter and the Superintendent shall forthwith offer to meet with the Shop Committee within two (2) workdays for the purpose of adjusting said grievance. The Superintendent shall within two (2) workdays after such meeting has been held give a written acceptance to the grievance.

c. Failing satisfactory adjustment in Step b., the President of the Company or his designated representative shall be notified in writing within five (5) days after the written answer provided for in Step b. has been received. The President of the Company or his designated representative shall meet with the Shop Committee and the International Representative on the 2nd and/or 4th Monday of each month to discuss grievances for which a formal appeal has been made. These meetings may be held on other dates which may be more convenient to the parties by mutual agreement. The President of the Company or his designated Representative shall, within five (5) days after such meeting has been held, give written answer to the Shop Committee with a copy to the International Representative.

d. Should a grievance fail to be settled as provided above, either party may submit the matter to arbitration by giving written notice of its desire to do so to the other party. The Arbitrator shall be selected in the following manner: The Company and the Union shall jointly request the Federal Medication and Conciliation Service to name seven (7) available Arbitrators. Chosen by a toss of a coin, the winner shall strike the name of one Arbitrator, and alternately each party shall strike another, the remaining last name to be the person to serve as the Arbitrator.

e. The Arbitrator shall promptly inquire into all matters affecting the complaint and shall within thirty (30) days of his appointment render his decision in writing, and said decision shall be final and binding upon the parties to this Agreement. One half of the expense of the Arbitrator shall be paid by each party.

f. Arbitrated matters shall be confined to the meaning and application of the provisions of this Agreement.

2. The Union International Representative may be requested to, and shall have the right to; assist in the adjustment of any and all grievances after Step b. of the grievance procedure has been invoked.

3. The Union International Representative shall have access to the Company's property during working hours for the purpose of ascertaining if the provisions of the Agreement are being complied with. The Union International Representative shall obtain from the Company, specific authorization for each visit and such visits shall be subject to such regulations as may be made from time to time by the Company.

4. The Company will not impose regulations which will exclude the Union International Representative from its property, nor render ineffective the intent of the foregoing paragraph.

5. Grievances not reduced to writing by the Shop Committee and not appealed to the superintendent within six (6) workdays from the date of origin of the alleged grievance shall not be considered under this grievance procedure.

When a negative answer is given to a grievance at any step, or when no answer is given to a grievance at any step, the appeal to the next step must be accomplished within the time limits set forth. Otherwise, the appeal shall be deemed to have been waived.
The aggrieved employee may be present at all steps of the grievance procedure. In group grievances, the group may be represented by not more than two employees.

ARTICLE 17 - Leave of Absence

1. Upon written request of the Union, a leave of absence without pay will be granted any employee to serve as a full-time representative of the Union. Leave of absence shall be for a period of one (1) year, subject to annual renewal by mutual agreement. In no event will the number of employees so serving exceed one. Employees serving as full-time representatives of the Union shall maintain and accumulate seniority. The Company will not arbitrarily withhold leaves of absence without pay to not more than five (5) employees to attend Union, State or National Conventions and Conferences.

ARTICLE 18 - - Supervisory Employees

Supervisory employees shall not perform work on any hourly rated job classification if the result would be to displace an employee in the bargaining unit, but this will not prevent such work: (1) in emergency; (2) when regular employees are not available, including such times as when employees are being called in; (3) in the instruction or training of employees; (4) in testing materials and production; and (5) in the performance of necessary work when production difficulties are encountered.
Lead persons shall be appointed by, and serve at, the discretion of management. Lead persons have supervisory authority only when their supervisor is absent from the plant or away from the work area, including his office, for an extended period of time. An employee has the right to refuse a Leadman position.

ARTICLE 19 - General

1. The Company will provide a Union Bulletin Board in a suitable location in the Plant and will post thereon notices of Union Meetings and Union activities as may be submitted by the Union for such posting.

2. The parties hereto agree that there shall be no Union activities on Company time, except that which is specifically provided for in this Agreement.
3. The Company agrees that it will furnish all present and new employees with a copy of the current contract between the Company and the Union. And the Union will be included in the new hire orientation. They will also be furnished with copies of the Insurance Program. The Company and the Union will jointly pay the cost of printing these booklets which shall have the Union Label.
4. The Company agrees that all employees will be furnished a copy of the current Shop and Safety Rules for which they will acknowledge receipt by their signature.
5. The Company agrees to furnish the Secretary of the Local Union with a list of separations from employment and new hires on a monthly basis.
6. When circumstances permit, deductions will be made from payments to employees for Virginia State Income Tax.
7. No contract or agreement affecting the employees of this Company to whom this Agreement applies shall be entered into between the Company and any employee or group of employees other than their certified representative, that will in any way conflict with or supersede this Agreement or any extension thereof.
8. When the Company adopts a plant rule or changes a plant rule, it will post a copy of the rule and immediately furnish a copy to the secretary of the local Union.
The rule will be presumed to be valid and in force when posted. If the Union desires to challenge the rule because it is deemed in conflict with the terms of this Agreement, it must do so in writing within five (5) calendar days of the time a copy was furnished to the Union. Otherwise, the rule shall, in fact, be valid.
9. Employees who have been continuously employed for one year at the time of entering the Armed Forces of the United States under the Universal Military Training and Service act shall receive two (2) weeks pay, based on the employee's average earnings for the preceding six months.
The Company and the Union agree to follow the provisions of the Universal Military Training and Service Act, as amended, in connection with the reinstatement of employees of the Company who have been discharged from the military and naval services of the United States.

10. A Labor-Management Participation Team Program will be implemented as soon as practicable.
11. The Union may review any new test developed in-house by the Company after the effective date of the Agreement and make suggestions regarding such tests.
12. Written warning letters are to be removed from an employee's record thirty (30) months after the issuance of the said letter, provided that the offense involved has not been repeated within the 30-month period.
13. The Company agrees that if during the life of this agreement the facility covered by this agreement is sold, leased, transferred or assigned, the Company shall inform the purchaser, lessee, transferee or assignee of the exact terms of this agreement.

ARTICLE 20 - Group Insurance
Bargaining Unit employees will be eligible for whatever insurance programs the Company's hourly non-bargaining unit employees are eligible, subject to applicable provisions of the parties Supplemental Agreement dated December 9, 2004 (details shall be contained in booklets to be published and distributed to employees following the execution of this Agreement.)
If you have medical coverage and want dental coverage, you must cover the same dependents on dental as medical. For example, you can't have family medical and EE only dental or EE + 1 dental. You can elect medical without dental or dental without medical. Dental rates are higher for dental only coverage.

See APPENDIX "B" for how the weekly medical/dental rates will be calculated.

ARTICLE 21 - Pension Agreement
Consistent with the provisions of the preceding Agreement in this reward, and in order to enable compliance with the law, the Company is authorized to make required changes in the Pension Plan now in effect to comply with current law.

ARTICLE 22 - Vocational Training

The Company agrees to pay the entire cost of vocational training for any employee who successfully completes a related course of study in any bona fide vocational or correspondence school provided that such employee gives advance notice to the Company of his desire to take a course of study and both the course of study and the school are approved by the Company in advance. Any employee taking such a course of study must furnish to the Company satisfactory evidence of having successfully completed it in order to receive reimbursement from the Company for the cost of the course.

ARTICLE 23- Jury Duty

An employee who is called to serve on jury duty during a regularly scheduled workday shall be paid by the Company for such time lost from work thereby, the difference between the amount received by him for such service and the amount he would have earned at work, it being the intent of the parties that this sentence provides no more or no less than that required by the current laws of the State of Tennessee. In the event such laws are changed, modified, or become invalid during the term of this Agreement, the parties agree to meet for the purpose of discussing the effect of such change, modification, or invalidation.

It shall be a condition of the foregoing that an employee notify the Company at the time he is called to such duty; that an employee so serving secure from the Clerk of Court and submit to the Company certification of the days he served, the amount he was paid, and the time he was released.

Any employee who is released from jury duty, after having served less than three (3) hours, will be required to report for the remainder of first shift or at their regularly scheduled starting time if working 2nd or 3rd shift. Third shift employees will be excused without pay from work for the shift immediately preceding any day of jury service unless the employee elects to work.

ARTICLE 24 – Bereavement Leave

In the event an employee is absent on a regularly scheduled work day as a result of a death in the immediate family i.e. the employee's wife, husband, parents, or children (including those legally adopted and stepchildren), grandparents, brothers, sisters, mother-in-law or father-in-law, he shall be paid one (1) day pay at his regular straight – time rate for each day lost up to a maximum of three (3) consecutive days, one of which must be the day of the funeral.

Unpaid leaves to attend the funeral of relatives not members of the immediate family will be considered on a case-by-case basis.

ARTICLE 25 - Termination

All provisions of this Agreement shall remain in full force and effect through January 31, 2015, and at midnight on said date this contract shall expire.

IN WITNESS WHEREOF, the Company and the Union affix their signatures to this Agreement on the ___ day of_____, _____.

BRISTOL METALS, LLC
FOR THE COMPANY:

_____
Kyle Pennington
President

_____
John Tidlow
Executive Vice President

_____
Dennis ONeal
Manufactring Sperintendent

_____
Jack Oliver
Bristol Metals, LLC, Controller

_____
Lee Ellis
Human Resource Manager

LOCAL UNION
_____
Gene Reynolds, President

_____
Eddie Booher

_____
Marvin Fleenor

_____
Gary Woods

_____
Steve Lewis

_____
Ronnie Moore

UNITED STEELWORKERS
FOR THE UNION

_____
Leo Gerard
International President

_____
Stan Johnson
International Secretary/Treasurer

_____
Thomas Conway
International Vice President - Admin.

_____
Fred Redmond
International Vice President - Human Affairs

_____
Daniel Flippo
Director - District 9

_____
C. G. "BOOMER" LANHAM
U.S.W. Staff Representative

APPENDIX "A"

Classification	Column 1 2010	Column 2 2011	Column 3 2012	Column 4 2013	Column 5 2014
1	11.21	11.54	11.89	12.19	12.49
2	12.52	12.90	13.29	13.62	13.96
2+	13.04	13.44	13.84	14.19	14.54
3	14.23	14.66	15.10	15.48	15.87
4	15.50	15.97	16.45	16.86	17.28
4+	16.15	16.64	17.14	17.56	18.00
5	16.19	16.68	17.18	17.61	18.05
6	16.32	16.80	17.31	17.74	18.19
7	16.73	17.23	17.75	18.19	18.64

APPENDIX "B"

Changes in Synalloy Corporation's Health Benefits
Effective February 1, 2010

Starting in 2010 whereby the employee contributions will be based on the total cost of our group medical per employee. Each of the four tiers of employee contributions will be based on a percentage of the total cost per employee of the health plan. This cost-sharing concept will be a partnership between employees and the company to continue to provide excellent healthcare coverage and to work together to control healthcare costs.

The cost per employee per year (PEPY) in 2009 was $10,544. This cost represented a record high for our Company and it came as a result of many extraordinary events during 2009. Going forward, the plan will call for employees to pay a percentage of the PEPY cost as follows: Employee only - 10%; Employee + Child(ren) – 15%; Employee + Spouse – 20% and Employee + Full Family – 25%. Our company will transition into this by doing a step-up model that increases the percentages over a five-year period to get to the final percentages that are listed above.

For 2010, the employee contributions will be as follows:

Employee Contributions based on Tier % of 2010	**Annual**	**Monthly**	**$ 10,544 Weekly**
EE Only 7%	$ 738.08	$ 61.51	$14.19
EE + Child(ren) 12%	1,265.28	105.44	24.33
EE + Spouse 17%	1,792.48	149.37	34.47
EE + Family 20%	2,108.80	175.73	40.55

For years 2011 through 2014, the percentages are listed below. The employee contribution is based on a percentage of the actual medical costs from the previous year. That number will be calculated annually and can go up or down.

	2010	2011	2012	2013	2014
EE Only	7%	8%	9%	10%	10%
EE + Child(ren)	12%	13%	14%	15%	15%
EE + Spouse	17%	18%	19%	20%	20%
EE + Family	20%	21%	22%	23%	25%

Contract Between

Bristol Piping Systems

and

The United Association of Journeyman and Apprentices

of the Plumbng and Pipe Fitting Indusstry

of the United States and Canada

Local No. 538
Dated February 16, 2009

PREAMBLE

This Agreement dated February 16, 2009 is entered into by, between, and limited solely to Bristol Piping Systems, (Employer) and the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada Local Union No. 538 (Local Union 538). All provisions of this agreement shall remain in full force and effect through February 16, 2014 and at midnight on said date this contract shall expire.

WITNESSETH

WHEREAS, the Employer agrees that during the period of this collective bargaining Agreement that those employees within the bargaining unit of Local Union 538 who work for the Employer will do so on the basis of the wage scale and working conditions which appear in this Agreement and are a part hereof.

NOW, THEREFORE, for and in consideration of the mutual promises and agreements herein contained the parties hereto agree as follows:

ARTICLE I
DEFINITION OF EMPLOYER

The term "Employer" as used in the Agreement shall be deemed to include only Bristol Piping Systems, 390 Bristol Metals Road, Bristol, and Tennessee which the parties specifically recognize and acknowledge as a separate and distinct "Employer". "Employer" as used in the Agreement does not include nor does this Agreement extend to Bristol Metals, LLC, or any parent, subsidiary, affiliate or any other entity in any manner related to Bristol Piping Systems.

ARTICLE II
MANAGEMENT RIGHTS

The management of the Employer's business, including, but not limited to, the direction of the working force, the right to hire, to plan, direct, control and schedule all operations (including the scheduling of the work force), the right to establish quality standards or facilities is the sole and exclusive prerogative and responsibility of the Employer as is the right to make and enforce rules of operation and conduct. Except as expressly limited in this Agreement, nothing contained herein shall be deemed to limit the Employer in any way in this exercise of the regular and customary functions of management.

ARTICLE III
AUTHORIZATION OF AGENTS

Section1: It is stipulated and agreed that only the below named officers of the union, either individually or collectively, are the authorized officers and agents of the Union and shall be the only ones to be recognized by the Employer as being authorized to act for or on behalf of the Union in any manner whatsoever under the terms of this Agreement. The actions, declarations or conduct of any person except those herein named, whether performance is made with respect to the Union or not, shall not be considered to be the act of any officer or agent of the Union, and shall not constitute any authorized act for and on behalf of the Union, nor will the employees of the Union recognize these persons as the Union's officers or agents for that purpose, and their actions in that respect shall not be binding upon the Union, nor shall they form the cause of or basis of any liability of any nature whatsoever on the part of the Union. The authorized officer is the Business Agent of Local Union 538, or his successor.

Section2: It is further stipulated and agreed that the authority of an officer of the Union to act for the Union, as stated above, may be revoked at any time, if a registered letter to that effect, signed by the duly authorized Union officer under the seal of the Union, is received by the Employer.

ARTICLE IV
WORKING RULES

The working rules shall be those prescribed by the Union and agreed to by the Employer as set forth in the Agreement.

ARTICLE V
EMPLOYMENT

The Business Agent of the Local Unit shall furnish the Company with all employees.

1. Selection of applicants for jobs shall be on a nondiscriminatory and qualification basis, and shall not be based on, or in any way affected by, Union membership, by-laws, rules, regulations, constitutional provisions, or other aspects or obligations of Union membership, policy or requirements.

2. The Employer retains the right to reject any applicants sent to it by the Union and to recall any specific employee currently on lay-off if employed by the Company any time in the preceding twelve (12) months.

3. The parties to this Agreement agree to post in places where notices to employees or applicants for employment are customarily posted, all provisions relating to the functioning of this hiring arrangement, including a statement to the effect that the furnishing of employees to the Employer by the Local Union in no way entails the obligation to be a member of the Union.

4. The designation of and determination of the number of foremen is the sole responsibility of the Employer. The foreman shall handle all duties normally assigned a foreman such as under the direction of management supervising the work force covered under this agreement. The foreman shall be permitted to handle tools and in such instances his duties are slow, he shall be allowed to work with his tools.

ARTICLE VI
UNION SECURITY

If the laws of Tennessee are amended to permit union security provisions, the parties will meet on thirty (30) days' written notice to negotiate on the subject.

ARTICLE VII
HOURS OF WORK AND OVERTIME

Section 1: The normal workweek commences 12:01 a.m., Sunday and ends midnight the following Saturday.
Section 2: The Employer retains the right to schedule employees as needed, specifically including the scheduling of shift work and/or the scheduling of four (4) consecutive ten (10) hour days at straight time.
Section 3: Time and one-half the regular base rate shall be paid for Saturdays and all hours worked over eight (8) in one day, or ten (10) in one day if the posted work schedule is 4 – 10's in lieu of 5 – 8's. Double the regular base rate shall be paid for all hours worked over twelve (12) in one day. The Employer will be solely responsible for scheduling all shifts.
Section 4: The Employer retains the right to require overtime work.
Section 5: Sundays, Christmas, Labor day, Fourth of July, Thanksgiving, Memorial Day, and New Year's Day shall be considered Holidays, and all work done on these days shall be done at the rate of double time.
Section 6: Under no circumstances will pyramiding or duplication of compensation by reason of any overtime or premium pay provision of this Agreement be permitted. Hours paid for but not worked shall not be counted as hours worked in the computation of daily or weekly overtime.

ARTICLE VIII
RATES OF PAY

Section 1: The rates of pay for journeymen employed at the stainless shop shall be as indicated on Attachment G.

Section 2: The rates of pay for journeymen, apprentices, and metal trades employed on carbon steel work shall be equal to 95% of pay rate at stainless shop.

Section 3: The wage scale for apprentices shall be as indicated:

First Year . . . . . 40% of journeyman pay
Second Year. . . . . 50% of journeyman pay
Third Year. . . . . 60% of journeyman pay
Fourth Year . . . . . 70% of journeyman pay
Fifth Year . . . . . 80% of journeyman pay

Section 4: The wage scale for metal trades shall be as indicated:

First Year First 160 Hours . . . . . 40% of journeyman pay
First Year After 160 Hours . . . 40% of journeyman pay plus $1.00 per hour
After 1 Year But Less Than 6 Years . . . . . 55% of journeyman pay
Over 6 Years . . . . . 65% of journeyman pay

For any metal trades worker employed over 6 years, length of service must be verified by the Union to the satisfaction of the employer.

Section 5: Total hourly compensation for journeymen employed on stainless steel shall be as indicated on Attachment G.

Section 6: The wage scale for Foreman shall be $1.25 per hour above that of journeyman scale.

Section 7: The wage scale for a General Foreman shall be $2.00 per hour above that of journeyman scale.

Section 8: The wage scale for a person assigned to perform Maintenance in the shop will be as follows:

First Year . . . . . 80% of journeyman pay
Second Year. . . . . 80% of journeyman pay
Third Year. . . . . 80% of journeyman pay
Fourth Year . . . . . 85% of journeyman pay

Fifth Year . . . . . 90% of journeyman pay
Sixth Year . . . . . .100% of journeyman pay
For any maintenance worker, length of service performing maintenance work must be verified by the union to the satisfaction of the employer.

Section 9: The wage scale for a metal trades journeyman certified to Level II and performing NDE in the shop will be paid 55% of the building trades journeyman rate plus $1.50 per hour.

Section 10: Any change in rate as a result of moving up in classification will take effect the first day of Bristol Piping Systems fiscal month following the change in classification.

ARTICLE IX
HEALTH AND WELFARE FUND

Section 1: The Employer agrees to contribute for all employees designated as eligible in this Agreement to a Health and Welfare Trust Fund. The aforesaid contribution shall be remitted on a monthly basis to the Johnson City Plumbers and Pipefitters Local Union 538 Health and Welfare Trust Fund. The contribution shall be as indicated on Attachment G.

Section 2: Eligible employees to whom Health and Welfare payments shall be paid are all Journeymen, Apprentices, and Metal Tradesmen covered by this Agreement; however, only those Metal Tradesmen that have been employed over 2,080 hours by Bristol Piping Systems will be eligible.

Section 3: The contributions of the Employer to the Health and Welfare Fund shall be used exclusively to provide Group Life Insurance, Accidental Death and Dismemberment Insurance, Medical Expense Insurance and Temporary Disability Benefits employees and their families, in such form and the amount as the Trustees of the Health and Welfare Fund may determine and the organization and administration expenses of the Health and Welfare Fund.

Section 4: Health and Welfare contribution can be changed once annually (at the Contract anniversary date); and total hourly compensation will not exceed the total hourly compensation shown in Attachment G. Any changes in contribution will take

effect the first day of Bristol Piping Systems fiscal month following the receipt of the 30-day notice.

Section 5: The said Health and Welfare Fund shall be administered by an Agreement and Declaration of Trust administered jointly by an equal number of Representatives of the Employer and the Union which total number shall be four (4) and which Agreement and Declaration of Trust shall conform to all requirements of law. A copy of the said Agreement and Declaration of Trust, together with any amendments thereto, shall be considered part of this Agreement as though set forth here at length.

Section 6: Said Health and Welfare payments shall be paid by the Employer by the 20th of each month for the preceding month.

Section 7: The Employer shall begin payments upon completion of all details by and upon notification from the Trustees, retroactive to the effective date of this Agreement.

ARTICLE X
PLUMBERS AND PIPEFITTERS NATIONAL PENSION FUND

The undersigned Employer and Union agree that the Employer shall make pension contributions to the National Pension Fund in accordance with the terms of this agreement on behalf of those employees who are covered by the National Pension Fund pursuant to the Collective Bargaining Agreement.

1. (a) Commencing with the 16th day of February, 2009, and for the duration of the current Collective Bargaining Agreement between the said parties, and any renewals or extensions thereof, the Employer agrees to make payments to the Plumbers and Pipefitters National Pension Fund for each Employee who is covered by the Plan in each classification listed below in accordance with the said Collective Bargaining Agreement, as shown on Attachment G. Any classification of Employees who are excluded from the Plan pursuant to good faith bargaining and for whom contributions are not required by the collective bargaining agreement shall not participate in the Plan. Persons in such excluded classifications shall not be considered

"Employees" for purposes of the Plan and this Standard Form of Participation Agreement.

(b) The Employer shall make the contributions set out in subparagraph 1 (a) for each hour or portion thereof, for which an Employee is paid or entitled to payment for performance of duties for the Employer. (Each overtime hour shall be counted as one regular hour for which contributions are payable.)
(c) Contributions as set out in subparagraph 1(a) above shall be paid starting with the Employee's first day of employment in a job classification covered by the Collective Bargaining Agreement.
(d) The payments to the Pension Fund required above shall be made to the "Plumbers and Pipefitters National Pension Fund" which was established under an Agreement and Declaration of Trust, dated July 23, 1968 and restated December 13, 1978. The Employer, by signing this Standard Form of Participation Agreement or by signing a Collective Bargaining Agreement providing for participation in the Plumbers and Pipefitters National Pension Fund, agrees to be bound by all of the terms and conditions of the Restated Agreement and Declaration of Trust thereby ratifies, accepts and designates as its representatives the Employer Trustees then serving as such and authorizes said Employer Trustees to designate additional Employer Trustees and successor Employer Trustees in accordance with the terms and conditions thereof and authorizes the Trustees to adopt amendments to the Restated Agreement and Declaration of Trust. The Employer hereby acknowledges receipt of a copy of the Restated Agreement and Declaration of Trust in effect when this Agreement is signed.
2. It is agreed that the Pension Plan adopted by the Trustees of the said Pension Fund shall at all times conform with the requirements of the Internal Revenue Code so as to enable the Employer at all times to treat contributions to the Pension Fund as a deduction for income tax purposes.
3. It is agreed that all contributions shall be made at such time and in such manner as the Trustees require, and the Trustees shall have the authority to retain an accountant or accounting firm to perform payroll audits of the Employer to determine whether the correct amount of contributions have been made or to determine whether contributions have been made on behalf of all Employees covered by the plan.
4. If an Employer fails to make contributions to the Pension Fund within 20 days of the end of the month during which the work was performed, the Union shall have the

right to take whatever steps are necessary to secure compliance, any provision of the collective Bargaining Agreement to the contrary notwithstanding, and the Employer shall be liable for all costs and expenses for collecting the payments due, together with attorneys' fees, interest on the unpaid contributions of 12% per annum, and liquidated damages of 10% of the unpaid contributions. The employer's liability for payment hereunder shall not be subject to the grievance of arbitration procedure or the "no-strike" clause provided under the Collective Bargaining Agreement.

5. The parties agree that this Participation Agreement shall be considered a part of the Collective Bargaining Agreement between the undersigned parties.

6. The expiration date of the present Collective Bargaining Agreement between the undersigned parties is the 16th day of February, 2014. Copies of the collective Bargaining Agreement and all renewal or extension agreements will be furnished promptly to the Pension Fund Office and, if not consistent with this Participation Agreement, can be used by the Trustees as the basis for termination of participation of the Employer.

7. Pension contribution can be changed once annually (at the Contract anniversary date); and total hourly compensation will not exceed the total hourly compensation shown in Attachment G. Any changes in contribution will take effect the first day of Bristol Piping Systems fiscal month following the receipt of the 30-day notice.

ARTICLE XI
EDUCATIONAL TRUST FUND

The Employer and the Union do hereby agree to be bound by all the terms of the Educational Trust Fund Agreement dated January 1, 1965, entitled "Agreement And Declaration of Trust for the Development of Skills of Journeymen and Apprentices in the Plumbing and Pipefitting Industry". The Employer agrees to pay and contribute to the Local Apprenticeship Training Fund the amount indicated:

Effective February 16, 2009, $ .31/hr. for each Journeyman, Apprentice and Metal Tradesman. Educational contribution can be changed once annually (at the Contract anniversary date); and total hourly compensation will not exceed the total hourly

compensation shown in Attachment G. Any changes in contribution will take effect the first day of Bristol Piping Systems fiscal month following the receipt of the 30-day notice.

ARTICLE XII
SHOP STEWARDS

Section 1: A shop steward must be appointed by the Business Manager and the Business Manager has the sole right to appoint the shop steward.
Section 2: In the event of a reduction in force, the shop steward shall be the last man laid off, except the foreman and/or superintendent, providing he is qualified to perform the work available.

ARTICLE XIII
BUILDING TRADES APPRENTICES

There shall be no limit as to the number of building trades apprentices employed in the shop; however, the following ratios (journeymen to apprentices) shall not be exceeded in the following areas of skill:

Fit-Up	5 to 2
Tacking for Fit-Up	5 to 2
Welding	5 to 2

Fifth year, second six (6) months' apprentices will be considered as journeyman for the purposes of calculating ratios.

ARTICLE XIV
REPORTING AND CALL IN PAY

Section 1: Any employee within the bargaining unit of the Union reporting for work at the regular starting time and for whom no work is provided, shall receive two hours call in pay at the prevailing rate of wages, unless he has been notified at the end of the last preceding shift not to report to work.

Section 2: Any employee who reports for work and for whom work is provided shall receive not less than four hours pay. If four or more hours are worked in any one day he shall receive pay for the number of hours he worked in excess of four hour minimum unless the employee leaves work of his own accord. This exception does not apply to the two hour reporting time.

ARTICLE XV
SAFETY AND HEALTH MEASURES

Section 1: Adequate and proper equipment shall be furnished by the Employer for the protection of the health and safety of all employees within the bargaining unit who are employed by the Employer. Plant and Safety Rules (Attachments A & B) shall be strictly adhered to by all employees and will be enforced by the Employer.

Section 2: All tools and equipment used by journeymen shall be furnished by the Employer, including welding gloves and hoods, and other tools required for welding. Further, each fit-up table will be assigned the hand tools required to perform the work required (Attachment D). These hand tools will be signed for by a fitter assigned to the table. This employee shall be responsible for their safekeeping and care. Failure of this responsibility by the employee shall result in the cost of the item being deducted from his next paycheck up to a maximum of $50.00 in any 12 month period. If tool loss becomes excessive, the Employer reserves the right to renegotiate the maximum yearly amount.

Section 3: The Employer and Local Union 538 agree to meet once a quarter, as a minimum, to discuss safety and health measures and any other matters to the benefit of both. The attendees representing Local Union 538 will be as such to represent all departments in the shop.

ARTICLE XVI
CODE OF BUSINESS CONDUCT AND RELATED POLICIES

The Code of Business Conduct of Synalloy Corporation (Attachment H) contains the

specific corporate polices adopted by the Board of Directors that relates to the legal and ethical standards of conduct of employees and agents of the Company. All employees are required to comply with the Code of Business Conduct and sign the Certificate of Compliance.

ARTICLE XVII
UA STANDARD FOR EXCELLENCE

The UA Standard for Excellence Policy (Attachment J) is a commitment to uphold the highest industry standards in the workplace and ensure customer satisfaction. The Employer and the Union agree to uphold these standards.

ARTICLE XVIII
GRIEVANCE PROCEDURE

All disputes and controversies as to the meaning or interpretation of any provision of this Agreement shall be treated as a grievance and disposed of in accordance with the following steps:

1. The aggrieved employee shall first discuss the grievance with the Steward and Plant Superintendent.

2. Failing settlement at the first step within 72 hours of the presentation of the first step, the Steward shall attempt settlement with the Plant Manager.

3. Failing settlement at the second step within 72 hours of the presentation of the second step, the Business Representative of the Local and the Shop Steward shall attempt settlement with the Plant Manager.

4. In the event a grievance shall not have been adjusted to the satisfaction of either party through the steps of the above procedure, then arbitration may be invoked within fifteen (15) calendar days from the determination of the third step by either party
requesting the Federal Mediation and Conciliation Service provided a panel of arbitrators. Unless mutually agreed by the parties, the arbitrator selected may hear only one (1) grievance. The arbitrator shall not be empowered to rule contrary to, to amend,

to add to, or eliminate any of the provisions of this Agreement. The decision of the arbitrator shall be final. The expense incident to the services of an arbitrator shall be paid equally by the Employer and Local Union 538.

ARTICLE XIX
NO STRIKE, NO LOCKOUT

During the life of this Agreement, there shall be no strikes, work stoppages, sympathy strikes, slow downs or other impeding of work on the part of the Union and no lockouts by the Employer.

ARTICLE XX
SAVINGS CLAUSE AND TERMINATION OF AGREEMENT

Section 1: The parties to this Agreement in reaching a mutual understanding believe that they have done so in full compliance with Federal, State and Local laws, but if any provision of this Agreement or the application of any provision is invalid or in violation of Federal, State, or Local laws, as determined by a court, board or agency of competent jurisdiction, then such provision or the application of the same shall be ineffectual, void and within application, however, the remainder of this agreement shall not be affected thereby.

Section 2: This Agreement shall be effective from February 16, 2009 until February 16, 2014 and from year-to-year thereafter unless either party gives notice of its intent to terminate or modify this Agreement no more than ninety (90) days nor less than fifteen (15) days prior to February 15, 2014.

For: Local 538

_____
Roger Lambert

_____
Tim Able

_____
Ron Godsey

Date:_____

For Bristol Piping Systems

_____
Kyle Pennington

_____
Doug Dockter

_____
Lee Ellis

ATTACHMENT A
PLANT RULES

The purpose of these rules is to define for everyone the level of conduct which is expected of Bristol Piping Systems employees in their relationships with the Employer as well as with their fellow employees, and to publicize such rules widely so as to encourage individual self-discipline and thereby eliminate any need for the imposition of penalties.

These rules have been established to encourage efficiency and safety of operation in our plant which, in turn, leads to the operation of a successful business enterprise, which can furnish all of us a pleasant, rewarding and secure place to earn a livelihood for ourselves and our families.

In general, the prescribed discipline for violations of Plant Rules is corrective and gives the employee ample opportunity to work within its framework; however, violation of some rules under certain circumstances is considered so serious that discharge is necessary.

GROUP I

Violations of the following rules will be considered cause for disciplinary action up to and including discharge for the 1st offense.

1. Possessing, or having present within one's body, or being under the influence of intoxicating beverages or non-prescribed, controlled substances, including drugs, while on the job or on Employer's premises. Further, the Employer may require employees to undergo appropriate related tests. Attachment B, outlining the employer's testing policy, is a part of these Plant Rules.

2. Stealing or attempting to steal property from any individual on Employer's premises, or stealing or attempting to steal property from the Employer.

3. Willful ringing of the clock card of another employee, permitting someone else to ring your clock card, or tampering with clock cards or clocks.

4. Falsifying information on time records, production counts, or other Employer records.
5. Bodily assault to any person on Employer's property.
6. Repeated or deliberate violation of Plant Rules.
7. Unauthorized absence from the job during working hours or unauthorized absence from the Company premises during working hours. Attendance Policy (Attachment E) and Vacation and Personal Days Policy (Attachment F) will apply.
8. Deliberate abuse or destruction of Employer's property.
9. Failure to punch clock card at the beginning and end of the shift or failure to punch out and in when leaving the Employer's premises during an employee's scheduled shift hours.
10. Immoral or indecent conduct.
11. Violation of safety rules or common safety practices.
12. Refusal to follow a foreman's instructions. (An employee must always follow the instructions give, Exception: Where immediate compliance would endanger his life or limbs.)
13. Unauthorized possession of concealed weapons on Employer's premises at any time.
14. Threatening, intimidating, coercing or interfering with employees or supervision.

GROUP II
Violation of the following rules can be as serious as violations of rules in Group l; however, some violations are considered less serious. Accordingly, violations of these rules will be cause for disciplinary action as prescribed below and will be dependent upon the serious of the offense.
1st Offense – Verbal or written reprimand up to and including 2 weeks lay-off.
2nd Offense – Disciplinary lay-off up to and including discharge.
3rd Offense – Discharge.
15. Misuse, abuse or destruction of Employer's property or any property on Employer's premises through negligence or carelessness.
16. Abusive language to any employee or supervision.

17. The uttering or publishing of false, vicious or malicious statements concerning the Employer or any employee of the Employer.

18. Smoking in restricted areas, tobacco chewing and spitting in any area.

19. Chronic absenteeism or chronic tardiness. (An employee is tardy when he is not clocked in and at his work station when the shift starting signal is sounded.) Attendance Policy (Attachment E) will apply.

20. Overstaying vacation or leave of absence.

21. Garnishments.

22. Soliciting of funds, signatures, chances, memberships or similar solicitations during actual working time; the distribution of literature in the working areas of the plant, or during actual working time.

23. Punching in more than three (3) minutes before or punching out more than three (3) minutes after an employee's shift. Starting to work ahead of or working after the end of an employee's scheduled starting or quitting time, unless ordered to do so by a supervisor. Employees must not enter the plant at times other than their regularly scheduled shift hours without permission of the Employer. (Check at the office.) Attendance Policy (Attachment E) will apply.

25. Running, scuffling, throwing articles, or horseplay of any kind on Employer's property.

26. Failure to report occupational injury promptly to immediate supervisor.

27. Failure to open for inspection on request when leaving premises anything capable of concealing Employer's property.

28. Entering any department other than the one to which assigned without permission of your departmental supervision and the supervision of the department you wish to enter except when on Employer's business.

29. Carelessness or inattention to job duties resulting in faulty work, scrap or damage to equipment.

30. Lining up at the time clock in the department before the signal is sounded for lunch period or prior to the signal at the end of the shift. Employees must be at their work stations.

31. Wasting time or loitering on any Employer property during working hours.

32. Abuse of break periods.

The above rules cover the more common problems, which are likely to occur. The published rules are not intended to be all inclusive. We feel it is reasonable to expect the same standard of behavior in our work relationship in the plant that is expected outside the plant in any other phase of community life.

The Employer shall, as it becomes necessary, publish additional rules or change the above rules. When it becomes necessary to publish additional rules or change the published rules, such rules will be discussed with the Business Agent and/or Shop Steward before being published.

ATTACHMENT B
BRISTOL PIPING SYSTEMS
DRUG TESTING POLICY

Bristol Piping Systems is a drug-free workplace. Employees are the Employer's most valuable resource and, for that reason, their health and safety are of paramount concern.

Under the Employer's drug testing policy, all current and prospective employees must submit to the drug testing policy. Prospective employees will only be asked to submit to a test once a conditional offer of employment has been extended and accepted. An offer of employment by Synalloy is conditioned on the prospective employee testing negative for illegal substances.

If there is reason to suspect that the employee is working while under the influence of an illegal drug or alcohol, the employee may be suspended without pay until the results of a drug and alcohol test are made available to the Employer by a certified testing laboratory. Where drug or alcohol testing is part of a routine physical or random screening, there will be no adverse employment action taken until the test results are in.

The Employer's drug testing policy is intended to comply with all state laws governing drug testing and is designed to safeguard employee privacy rights to the fullest extent of the law.

The illegal use, sale or possession of narcotics, drugs or controlled substances while on the job or on Employer property will result in discharge. The illegal sale of narcotics, drugs or controlled substances off duty and off Employer premises will also result in discharge.

Illegal use of drugs off duty and off Employer premises is not acceptable because it can affect on-the-job performance and the confidence of our customers in the Employer's ability to meet its responsibilities; such use may result in discharge.

Alcohol is prohibited from Employer property and operations, and use of alcohol that adversely affects an employee's job performance or the public perception of the Employer is not acceptable.

For the purpose of this policy, an employee will be irrefutably presumed to have engaged in the unacceptable use of drugs and alcohol if urinalysis, blood testing or other accepted testing procedures show proof of drug or alcohol use beyond established cutoff levels.

The legal use of controlled substances prescribed by a licensed physician to the employee is not prohibited, but employees in selected positions designated by the Employer are required to make such use known to an authorized Employer representative.

Violation of the Employer's policy may result in disciplinary action up to and including termination.

Law enforcement officials will be notified whenever illegal drugs are found.

To ensure that such drugs and alcohol do not enter or affect the workplace, the Employer may take any or all of the following steps while employees are on Employer property or during working time:

(a) Observe actions of employees.

(b) Counsel employees.

(c) Search employees' personal items.

(d) Search employees' automobiles.

(e) Search employees' persons.

(f) Chemical screening (e.g., urinalysis, blood tests, etc.).

Searches of employees' personal property will take place only in the employees' presence. All searches under this policy will occur with the utmost discretion and consideration for the employee(s) involved. Employees refusing to allow a search will be discharged. The Employer reserves the right to conduct random chemical screening of all employees as it deems appropriate. The Employer will perform "for cause" chemical screening. "For cause" testing may be required in the event of irrational or unusual behavior, injury, accident or damage to Employer personnel or equipment; gross negligence or carelessness; disregard for the safety, life or well-being of any Employer employee or customer; reporting to work or remaining at work in apparently unfit condition; or for any other reason the Employer deems sufficient. Follow-up testing of employees allowed to return to work following drug or alcohol rehabilitation will also be conducted. While other forms of screening of current employees are not anticipated at this time, further chemical screening of employees for drugs or alcohol may be initiated whenever deemed advisable by management. Employees who refuse to allow a chemical screening or who attempt to invalidate the test, will also be discharged.

Whenever possible, the Employer will assist employees in overcoming drug, alcohol and other problems which may adversely affect employee job performance. Employees who voluntarily come forward to request help with an alcohol or drug problem may be allowed a leave of absence, without pay, to participate in a substance abuse program.

Any employee who tests positive for illegal drugs will be subject to the following:

- An employee who tests positive for drug use will be immediately discharged.
- An employee who is discharged for a positive drug screen will be eligible for rehire 6 months after the positive test provided the employee passes a drug test at a clinic of the employer's choosing at the expense of the employee.
- An employee who is rehired will be subject to random drug testing for an indefinite amount of time.

All testing results will remain confidential. Test results may be used in arbitration, administrative hearings and court cases arising as a result of the employee's drug testing.

BRISTOL PIPING SYSTEMS
RANDOM DRUG TESTING PROCEDURE

1. Tests will be conducted using Instant Technologies panels which include oxycodone, marijuana, barbiturates, cocaine, etc. for initial random testing. Random testing is performed on-site by the Human Resources department. If initial testing is positive, employees are taken immediately to Welmont Occupational Health for follow up confirmation testing.
2. Employees will be selected at random by clock # using a computerized random number generator.
3. Random tests can occur any time at 6 week to 10 week intervals.
4. A list of 10 random employee numbers will be generated. Employee names are determined from the list of employee numbers and schedules are checked to insure that employees will be available on the testing date. If an employee is not available, the first employee number from a list of alternates is pulled for the test.
5. On the testing day, supervisors will be informed of employees needed for testing. Supervisors will escort employees to testing site waiting area (main break rooms) ensuring that employees come directly to testing site waiting area before going to the restroom, wash their hands, etc.
6. Employees will go one at a time for completion of test and then return to work.
7. If an employee tests positive in initial testing, the HR Manager will notify the employee and his supervisor. The employee will be taken immediately to Welmont Occupational Health for a verification test. If the employee has a valid prescription for any drugs detected in their system, the follow-up drug screen will be marked as negative and the employee will not be terminated.
8. An employee whose verification test is positive for drug use will be immediately discharged.
9. An employee who is discharged for a positive drug screen will be eligible for rehire 6 months after the positive test provided the employee passes a drug test at a clinic of the employer's choosing at the expense of the employer.
10. An employee who is rehired will be subject to random drug testing for an indefinite amount of time.
11. If an employee tests positive after rehire, he/she is discharged permanently without possibility of rehire.

ATTACHMET C
SAFETY REGULATIONS

The records show that more than half of all accidents are really the fault of the man hurt. You can do more to keep yourself from accidental injury than all the efforts of your supervisors combined. It has been well said that a man's best safeguard is about nine inches above his shoulders, that's – his own mind. You and your family suffer most if you are hurt. Make yourself familiar with the following rules and put the in practice.

1. Keep yourself in physical condition to do a day's work.
2. Listen to the foreman's instructions and have them clearly in mind before starting work.
3. Good housekeeping must be practiced. All material is to be kept stacked neatly and on trucks or skids; aisles are to be kept clear at all times.
4. Keep your mind on your job. Alertness prevents accidents.
5. Always use all safeguards provided.
6. Report unsafe conditions to your safety committee.
7. Do not "fool" or scuffle while at work.
8. Report all injuries promptly. Get immediate first aid.
9. Wear clothes suited to the job – safety shoes – gloves as needed. Use goggles and other protective equipment. Safety glasses must be worn by everyone in the manufacturing area.
10. In the grinding area, full face shields must be worn at all times. This applies to anyone who does any type of grinding anywhere in the shop. All grinding discs must be inspected by the stock room clerk before issuing, and the grinding operator must also check before using.
11. Portable partitions must be used to the best advantage to block the flow of grinding sparks.
12. Grinders and sanders will be handled with care. They are not to be dropped or laid on the blade or rock at any time. When the operator leaves the area for any reason he will place his machine on brackets provided for this purpose. All grinders must be properly guarded.
13. At the pickling tank, proper rubber gloves, boots, goggles and aprons must be worn at all times. In addition, full face shields must be worn when handling concentrated acid.

14. Gloves must be worn when handling sheets or any other material that would have any chance of cutting a man seriously. Welders must wear the safety type helmet in order to avoid eye injuries when the helmet is lifted.
15. Pile and un-pile material with care. Handling material is the greatest accident producer on this job. When you see nails sticking up in boards, bend them over or remove them.
16. When working with another man, be sure he knows what you are going to do before you drop a load or do anything, which might injure him. Good team work promotes safety.
17. Get help for lifting heavy objects. Learn to lift the correct way.
18. Never try to oil, clean or adjust machinery while it is in motion.
19. Do not wear ragged sleeves, loose coats, flowing ties or loose jumpers while working around machines.
20. Do not get under loads, which are being carried by cranes.
21. Do not hoist a load until it is securely made fast and balanced.
22. Do not use improper or broken tools; they are dangerous.
23. Never start machinery, operate valves, or change electric switches until you know by personal investigation that it is safe.
24. Do not look at welders or cutters while they work. You might ruin your eyes. Properly shield welding areas from flash-burn hazards to other employees.
25. Do not fix electrical equipment of any kind unless your work requires it.
26. Never turn compressed air on anyone, nor on you; it is extremely dangerous.
27. Do not use scaffolding without guardrails and toe-boards. Anyone working under scaffolding must ware head protection. Never use portable electric tools that are improperly grounded.
28. Use respirator for any abrasive blasting, or in any confined area.
29. Full face shields, safety gloves and wrist protectors must be worn when operating saws.

Any employee who disregards these safety rules will be given a written reprimand for the first offense. For the second offense, the employee will be given a written reprimand and will be penalized by being sent home for up to five days without pay. For the third offense, the employee will be subject to discharge.

ATTACHMENT D
HAND TOOLS ASSIGNED TO EACH FIT-UP TABLE

1	50’ Tape Measure
1	25’ Tape Measure
1	8” Vise Grips
2	Carpenter Squares
1	6” Level
1	2’ Level
1	4’ Level
1	Prick Punch
1	Chisel
1	Hammer
1	Hacksaw
1	Adjustable Wrench
1	Protractor and Blade
1	Pry Bar

ATTACHMENT E
BRISTOL PIPING SYSTEMS ABSENTEEISM POLICY – POINT SYSTEM

Objective: To create a fair and equitable system for dealing with absenteeism
Procedure: Absence from work other than vacation days will include:

1. **Being Late.** Employees are required to be at their work station prepared to begin work at the start time of their shift. For example, if shift start time is 6 a.m., the employee must be clocked in and be at his/her work station ready to work at 6 a.m. Clocking in at 6 a.m. or later will be deemed being late and subject to the provisions herein.
2. **Leaving Early.** In the same context as "being late" above, employees are required to work until the end of their shift. Clocking out prior to shift end time will be deemed leaving early and subject to the provisions herein.
3. **Absence for a Complete Shift**

Point System: Points will be given for attendance occurrences as follows:

- ½ point – late without permission
- ½ point – leave early without permission
- 1 point – absence without an accepted Doctor's excuse, funeral notice, or jury summons
- 1 point – absence without calling in (The call in must be made before the shift starts and the employee must speak with a supervisor)
- 2 points – absence without an excuse and for not calling in (Clarified, if an employee is absent without excuse and does not call in, 2 points will accumulate; if an employee does not call in and brings an acceptable later such as the next day, 1 point will accumulate for not calling in)

Disciplinary Action: The following discipline for point accumulation applies:

- accumulation of 2 points – verbal warning
- accumulation of 3 points – written warning
- accumulation of 4 points – 3 days off
- accumulation over 4 points – termination

An employee has the ability to remove points from his/her record with good attendance performance. If 90 calendar days are worked without an unexcused absenteeism, late, or early leave incident, 1 point will be removed from the employee's record.

Medical Appointments: Non-emergency doctor and dental appointments resulting in absence from work should be scheduled with the employee's supervisor at least 1 week in advance of the appointment. These appointments should always be scheduled around the employee's assigned shift if possible.

Excused Absences: Excused absences (with proof) resulting in no point accumulation include death in immediate family, jury duty, FMLA, short term disability (STD), approved medical, and other approved personal absences.

Proof of Absence: Proof of doctor or dentist visits, death in employee's family (bereavement pay), and jury duty is required for excused absences; however, doctor and dentist visits will be reviewed on a case by case basis. It is management's discretion to accept medical proof based on the employee's overall attendance and work performance record; when proof of medical visit is not accepted, the absence will be deemed unexcused and attendance points will be accumulated.

ATTACHMENT F
VACATION AND PERSONAL DAYS POLICY

Bristol Piping Systems recognizes the need for employee vacations to provide a change from the routine of work, to spend time with their families, or special occasions. Bristol Piping Systems reserves the right to deny vacation request, due to production schedules, or failure to follow this policy to its full extent.

1. Employees must obtain a vacation request form his/her foreman.
2. Employees will complete and submit the vacation request to their foreman for approval and signature.
3. Once approved, it will be submitted to the plant superintendent for approval and signature.
4. Once approved, a copy will be returned to the employee, a copy will be sent to human resources, and it will be posted on the vacation scheduling board.
5. All vacation requests must be submitted to the plant superintendent at least 14 days prior to the beginning of the requested vacation, except under extenuating circumstances.

PERSONAL DAYS

In addition to vacation, each employee is allowed 40 hours per year of unpaid personal time under the following guide lines:

1. 40 hours means 4 days under 10 hour shift operations or 5 days under 8 hour shift operations.
2. Personal time must be taken in no less than 1 day increments.
3. Every attempt must be made by the employee to pre-arrange personal days. A request for a personal day should be submitted to the plant superintendent 3 days prior to the requested day(s) off. In circumstances where the employee cannot provide notice, he must call in prior to the start of the shift. Failure to call in will result absentee points in accordance with the absenteeism policy.

ATTACHMENT G
PAY SCALE

Periods	Total Journeyman Compensation
2/16/2009 thru 2/13/2010	30.50 per hour worked
2/14/2010 thru 2/12/2011	31.40 per your worked
2/13/2011 thru 2/11/2012	32.30 per hour worked
2/12/2012 thru 2/16/2013	33.20 per hour worked
2/17/2013 thru 2/15/2014	34.10 per hour worked

Notes:

1. These rates apply to Journeymen only. All Apprentices and Metal Tradesmen wage rates will be as outlined in Article VII.
2. These rates are all inclusive and include wages, health and welfare, pension, and training.
3. Health and welfare contributions for Apprentices and Metal Tradesmen shall be the same as for Journeymen except there will be no contribution for Metal Tradesmen until they have worked 2080 hours at Bristol Piping Systems.
4. Pension contribution for Apprentices will be a maximum of $0.15 per hour.
5. Pension contribution for Metal Tradesmen will be as follows:

Up to 4160 hours worked at Bristol Piping Systems:	0
4161 thru 10400 hours worked at Bristol Piping Systems	$.25 per hour
Over 10400 hours worked at Bristol Piping Systems:	$.63 per hour

6. For the purposes of calculating hour worked to determine pension and health and welfare contributions, any person not employed at Bristol Piping Systems in the previous twenty-four months will be considered a new hire with no hours accumulated.

ATTACHMENT H
SYNALLOY CORPORATION
CODE OF BUSINESS CONDUCT AND RELATED POLICIES

The Code of Business Conduct of Synalloy Corporation contains the specific Corporate Policies adopted by the Board of Directors that relate to the legal and ethical standards of conduct of employees and agents of the Company. The following Corporate Policies constitute the Code of Business Conduct and govern the conduct of business by the Company:

This policy is subject to amendment upon issuance of final SEC regulations.

I. GENERAL POLICY REGARDING LAWS AND BUSINESS CONDUCT

The Code of Conduct is the umbrella policy to the Synalloy Code of Business Conduct and Related Policies and is intended to supplement this policy. The Synalloy Code of Business Conduct and Related policies outlines Company policies and procedures that address day-to-day business operations and conduct. The Code of Conduct is incorporated herein and made a part of the Synalloy Corporation Code of Business Conduct and Related Policies.

The purpose of this General Policy Regarding Laws and Business Conduct is to provide a general statement regarding the Company's expectations as to the legal and ethical nature of conduct of the Company's employees, directors, officers, financial officers, temporary employees, independent contractors, and agents (referred to thereafter as "Employee" or "Employees") while acting on the Company's behalf and to provide for the administration of the Company's Code of Conduct ("Code").

Moreover, this policy is intended to enhance the qualifications of the Code as a program that, under the United States Sentencing Guidelines, is reasonably designed, implemented and enforced so as to be generally effective in preventing and detecting criminal conduct.

The Audit Committee shall be responsible for the administration of the Code. The Audit Committee shall establish procedures and delegate authority to senior management, comprised of corporate officers and divisional presidents, in order to discharge this responsibility. The Audit Committee will oversee and review the Code periodically and make recommendations to the Board of Directors.

Waivers of the Code of Conduct

The Chief Executive Officer shall have the authority to grant waivers to Employees except senior officers and any such waivers shall be reported to the Audit Committee. The Board of Directors shall have the sole responsibility and authority to grant a waiver of any item of this Code to any senior officers and any such waiver shall be reported to the shareholders of the Company.

Introduction

The Code covers a wide range of business practices and procedures. It does not cover every

issue that may arise, but it sets our basic principles to guide all employees of the Company. Company Employees must demonstrate honesty and sound ethical behavior in all business transactions and personal integrity in all dealings with other and seek to avoid even the appearance of improper behavior. The Code applies to Employees of the Company as defined in second paragraph of the General Policy Regarding Laws and Business Conduct on page 2.

Employees must operate within the bounds of all laws applicable to the Company's business. If a law conflicts with a policy in this Code, you must comply with the law. Further, if a local custom or policy conflicts with this Code, you must comply with the Code. Managers must ensure that employees who report to them read this Code and understand the importance of complying with it and with applicable laws. If employees have questions about these conflicts, they should ask their supervisor how to handle the situation.

It is the policy of the Company not to discriminate against employees, stockholders, directors, officers, customers or suppliers on account of race, color, age, sex, religion or national origin. All persons shall be treated with dignity and respect and they shall not be unreasonably interfered with in the conduct of their duties and responsibilities.

Contact Persons to Ask Questions or Report Violations
Employees may report violations of this code and of applicable laws in confidence and without fear of retaliation. The Company does not permit retaliation of any kind against employees of good faith reports of such violations, (except that appropriate action may be taken against an Employee if such individual is one of the wrongdoers).

In the event of questions regarding compliance or to report a violation, Employees should follow the normal chain of command as outlined in the Compliant Procedure in the Employee Handbook. However, if the violation is of an alleged serious breach of business ethics involving bribery, fraud, antitrust, conflict of interest, accounting irregularities, improper use and disclosure of inside information, confidential or proprietary information, or other serious matter involving an Employee or a case where it may not be appropriate to discuss an issue with a supervisor, the Employee should contact the Corporate Secretary in Spartanburg at extension 536 or the Chairman of the Audit Committee at the Spartanburg office at extension 532. This is a confidential voicemail accessible only by the Audit Committee members.

II. BUSINESS ETHICS

A. Commercial Bribery

The Company prohibits the payment or transfer of Company funds or assets to suppliers or customers in the form of bribes, kickbacks or other payoffs and prohibits Company employees and agents from participating in such schemes or from receiving such bribes, kickbacks or other payoffs. The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships, not to gain unfair advantage with customers. Employees are prohibited from providing or receiving anything of value directly or indirectly for the purpose of obtaining or rewarding favorable treatment, including influencing a procurement action. Employees having influence on procurement decisions must be careful to avoid actual or potential conflicts of interest and may be required to certify from time-to-time that they have not violated and do not know of any other employee who has violated these prohibitions. Employees should discuss with divisional Presidents any gifts or proposed gifts to ascertain whether they are appropriate.

Bribes, kickbacks and payoffs include, but are not limited to: gifts of other than nominal values; cash payments by Employees or third persons, such as suppliers, customers or consultants, who are reimbursed by the Company; the uncompensated use of Company services, facilities or property except as may be authorized by the Company; loans, loan guarantees or other extensions of credit (except from lending institutions at prevailing rates).

This policy does not prohibit expenditures of nominal amounts for meals and entertainment of suppliers and customers that are an ordinary and customary business expense, if they are otherwise lawful. These expenditures should be included on expense reports and approved under standard Company procedures.

B. Fraud & Similar Irregularities

This policy establishes and communicates the Company's policy regarding the prohibition, recognition, reporting and investigation of suspected fraud, defalcation, misappropriation and other similar irregularities.

Employees are prohibited from engaging in fraud which includes dishonest or fraudulent act, misrepresentation, conversion to personal use of cash, securities, supplies or any other

Company asset, unauthorized handling or reporting of Company transactions; defalcation, embezzlement, forgery, misappropriation of assets, falsification of Company records or financial statement for personal or other reasons. Any Employee who becomes aware of a fraudulent activity should report it immediately following the procedures addressed above under the section entitled "Contact Persons to Ask Questions or Report Violations."

The above list is not all-inclusive but intended to be representative of situations involving fraud. Fraud may be perpetrated not only by Company Employees, but by agents and other outside parties as well. All such situations require specific action by the Company.

The Company's Chief Financial Officer shall be notified of suspected significant Fraud (more than $5,000 of estimated loss), and, without regard to amount of loss, any Fraud involving an officer of the Company.

Fraud investigations (involving more than $5,000 of estimated loss), and any Fraud, without regard to amount of loss involving an officer of the Company, will be reported to the Audit Committee of the Board of Directors.

C. Antitrust

The Company strictly forbids formal or informal agreements or understandings with competitors where the purpose is to influence prices, terms or conditions of sale, volumes of production restrictions, allocations to markets or limitations of quality.

Employees are strictly forbidden to exchange information with competitors and potential competitors regarding production scheduling, distribution and pricing, terms or conditions of sale, quality limitations, production volumes and/or restrictions, interaction with customers, market share or any other information in violation of antitrust laws.

Employees are not permitted to join any trade association on behalf of the Company unless their supervisor, in conjunction with he division President, has determined that the association serves an important and proper business purpose and that counsel adequately supervises all of its activities. Employees should periodically review trade association memberships with their managers to determine their ongoing value.

D. Sensitive Transactions

This policy advises Employees of the Company's position regarding sensitive transactions and requires that transactions are executed, and access to assets is permitted, only in accordance with management's authorization.

The U.S. Foreign Corrupt Practices Act prohibits giving anything of value, directly to officials of foreign governments or foreign political candidates, in order to obtain or retain business. It is strictly prohibited to make illegal payment to government officials of any country.

In addition, the U.S. government has a number of laws and regulations regarding business gratuities, which may be accepted by U.S. government personnel. The promise, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would not only violate Company policy but could also be a criminal offense. State and local governments, as well as foreign governments, may have similar rules.

E. Conflicts of Interest

The policy establishes guidelines and procedures regarding timely and proper disclosure of possible conflicts of interests that an employee may have in connection with job duties and responsibilities in order that management may review and approve each situation as necessary to protect the best interests of the Company and its responsibilities as a public company.

A "conflict of interest" exists when a person's private interest interferes or conflicts in any way with the interest of the Company. A conflict situation can arise when an Employee takes actions or has interest that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest may also arise when an Employee, or members of his or her family, receives improper personal benefits or profits in a significant personal transaction involving the Company as a result of his or her position in the Company. Loans to, or guarantees of obligations of, Employees and their family members may create conflicts of interest.

"Members of an Employee's family" refer to the Employee's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, any person living in the same home with the employee or any business associate of the Employee.

It is almost always a conflict of interest for a Company employee to work simultaneously for a competitor, customer or supplier. Employees are not allowed to work for a competitor as a consultant or board member. The best policy is to avoid any direct or indirect business connection with our customers, suppliers or competitors, except on behalf of the Company.

If an Employee owns stock in a competitor and/or a supplier, it may or may not be a conflict of interest; however, Employee should report it to his supervisor.

Sometimes, a conflict of interest will develop accidentally or unexpectedly, and the appearance of a conflict of interest can also easily arise. If an Employee feels that he/she has a conflict, actual, potential or apparent, he/she should report all pertinent details in writing to his/her manager. The presence of a conflict does not necessarily mean that the proposed activity will be prohibited. An Employee's responsibility is to fully disclose all aspects of the conflict to the appropriate manager and remove himself/herself from the decision-making process.

Employees will be required to indicate whether they have a conflict of interest and, if so, disclose such conflicts of interest annually on the Certificate of Compliance form. The Corporate Secretary will be responsible for notifying the Audit Committee of the Board of Directors of any significant exceptions.

III. ACCOUNTING CONTROLS, PROCEDURES & RECORDS

This policy establishes guidelines and procedures related to keeping books and records that in reasonable detail accurately and fairly reflect the Company's transactions and dispositions of assets. The Company shall maintain a system of internal accounting controls to ensure reliability and adequacy of its books and records and proper recording of all transactions including dispositions of assets.

Accurate and reliable financial and business records are of critical importance in meeting the Company's financial and business obligations. The Company has established guidelines and procedures related to keeping books and records that in reasonable detail accurately and fairly reflect the Company's transactions and dispositions of assets. The Company shall maintain a system of internal accounting controls to ensure reliability and adequacy of its books and records and proper recording of all transactions including dispositions of assets. No undisclosed

or unrecorded fund or asset may be maintained or established for any purpose. The Company's financial records must be retained in accordance with its retention policies and all applicable laws and regulations.

As a public company, Synalloy is required to disclose through proper channels accurate and complete information regarding the Company and its result of operations on a timely basis. The Company will not tolerate "leaks" or unauthorized disclosures of corporate information to members of the press or financial community. The Chief Financial Officer must authorize all communications to the press or financial community.

Policy

1. Authorization. The only transactions to be entered into by the Company are those that are executed in accordance with management's specific authorization or established, formalized policies and procedures. The Board of Directors approves that officers and other authorized employees of the Company are authorized, on behalf of this Company, and in its name to sign, draw, endorse, accept and negotiate checks, drafts, notes, money transfers or other order for the payment of money; to demand, collect and receive any and all sums of money, securities, documents and property which may be due or belonging to the company; execute and deliver and electronic funds transfer agreement, open bank accounts in the name and in behalf of this Company, to sign and execute all legal documents, contracts, and to transact such business deemed necessary to conduct the routine affairs of the Company. Only the Chief Executive Officer and the Chief Financial Officer can commit to any contracts over 12 months.

2. Approval. No transaction will be recorded in the accounts of the Company unless it is within the scope of written policies and procedures or is specifically and formally approved by an appropriate and designated employee. Such approval requires the determination that the transaction (i) has been authorized in accordance with this Corporate Policy and (ii) is supported by documentary evidence to verify the validity of the transaction.

3. Accounting. All transactions entered into by the Company will be recorded in the accounts of the Company in accordance with normal, standard procedures. Each entry will be coded into an account that accurately and fairly reflects the true nature of the transaction.

4. Reporting. All transactions that have been accounted for in accordance with this Corporate Policy will be accumulated and processed in a manner that will permit preparation of financial statements, reports and data for purposes of internal, public and regulatory reporting. Such statements, reports and data must be in a form sufficient to reflect accurately and fairly the results of transactions entered into by the Company and to permit proper accountability for assets.

5. Responsibility. The implementation and maintenance of internal accounting controls, procedures and records that are adequate in all respects to satisfy the requirements of this policy will be the primary responsibility of the Chief Financial Officer.

6. Auditing. Compliance with the provisions and requirements of this policy will be tested and evaluated by the Company's Chief Financial Officer and external auditors. All control failures regarding this policy will be reported to the Audit Committee so that deficiencies can be corrected and assurance of compliance with the terms of this policy maintained.

Procedure

1. The Company will continuously evaluate its internal accounting controls, procedures and records to ensure compliance with the requirements of this policy. Such evaluation will be documented in a form suitable for inspection by outside parties, such as regulatory authorities, if the need arises.

2. The Company will take action to remedy any deficiency in internal accounting controls, procedures and records to ensure continuing compliance with the requirements of this policy.

3. The external audit staff, in coordination with the Company's Chief Financial Officer, will ascertain that its audit scope, procedures and programs are adequate (i) for the purposes of testing and evaluating internal accounting controls, procedures and records and (ii) for complete reporting of deficiencies in internal accounting controls, procedures and records.

4. On or before March 31 of each year, the external auditor and the Company's Chief Financial Officer will prepare a written summary applicable to the preceding fiscal year which sets forth financial management's evaluation of the Company's internal accounting controls,

procedures and records. Such a summary will consider financial management's overall evaluation and results of audits performed during the year, internal and external. For deficiencies noted in the evaluation, remedial action in progress or contemplated will be set forth in the summary. The summary will be addressed to the Audit Committee of the Board of Directors.

5. The Company will maintain the following policies to support requirements in this section:

III-1 Purchasing Policy
III-2 Employee Business Expense Policy
III-3 Capital Expenditure Policy
III-4 Gifts and Entertainment Policy
III-5 Document Retention Policy
III-6 Compensation Policy

IV. USE AND DISCLOSURE OF INSIDE INFORMATION

Employees who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purposes except the conduct of our business. All non-public information about the Company, which includes information about other companies that is obtained during the course of employment, should be considered confidential information. To use non-public information for personal financial benefit or to "tip" other who might make an investment decision on the basis on this information is not only unethical but also illegal. If you have any questions, please contact the Corporate Secretary.

In general, it is a violation of United States federal securities Laws for any person to buy or sell securities if he or she is in possession of material nonpublic information relating to those securities. Information is "material" if it could affect a reasonable person's decision whether to buy, sell or hold securities. Information is "nonpublic information" if it has not been publicly disclosed. Furthermore, it is illegal for any person in possession of material nonpublic information to provide other people with such information or recommend that they buy or sell securities. (This is called "tipping.") In such case, both the person who provides and the person who receives the information may be held liable.

A violation of the United States federal insider trading Laws can expose a person to criminal fines of up to three times the profits earned (or losses avoided) and imprisonment for up to ten years, in addition to civil penalties of up to three times the profits earned (or losses avoided), and injunctive actions. The securities Laws also subject controlling persons to civil penalties for illegal insider trading by employees. Controlling persons include the Company and may also include directors, officers and supervisory personnel, These persons may be subject to fines up to the greater of $1,000,000 or three times the profits earned (or losses avoided) by the inside trader.

No preferential treatment will be given to any shareholder, potential investor or security analyst; therefore, the release to any such person of any material financial or operating data relating to the Company must be available to all such persons in compliance with SEC Regulation FD.

No financial data regarding the Company will be released to the public or members of the press of financial community except as authorized by the Chief Financial Officer. Due to the sensitive nature of investor relations and federal regulations relating thereto, all interviews with shareholders, potential investors and security analysts must be authorized by the Chief Financial Officer.

If information of a material nature regarding corporate activities, developments or discussions becomes or threatens to become known to outsiders, the Company is required to make prompt and thorough disclosure of such information to the public. Corporate matters subject to such treatment include negotiations leading to acquisitions and mergers, stock splits, the making of arrangements preparatory to an exchange or tender offer, changes in dividend rates or earnings, call for redemption, new contracts, products or discoveries and other material developments.

Reference is made to Policy #IV-1 “Policy and Procedures for SEC Section 16 Reporting Persons”.

V. CONFIDENTIAL OR PROPRIETARY INFORMATION

Employees must maintain the confidentiality of confidential or proprietary information entrusted to them by the Company or its customers, suppliers, or joint venture partners except when the

disclosure is authorized by the corporate management or required by laws or regulations. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed. It also includes information that suppliers and customers have entrusted to the Company. The obligation to preserve confidential information continues even after employment ends. No confidential information obtained during an Employee's work at a former employer should be brought on Company premises or used in the Employee's work at the Company.

All key managers under incentive plan must sign a non-compete confidentiality agreement in order to participate in the plan.

Reference is made to Policy #V-1: "Key Management Confidentiality Agreement."

VI. ENVIRONMENTAL, HEALTH AND SAFETY

The Company pledges to protect the environment and the health and safety of employees, the users of our products and the communities in which we operate.

The Company strives to provide each employee with a safe and healthful work environment. Each Employee has responsibility for maintaining a safe and healthy workplace for all Employees by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions.

The management of Environmental, Health and Safety goals is accomplished through two specific programs; Environmental Program and the Health and Safety Program.

1. Environmental Program

a. Responsibility

Senior Management will have the ultimate responsibility for adopting, supporting and committing resources to a plan that ensures that the Company's facilities will be operating in an environmentally sound manner.

The Environmental Manager will be responsible for informing Senior Management of the requirements for the operation of the Company's facilities in

compliance with all local, state and federal regulations. The Environmental Manager is responsible for the development of procedures for implementation by the facilities to ensure compliance with requirements and Company policies. The environmental Manager will obtain the services of consulting licensed professional (with per-approval from the Audit Committee) where these services are necessary or required.

b. Regulatory Compliance
Procedures have been developed and implemented to obtain the necessary facility operating permits required by federal, state or local governments, commissions or districts. An annual regulatory review is conducted to determine compliance with existing laws and regulations and evaluate future compliance issues, if necessary.

c. Pollution Prevention
A pollution prevention plan has been developed to reduce the impacts of our operations on the environment. Specific procedures have been developed to eliminate, reduce or minimize potentially harmful emission to the air, land and water.

d. Risk Management / Emergency Response
The Company accepts the responsibility for identifying and managing the risks associated with hazardous operations and material by adhering to Company safety, health and environmental policies that require us to make environmental, health and safety considerations a priority in our current operations and our planning and development of new products. Our facilities employ a team of specifically trained employees including environmental and safety staff, engineers, chemists, production supervisors and production employees whose use industry accepted methods for analyzing, reviewing and minimizing risks involved with our operations. From this analysis, specific detailed operating procedures are developed, and training on these procedures are conducted for all employees.

Should an emergency involving hazardous materials occur, our emergency response plans are designed to warn and protect both our employees and the community. This plan has been reviewed with both the local fire department and emergency response personnel.

e. Education and Training
Education and training on environmental awareness is conducted to ensure that employees are aware of the Company's responsibilities and requirements for protecting the environment. Training is conducted on Company policies and procedures in place for compliance with Federal, State and local rules, regulations and policies. Training is conducted for management and non-management employees.

Reference is made to Policy #VI-1 – "The Synalloy Environmental Policy Manual."

2. Health and Safety Program

The Company is sincerely interested in the health, safety and welfare of each employee. Aside from a personal concern, the Company realizes that accidents also weaken employee morale, which in turn affects the job performance and customer relations of each employee. Therefore, it is the policy of this Company to insure each employee of a safe working environment. To accomplish this goal, the Company requires that each employee report any unsafe working condition to his/her supervisor. The Safety Manager has developed training programs for new employees and periodic mandatory training for all employees on a continuing basis. The Safety Manager along with the Safety Committee conducts routine audits of the facilities and checks for unsafe conditions. The Company also provides employees with proper safety equipment and monitors the use and condition of the equipment to ensure proper use.

Industrial Hygiene Statement

Physicals

The Company will contract with a reputable medical agency to perform needed physical testing and monitoring of identified employees on an annual basis or as required by OSHA standards/programs or as directed by other government agencies. These tests, specific for identified employees, may include Hearing tests, Urine Cytology and Pulmonary Function tests.

Environmental and Employee Exposure Monitoring

The Company will test and monitor as required by OSHA employee's exposure to substances regulated by an OSHA standard. If there is reason to believe that exposure levels for a substance exceed the action level or the permissible exposure level, appropriate employee and/or area monitoring will be performed. If results of monitoring are outside acceptable levels, then the specific operations involved will be discontinued until compliance can be achieved. Environmental monitoring may occur if it is considered necessary to verify acceptable air concentrations after emissions or spills.

Reference is made to Policy #VI-2-"Synalloy Health and Safety Policy Manual."

VII. USE OF COMPANY RESOURCES

Company property may not be sold, loaned, given away, or disposed of, without proper authorization. All company assets must be used for proper purposes during employment with Synalloy. Improper use includes unauthorized personal use of the Company's assets, including computer equipment and software, data, vehicles, tools and equipment. Upon leaving employment with the Company, all Company property must be returned.

The Company provides information systems, including, among other things, telephone, voicemail, email, computers databases, internal networks, on-line services and Internet access, for employees' use at the Company. Synalloy reserves the right to monitor, search, access and review all information in its systems, including information that employees may consider personal.

Upon hire, each new employee will be issued an "Electronic Information and Communication Systems Policy" and sign a Notice of Receipt that becomes a part of his/her personnel file. If Employee has any doubts about a particular use or issue pertaining to electronic communications he/she should check with Company management before proceeding. The Company reserves the right to modify and/or interpret this policy at any time.

Employees who abuse the privilege of access to the company's information and communication systems are subject to disciplinary action which could include removal from access to specific systems(s) or, should the violation warrant, immediate termination of employment.

Reference is made to Policy #VII-1 – “Electronic Information and Communication Systems Policy”.

VIII. PATENTS AND TRADEMARKS

Besides its people, the Company’s most important assets are its trademarks and trade secrets. All employees must disclose to the Company in writing and in reasonable detail, any and all inventions, improvements, developments, technical information, skill and know-how, patentable and un-patentable, which are made, discovered or developed by an employee in the course of, or as a result of performance of work by the employee for the Company, or any customer of the Company, without any obligation on the part of the Company, or any customer of the Company, to make any payment therefore. The employee will, at the request of the Company and at the expense of the Company, but without other consideration, execute or cause to be executed all documents and do or cause to be done all acts which may be necessary or desirable to confirm in the Company all right, title and interest throughout the world in and to such developments, and to enable and assist the Company to procure, maintain, enforce and defend patents, petty patents, copyright, and other applicable statutory protection throughout the world on all developments which may be patentable or copyrightable.

IX. POLITICAL CONTRIBUTIONS AND ACTIVITIES

The Company encourages participation of its employees in the political process. To protect itself from legal or appearance problems, the Company takes seriously its obligations under lobby laws, gift laws, and laws pertaining to political contributions. The Board of Directors must approve in advance any use of Company resources for political campaigns or fundraising.

X. GENERAL EMPLOYEE CONDUCT

The purpose of this General Employee Conduct Policy is to provide guidelines regarding the Company’s expectations of employees and setting forth a summary of the personnel policies, benefits, and procedures.

The Company has two Employee Handbooks – one for Hourly Employees and one for Salaried Employees. Upon hire, each new employee will be issued a Handbook and sign a Notice of Receipt of Handbook that becomes a part of his/her personnel file. The Company will issue periodic updates or amendments as needed to notify employees of changes in policy.

Reference is made to Policy #X-1 – "Synalloy Corporation Salaried Employee Handbook" and X-2 – "Synalloy Corporation Hourly Employee Handbook,"

The Company has agreements with certain collective bargaining units as set forth in the following documents that are incorporated by reference:

- Agreement between Bristol Metals, LLC and United Steelworkers of America Local 4586
- Agreement between Bristol Piping Systems and the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the US and Canada, Local 538
- Agreement between Teamsters Local Union No. 549 and Bristol Metals, LLC

XI. FOLLOW THROUGH

The Company's Code is intended to encompass all the Company's activities and emphasizes the importance of employees attaining the highest quality business conduct and solid business ethics.

Employees are required to report any conduct they believe in good faith to be an actual or apparent violation of the Code. The Company strongly encourages Employees to work with their managers in making such reports and, in addition, provides to employees the right to report such violations directly to the Corporate Secretary or the Chairman of the Audit Committee. Prompt reporting of violations is in the best interest of everyone. Reports by Employees will be handled as confidentially as possible. No employee will suffer retaliation by the Company because of a report made in good faith.

All managers are to maintain an "open door" policy with regard to Employee questions including those of business conduct and ethics. Employees are reminded to raise a question of moral standard or ethical behavior before it happens, rather than afterwards.

Reports or unethical or illegal activities will be investigated. A final determination will be reached and appropriate corrective action taken whenever cases of possible misconduct are reported.

Every Employee's cooperation is required in assuring that violations of the Code are called to the attention of those who should be informed. It must be clearly understood that adherence to these policies carries the highest priority.

Compliance and Discipline

Though the Company is confident that it can count on every Employee to do his or her part, the Company would be remiss if it did not state categorically that deviations from its business conduct standards will not be tolerated. Disciplinary action will be taken against any individual violating these standards. Specifically, disciplinary action will be taken against any Employee who is found to have authorized, condoned, participated in or concealed actions that are in violations of these standards; against any manager who disregards or approves a violation, or who, through lack of diligence in supervision, fails to prevent or report violations; and against managers who retaliate, directly or indirectly, or encourage others to retaliate, against any employee who reports a potential violation of these standards. Because these standards are very important to the Company's corporate values, any deviation from these values may result in termination of employment.

CERTIFICATE OF COMPLIANCE

I, _____ hereby certify that I have received, reviewed and understand the Synalloy Corporation Code of Conduct.

Signature:

Social Security #:

Date:

Complete the above data, sign and return within 7 days of receipt of documents(s).

Conflict of Interest Statement – Before completing this section, please read Section II-E of the Code titled "Conflicts of Interest."

I have no conflicts of interest

Please list any potential conflicts of interest below.

Sign-off by manager (if an employee discloses a potential conflict of interest, a copy of this Certificate will be sent to the manager of his/her approval.)

Manager's Name:

ATTACHMENT J

UA STANDARD OF EXCELLENCE

Overview:

The ***UA Standard for Excellence*** policy is a Labor-Management commitment to uphold the highest industry standards in the workplace and ensure customer satisfaction. The program is designed to promote UA members' world-class skills and safe, efficient work practices on the jobs performed by our signatory contractors for their customers.

Member and Local Union Responsibilities:

To insure the UA Standard for Excellence platform meets and maintains its goals, the Local Union Business Manager, in partnership with his implementation team, including shop stewards and the local membership, shall ensure all members:

- Meet their responsibilities to the employer and their fellow workers by arriving on the job ready to work, everyday on time (Absenteeism and Tardiness will not be tolerated).
- Adhere to the contractual starting and quitting times, including lunch and break periods (Personal cell phones will not be used during the workday with the exception of lunch and break periods).
- Meet their responsibility as highly skilled craftsworkers by providing the required tools as stipulated under the local Collective Bargaining Agreement while respecting those tools and equipment supplied by the employer.
- Use and promote the local union and international training and certification systems to the membership so they may continue on the road of life-long learning thus insuring UA craftsworkers are the most highly trained and sought after workers.
- Meet their responsibility to be fit for duty insuring a zero tolerance policy for substance abuse is strictly met.
- Be productive and keep inactive time to a minimum.
- Meet their contractual responsibility to eliminate disruptions on the job and safely work towards the on-time completion of the project in an auspicious manner.
- Respect the customers' property (Waste and property destruction, such as graffiti will not be tolerated).
- Respect the UA, the customer, client and contractor by dressing in a manner appropriate for our highly skilled and professional craft (Offensive words and symbols on clothing and buttons are not acceptable).
- Respect and obey employer and customer rules and policies.
- Follow safe, reasonable and legitimate management directives.

Employer and Management Responsibilities:

MCAA/MSCA/PFI/MCPWB/PCA/UAC and NFSA signatory contractors have the responsibility to manage their jobs effectively, and as such have the following responsibilities under the ***UA Standard for Excellence***.

- Replace and return to the referral hall ineffective superintendents, general foremen, foremen, journey workers and apprentices.
- Provide the Union hall with the necessary documentation to support these actions.
- Provide worker recognition for a job well done.
- Insure that all necessary tools and equipment are readily available to employees.
- Minimize workers downtime by insuring blueprints, specifications, job layout instructions and material are readily available in a timely manner.
- Provide proper storage for contractor and employee tools.
- Provide the necessary leadership and problem-solving skills to jobsite Supervision.

• Insure jobsite leadership takes the necessary ownership of mistakes created by management decisions.

• Promote to owners and clients the UA/Contractor Associations partnerships and avoid finger pointing when problems arise.

• Encourage employees but if necessary be fair and consistent with discipline.

• Create and maintain a safe work environment by providing site specific training, proper equipment and following occupational health and safety guidelines.

• Promote and support continued education and training for employees while encouraging career building skills.

• Employ an adequate number of properly trained employees to efficiently perform the work in a safe manner while limiting the number of employees to the work at hand thereby providing the customer with a key performance indicator of the value of the ***UA Standard for Excellence.***

• Treat all employees in a respectful and dignified manner acknowledging their contributions to a successful project.

• Cooperate and communicate with the Job Steward.

Problem Resolution through the UA Standard for Excellence Policy:

Under ***UA Standard for Excellence*** it is understood, that members through the local union, and management through the signatory contactors, have duties and are accountable in achieving successful resolutions.

Member and Local Union Responsibilities:

• The Local Union and the Steward will work with members to correct and solve problems related to job performance.

• Job Stewards shall be provided with steward training and receive specialized training with regard to the UA Standard for Excellence.

• Regular meetings will be held where the job steward along with UA Supervision will communicate with the management team regarding job progress, work schedules, and other issues affecting work processes.

• The Job Steward shall communicate with the members' issues affecting work progress.

• The Business Manager or his designee will conduct regularly scheduled meetings to discuss and resolve issues affecting compliance of the ***UA Standard for Excellence*** policy.

• The Steward and management will attempt to correct such problems with individual members in the workplace.

• Individual members not complying with membership responsibility shall be brought before the Local Union Executive Board who will address such members' failure to meet their obligation to the local and the UA, up to and including filing charges. The Local Union's role is to use all available means to correct the compliance problem including but not limited to mandatory retraining for members after offences.

Employer and Management Responsibilities:

• Regular meetings will be held where the management team and UA Supervision will communicate with the Job Steward regarding job progress, work schedules, and other issues affecting the work process.

• The above information will be recorded, action plans will be formulated and the information will be passed on to the local union Business Manager.

• Management will address concerns brought forth by the Steward or UA Supervision in a professional and timely manner.

• A course of action shall be established to allow the job Steward and or UA Supervision to communicate with higher levels of management in the event there is a breakdown with the responsible manager.
• In the event that the employee is unwilling or unable to make the necessary changes, management must make the decision whether the employee is detrimental to the ***UA Standard for Excellence*** platform and make a decision regarding his further employment.

Additional Jointly Supported Methods of Problem Resolution:

• In the event an issue is irresolvable at this level the Local or the Contractor may call for a contractually established Labor Management meeting to resolve the issues.

• Weekly job progress meetings should be conducted with Job Stewards, UA Supervision and Management.

• The Local or the Contractor may involve the customer when their input is prudent in finding a solution.

• Foremen, General Foremen, Superintendents and other management should be educated and certified as leaders in the ***UA Standard for Excellence*** policy.

AGREEMENT

between

Teamsters Local Union No. 549

and

Bristol Metals, LLC

THIS AGREEMENT, made and entered into, on this the 5th day of March, 2010, between BRISTOL METALS, LLC., BRISTOL, TENNESSEE, hereinafter referred to as the Company or Employer, and TERMSTERS LOCAS UNION NO. 549, affiliated with INTERNATIONAL BROTHERHOOD OF TEAMSTERS, CHAUFFEURS, WAREHOUSEMEN AND HELPERS OF AMERICA, hereinafter referred to as the Union, agree to be bound by the terms of this Agreement.

ARTICLE I

RECOGNITION

1.1 Pursuant to certification of the Union by the National Labor Relations Board on October 26, 1967, in Case #5-RC-6115, the Company recognizes the Union as the sole and exclusive representative for the purpose of collective bargaining with respect to the rates of pay, wages, hours of employment, and other conditions of employment for all over-the-road drivers employed at the Employer's Bristol, Tennessee location, excluding all other employees, office clerical employees, professional employees, guards and supervisors, as defined in the Act.

1.2 This Agreement applies only to those employees of the Company for whom the Union is recognized as Agent.

1.3 Recognition as defined in Section 1 above is conditioned upon continued National Labor Relations Board certification and recognition will not continue after the Board has certified the name or names of some other representatives for the purpose of collective bargaining.

1.4 This Agreement binds employees represented by the Union.

1.5 Recognition as the exclusive representative of the Union shall not be construed to prevent any individual employee or group of employees from conferring with the Company in accordance with Section 8 (a) (2) of the Act, or from presenting grievances and having such grievances adjusted in accordance with Section 9 (a) of the Act. No contract or agreement affecting employees covered by the Agreement will be entered into between the Company and any employee or group of employees or representatives that will in any way conflict with or supersede this Agreement or extension thereof.

ARTICLE II

RIGHTS OF MANAGEMENT

2.1 The company retains the sole right to manage its business, including but not limited to, the right to decide the number and types of motor vehicles to be used, the method of using and maintaining same, the right to hire, lay off, assign, transfer and promote employees and to determine the starting and quitting time and the number of hours to be worked; and all other rights and prerogatives including those exercised of these rights as are expressly provided in the Agreement. It is expressly understood between the Company and Union that the Company retains all rights which it had prior to the execution of this Agreement, whether exercised or not, except those expressly limited or modified by the terms of the Agreement.

2.2 The Company has the exclusive right to hire, suspend, discharge for cause, promote or transfer employees, and generally to direct the working forces.

2.3 The Company shall have the right to use a common, contract or other public carrier or means of transportation, whether by motor vehicle, railroad, aircraft or water, to transport its products, raw materials or other property as long as the use of outside carriers does not displace an employee of the unit.

2.4 The Company reserves the right to make rules for governing the work of the employees covered by the Agreement, providing such rules do not conflict with or contravene the provisions of this Agreement.

ARTICLE III

SENIORITY

3.1 Seniority shall prevail for the purpose of this Agreement, seniority is defined as the length continuous service within the bargaining unit as defined in Article I.

3.2 When it becomes necessary to reduce the working force, the last employee hired shall be laid off first, and when the force is again increased, the employees are to be returned to work in the reverse order in which they are laid off; provided, however, that in both layoff and recall the employee's qualifications to drive a tractor-trailer unit shall govern when the only equipment available for the senior employee to drive is a tractor-trailer unit.

3.3 **Seniority List.** The Company shall prepare a seniority list and furnish copy to the Union showing the seniority standing of each employee. Such list shall be prepared within thirty (30) days after the effective date of this Agreement, and shall be revised at annual intervals thereafter for the duration of the Contract. Such list shall be posted on bulletin boards within three (3) days after the year above mentioned and shall remain posted until revised. Within thirty (30) calendar days after the posting of this seniority lists any employee who questions his rightful position on that list shall register his objection in writing to the Company on a form provided for that purpose. After such period the seniority list shall be considered to be accurate until subsequently revised. Any employee who does not protest his position on the seniority list within the aforementioned thirty (30) days shall be considered to have approved same as posted.

3.4 During the first 42 calendar days of employment, an employee shall be deemed a probationary employee, and during such period such employee shall not acquire seniority under this contract, or be entitled to the other privileges thereof except the compensation provided for. If such employee is retained after the 42 calendar days, such employee's date of seniority shall relate back to the date of employment.

ARTICLE IV

EXAMINATION AND IDENTIFICATION FEES

4.1 Examination. Physical, mental or other examinations required by a government body or by the Employer as a condition of employment when first employed or as a condition to continuation of employment shall promptly complied with by all employees, provided however, the Employer shall pay for all such examinations. The employer shall not pay for any time spent in the course of the employee's examination or examinations, required or permitted under this Article. The parties to the Agreement will cooperate in having examinations expedited. Employees will not be required to take examinations during their working hours. The Employer reserves the right to select its own medical examiner or physician, and the Union may, if it believes an injustice has been done to an employee, have said employee examined at the Union's expense. If the two physicians disagree, they shall mutually agree upon a third physician whose decision shall be final and binding. The expense of the third physician shall be equally divided between the employer and the Union. Any employee who fails to pass any physical, mental, or other examinations required by a government body shall be immediately suspended. If such employee can be means of medical treatment or other appropriate action pass such examination within a reasonable time not to exceed thirty (30) days, his suspension shall terminate, without loss of seniority. Otherwise, his employment shall be terminated.

ARTICLE V

MILITARY CLAUSE

5.1 Employees of the Company who enter the Armed Forces of the United States shall be entitled to such re-employment and other rights and privileges as are or may be provided by the laws of the United States.

ARTICLE VI

LEAVE OF ABSENCE

6.1 Any employee desiring leave of absence from his employment shall secure written permission from the Company. The maximum leave of absence shall be for ninety (90) days and may be extended for like periods. Failure to comply with this provision shall result in complete loss of seniority rights of the employee involved. Any employee using a leave of absence as a subterfuge shall forfeit his rights and job. Any employee shall not accept employment elsewhere when on leave of absence unless agreed to by the Company.

6.2 Employees who, after signing of this Agreement, take a leave of absence for the purpose of accepting employment with the Union or employment in a supervisory capacity with the Company shall accumulate no further seniority beyond the date of taking the leave. If an employee who has accepted employment with the Union is returned to the bargaining unit by the Company within six (6) months from the beginning of such leave, then in either case, such employee shall resume his seniority from the date on which it stopped, eliminating the period of time the employee worked outside of the bargaining unit.

6.3 The Company agrees to grant the necessary time off, without discrimination of loss of seniority rights and without pay, to any one employee at a time designated by the Union to attend labor conventions or a labor seminar, providing 24 hours written notice is given to the Company and the Union, specifying the length of time off.

6.4 Funeral Leave. Paid leave of absence of three days, pay compensated at eight hours per day.

ARTICLE VII
GRIEVANCE PROCEDURE

7.1 The Company shall not require, as a condition of continued employment, that an employee purchase a truck, tractor, and/or tractor-trailer, or other equipment.

ARTICLE VIII
GRIEVANCE PROCEDURE

8.1 Should any dispute arise as to the meaning or application of any specified provision of this Agreement, an earnest effort shall be made to adjust the dispute by discussion in successive steps as follows:

1. Between the aggrieved employee and his immediate supervisor.
2. If no satisfactory settlement is reached, the grievance shall be reduced to writing and discussed between the steward and the Company representative.
3. If not settled, the steward shall refer the grievance to the Union representative who will meet the Company representative to attempt to settle the grievance.
4. If representatives of the Company and the Union have exhausted all possibilities of reaching an agreement and, if the grievance is arbitrable as hereinafter defined in Article XII, then the grievance may be appealed to arbitration within fifteen (15) calendar days following the Company's decision in Paragraph (3) above and not thereafter.

8.2 **Time Limits**

1. All grievances must be asserted within fifteen (15) calendar days following inception of the matter giving rise thereto, or within fifteen (15) calendar days after returning to Bristol if the matter giving rise to the grievance occurred away from Bristol or on the day of departure from Bristol, or they shall be deemed to have been waived except as hereinafter provided.

2. Grievances and replies to grievances at any intermediate state shall be deemed to have been satisfactorily settled if the Union or the aggrieved employee does not process the grievance to the next step within ten (10) calendar days following the Company's answer.

8.3 **Discharge and Suspension**

1. All grievances pertaining to discharge must be asserted within seven (7) calendar days from the time of discharge and shall be filed in step three of the grievance procedure as herein above defined in 8.1 paragraph 3.

2. The Company shall not discharge, suspend, or take any other disciplinary action as respects any employee without just cause, but with respect to discharge, suspension, or other disciplinary action, shall give at least on warning notice of the complaint against such employee in writing to the employee, by certified mail. Provided, however, that no warning notice need to be given if the cause of such discharge is: (a) dishonesty, (b) drinking of or under the influence of alcoholic beverages or using narcotics on Company property, (c) drinking alcoholic beverages or using narcotics on Company property, (d) recklessness resulting in serious accident while on duty, (e) carrying of unauthorized passengers, (f) failing insubordination, (i) other serious infraction of commonly accepted behavior standards. Warning notices as herein provided shall not remain in effect for the purposes of the Article for a period of more than nine (9) months from the date of said warning notice, provided, however, that such warning notices shall be a part of such employee's personnel file and may be taken into account by the Company for overall evaluation of such employee's record. All warning notices, discharges, suspensions or other disciplinary action must be a proper written notice to the affected employee and the Union.

ARTICLE IX
ARBRITRATION

9.1 The arbitration procedure hereinafter provided shall extend only to those issues which are herein below defined arbitrable.

9.2 In order for a grievance to be arbitrable, it must (1) have been properly and timely processed through the grievance procedure; (2) genuinely involve the interpretation or application of a specified provision or provisions of this Agreement; (3) not rest on any alleged understanding, practice, or other matter outside the scope of this Agreement; and, (4) not require the arbitrator in order to rule in favor of the party requesting arbitration, to exceed the scope of his jurisdiction under this Agreement.

9.3 The provisions of a grievance procedure, provided for elsewhere in the Agreement, is not intended to imply nor is any third person to infer that all grievances may be appealed to arbitration; and the fact that a controversy may be handled under the grievance procedure shall not preclude either party from raising the question shall itself be submitted to an arbitrator and his decision on such issue shall be final and binding. If in favor or arbitrability, the controversy shall be heard on its merits.

9.4 Within ten (10) calendar days following the Company's decision in Paragraph (3) of the aggrieved party may give written notice to the other party settling forth the express and specific provisions of this Agreement which are alleged to have been violated, together with a statement in writing, clearly defining the issue or issues to be arbitrated, and shall submit a copy of the same to arbitration under the rules of the Federal Mediation and Conciliation Service, if the parties have been unable to agree on a mutual choice of arbitrator otherwise.

9.5 The arbitrator shall have no power to add to, subtract from, or modify any of the terms of this Agreement or any other Agreement made supplementary hereto, including the enlargement of or detraction from those rights which are the express of reserved prerogatives of management at the time of the execution of the Agreement, it being the intent of the parties that the express and specific provisions of this Agreement shall govern the entire relationship of the parties and shall be the sole source of any and all rights or claims which either party may assert against the other. No policy or practice unilaterally adopted, followed, continued or discontinued by the Company under its right to manage its business shall be subject to arbitration under this Agreement unless in direct conflict with a specific provision of this Agreement or unless the parties have agreed upon the policy and have adopted it in writing as a part of this Agreement.

9.6 The decision of the arbitrator upon the issue so submitted to arbitration shall be final and binding upon the parties to this Agreement. Expenses and charges of the arbitrator shall be borne equally by the Company and the Union.

ARTICLE X
STRIKES AND LOCKOUTS

10.1 The Union agrees not to initiate, promote, finance, encourage, engage, participate directly or indirectly, in any strike, sit-down, walk out, job action, mass sickness, picketing, secondary boycotts or any other concerted activities resulting in interference with the normal conduct of the Company's business during the terms of this Agreement, so long as the Company abides by the terms of this Agreement. The Union shall not be held liable for any damages unless it has initiated, promoted, financed, encouraged, engaged, participated directly or indirectly in any of the above mentioned acts.

10.2 In consideration of the foregoing, the Employer agrees not to cause or permit a lockout to occur during the term of this Agreement, so long as the Union abides by the terms of this Agreement.

10.3 It shall not be a violation of this agreement and it shall not be cause for discharge or disciplinary action for an employee to refuse to cross a primary picket line.

ARTICLE XI
LOSS OR DAMAGE

11.1 Employees shall not be charged for loss or damage unless proof of negligence is shown.

ARTICLE XII
BONDS

12.1 Should the Employer require the employee to give bond, cash bond will not be compulsory, and any premium involved shall be paid by the Employer. If the Employer's regular boding company refuses to bond any employee and the employee is able to secure a bond elsewhere within thirty (30) days from the date Employer notifies him of such refusal, said employee shall pay the difference in the premium involved, as compared to the premium paid by the Employer for other employees in the same classification. Cancellation of a bond after once issued shall be cause for discharge in case of any of the following:

1. The employee fails to obtain another bond within thirty (30) days after notice of cancellation.
2. Failure of the employee to pay any excess premium thereon: or
3. The cancellation was due to a proven fraudulent statement by the employee in obtaining the bond.

ARTICLE XIII
JOB STEWARDS

13.1 The employer recognizes the right of the Union to designate from Employer's seniority list one job steward and one alternate. The authority of the job steward and alternate so designated by the Union shall be limited to, and shall not exceed the following duties and activities:

a.) The investigation and presentation of grievances in accordance with the provisions of this Agreement:

b.) The transmission of such messages and information which shall originate with, and are authorized by the Local Union or its officers, provided, such messages and information:

1. Have been reduced to writing, or

2. If not reduced to writing, are of routine nature and do not involve work stoppages, slowdown, refusal to handle goods, or any other interference with the Employer's business.

ARTICLE XIV
EMPLOYMENT

14.1 When the Company needs additional employees, it shall give the Union equal opportunity with all other sources to provide suitable applicants, but the Company shall not be required to hire those referred to the Company by the Union. Notification by telephone to a Union business agent shall be sufficient notice of the existence of a job opportunity.

ARTICLE XV
DISPATCHING AWAY FROM BRISTOL, TENNESSEE

15.1 Drivers at a terminal other than the Company's Bristol, Tennessee terminal shall be dispatched out ahead of domiciled drivers.

ARTICLE XVI
VACATIONS

16.1 Employees covered by this Agreement who have worked fifty (50) per cent or more of the total working days during any twelve (12) month period, shall receive a vacation with pay for five (5) consecutive working days where they have been employed on (1) year, then ten (10) consecutive working days where they have been employed three (3) years and fifteen (15) consecutive working days where they have been employed ten (10) years or more, and twenty (20) consecutive working days where they have been employed twenty (20) years or more. For purposes of vacation eligibility, vacation days will be counted as time worked.

In order to maintain continuity in Company shipping schedules, vacations may be scheduled for shorter periods, but not less than (5) consecutive working days. The Company will endeavor to allow vacations as requested by the employee, but will retain the right of final vacation scheduling in accordance with operating requirements and employee seniority; however, at least one employee will be allowed vacation leave in any given week.

Vacations are not accumulative and must be taken during the employee's anniversary years.

It is understood that during the first (1st) year of employment an employee must work fifty (50) per cent of the total working days in order to obtain his vacation and must have been employed for the full year.

16.2 An employee entitled to five (5) consecutive working days' vacation shall receive pay at his regular hourly rate for fifty (50) hours. An employee entitled to receive ten (10) consecutive working days' vacation shall receive pay at his regular hourly rate for one hundred (100) hours. An employee entitled to receive fifteen (15) consecutive working days' vacation shall receive pay at his regular hourly rate for one hundred fifty (150) hours, an employee entitled to twenty (20) consecutive working days' vacation shall receive pay at his regular rate for two hundred (200) hours.

16.3 An employee entitled to a vacation shall take time off from Friday to the following Thursday, with pay as provided in Section 16.2

16.4 If an employee is scheduled for vacation and is called in for a trip, employee will be paid actual earned pay in addition to his vacation pay.

ARTICLE XVII
HOLIDAYS

17.1 The following named holidays shall be paid for at regular hourly rate for eight (8) hours in addition to any monies earned by the employee on such holidays: New Year's Day, Good Friday, Memorial Day, July 4th, Labor Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve Day and Christmas day. In order to qualify for holiday pay, an employee must be available for work the scheduled work day immediately preceding or following the holiday, if the employee is requested to do so and has not exhausted his permitted hours of work or unless absence is mutually agreed on between the Company and the Union. If an employee is required to work on a holiday, he shall be paid at a regular hourly rate for twelve (12) hours.

ARTICLE XVIII
GROUP INSURANCE AND PENSION

Group Insurance

18.1 Bargaining unit employees will be eligible for whatever insurance programs the Company's hourly non-bargaining unit employees are eligible. Details of Medical, Dental, Life, Accidental Death, and Weekly Insurance plans are explained in insurance booklets which are available to employees. The current weekly medical/dental rates for employees, effective as of January 1, 2010 are as follows:

	MEDICAL	MEDCIAL & DENTAL	DENTAL ONLY
Single (employee only)	$14.19	$14.19	$1.15
Employee + Children	$24.33	$25.58	$2.77
Employee + Spouse	$34.47	$35.72	$2.77
Employee + Family	$40.55	$44.37	$6.46

For years 2010 thru 2014, the percentages used below will be the employee contribution based on a percentage of actual cost per employee per year (PEPY). The PEPY will be calculated annually and can go up or down:

	2010	2011	2012	2013	2014
EE Only	7%	8%	9%	10%	10%
EE + Child(ren)	12%	13%	14%	15%	15%
EE + Spouse	17%	18%	19%	20%	20%
EE + Family	20%	21%	22%	23%	25%

Pension

18.2 For information on the Pension Plan, see the general summary plan description.

ARTICLE XIX
WAGES AND OTHER COMPENSATION, EQUIPMENT SAFETY AND DOMICILE AND PROTECTION RIGHTS

19.1 Rates of pay during each year of the contract shall be set forth below:

(1) TRACTOR-TRAILERS

	1st Year 2010	2nd Year 2011	3rd Year 2012	4th Year 2013	5th Year 2014
Single Operation	.43 mile	.44 mile	.45 mile	.46 mile	.47 mile
Double Operation	.52 mile	.53 mile	.54 mile	.55 mile	.56 mile

(2) Special loads requiring permits: $.03 per mile round trip, in addition to rates specified above.

19.2 The hourly rate during the term of the contract shall be:

	1 Year 2010	2nd Year 2011	3rd Year 2012	4th Year 2013	5th Year 2014
Hourly	$15.11	$16.11	$17.11	$18.11	$19.11

19.3 Loading and Unloading: In the case of delayed time as a result of loading or unloading, the employee shall be paid the hourly rate of pay as specified above. In the case of a double operation, both employees shall be paid at the hourly rate as specified above.

19.4 Breakdown, Impassable Highways and Lodging: On breakdown, or impassable highways, employees shall be paid the minimum hourly rate for all time spent on such delays following notification to the Company or one hour, whichever shall occur first, but not to exceed more than eight (8) hour period, he shall, in addition, be furnished clean, comfortable sanitary lodging. The Company will reimburse the employee $20.00 each day for lodging per day, if the employee elects to use the sleeper on the truck. If the employee elects to go to a motel, past practice will prevail. Employees will be paid $21.00 during the term of this contract for meal allowances for each eight (8) hour period. The Company will furnish and maintain clean linens and bedding for sleepers. Proof of breakdowns and receipts for lodging and meals are to be furnished to the Company.

19.5 Protection of Rights: It shall not be a violation of this Agreement and it shall not be cause for discharge or disciplinary action in the event an employee within the Bargaining Unit refuses to cross a lawful picket line, unless authorized by the Union.

19.6 Equipment Safety: The Company agrees to maintain the equipment used by the employees within the Bargaining Unit so that it will comply with rules and regulations of the U.S. Department of Transportation, the Interstate Commerce Commission, The Laws of the State of Tennessee, and The Laws of other states through which the equipment passes. It shall not be cause for disciplinary action or discharge in the event an employee refuses to run unsafe equipment as defined above. The Company will provide safety shoes if they are required.

19.7 Change of Domicile of Equipment: If any over-the-road equipment or replacement equipment therefore located at Bristol, Tennessee is domiciled by the Company at another of its locations resulting in the displacement of an employee covered by this Agreement, then in such event, employees covered by this Agreement shall be given the opportunity to accept the job of operating such equipment at its new locations. Such work will continue to be subject to the terms and conditions of this Agreement for the life thereof.

19.8 If the Company requires employees to wear uniforms, the Company will furnish said uniforms. One pair of coveralls will be furnished by the Company to each driver for use as necessary in loading and unloading and while working on the rig. The driver will be responsible for cleaning the coveralls and otherwise taking care of them. If lost or stolen, the coveralls shall be replaced by the driver. Worn out coveralls shall be replaced by the Company when turned in to the Company.

19.9 The Company shall pay the necessary travel expense to return a driver home in event of severe illness or accident on the road or job site.

19.10 The Company shall submit a receipt weekly with the paycheck showing what the driver is paid, i.e. miles, hours, breakdown, meals, sleeper, etc.

19.11 Effective with the date of this Agreement, any over-the-road vehicle purchased or leased shall be equipped with adequate air conditioning and heating. The Company shall make every effort to keep the air conditioning and heating in operable condition, however, a driver may not refuse a trip assignment, going or returning, because the air conditioning is inoperable.

ARTICLE XX
CHECK-OFF OF UNION DUES

20.1 The Employer agrees to deduct from the pay of all employees on its seniority list covered by this Agreement, who furnish the Employer written authorization therefore in the form required by law, dues, initiation fees and uniform assessments of the Union.

20.2 The Union shall certify to the Employer in writing each month a list of its members working for the Employer, who have furnished the Employer the required authorization, together with an itemized statement of the dues, initiation fees and uniform assessments owed and to be deducted for such month from the pay check of such member, and the employer shall deduct such amount from the first pay check, following the receipt of a certified list, of the members in one lump sum and within seven (7) days following such deduction remit the same to the Union.

20.3 The Employer will recognize authorization for deductions from wages, if in compliance with state law, to be transmitted to the Local Union or to such other organizations as the Union may request, if mutually agreed to, and no such authorization shall be recognized if in violation of state or federal law. No deduction shall be made which is prohibited by applicable law. The Union shall indemnify and save the Company harmless against any and all claims, demands, suits, or other forms of liability that shall arise out of or by reason of actions taken or not taken by the Company for the purpose of complying with any of the provisions of this Section, or in reliance on any list, notice or assignment furnished under of such provisions.

ARTICLE XXI
GENERAL

21.1 The parties hereto agree that there shall be no Union activities on Company time and property except that which is specifically provided for in this Agreement.

21.2 The Union shall have the right to examine trip reports and other records pertaining to the computation of the compensation of any employee covered by this Agreement. Union representatives shall be granted access to the Company property for the purpose of adjusting grievances and investigation of working conditions.

21.3 The Company agrees to cooperate toward the prompt settlement of employee on-the-job injury claims when such claims are due and owing as required by law. The Company shall provide Workmen's Compensation Insurance for all employees covered by this Agreement in accordance with the Law of Tennessee.

ARTICLE XXII
SCOPE OF AGREEMENT

22.1 This Agreement constitutes the sole and entire Agreement between the parties hereto and supersedes any and all prior agreements either oral or written. It expresses all of the obligations of an restrictions upon the Company and the Union during its term. The Company and the Union each expressly acknowledge that the other party has no obligations or duty of the other party, to bargain collectively with said party pertaining to any term or condition of employment or any other matter covered or not covered in this Agreement, during its term, even though such matter may not have been within the knowledge of contemplation of either party at the date of execution hereof.

ARTICLE XXIII
DURATION

23.1 This Agreement shall become effective at 12:01 a.m. on March 5, 2010 and shall terminate at midnight on the 4th day of March, 2015, upon either party giving the other sixty (60) days prior written notice of its desire to terminate and/or modify this Agreement; otherwise this Agreement shall remain in effect year to year thereafter unless either party gives the other the above referenced sixty (60) day notice on the anniversary date of each preceding year.

BRISTOL METALS, LLC
Affiliated with the International
Brotherhood of Teamsters,
Chauffeurs, Warehousemen and
Helpers of America

TEAMSTERS LOCAL UNION NO. 549

/s/Michael D. Boling
Michael D. Boling

/s/ Scott Armstrong
Scott Armstrong

/s/Douglas Dockter
Douglas Dockter

/s/James Gent
James Gent

Synalloy Corporation

Exhibit 21 Subsidiaries of the Registrant

All of the Company's subsidiaries are wholly owned. All subsidiaries are included in the Company's consolidated financial statements. The subsidiaries are as follows:

Synalloy Metals, Inc., a Tennessee corporation
Bristol Metals, LLC, a Tennessee corporation

Manufacturers Soap and Chemicals Company, a Tennessee corporation
Manufacturers Chemicals, LLC, a Tennessee corporation

Ram-Fab, LLC, a South Carolina corporation

Metchem, Inc., a Delaware corporation

SFR, LLC, a South Carolina corporation

Exhibit 31.1

CERTIFICATIONS

I, Ronald H. Braam, certify that:

1. I have reviewed this annual report on Form 10-K of Synalloy Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 22, 2010

/s/ Ronald H. Braam
Ronald H. Braam
Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Gregory M. Bowie, certify that:

1. I have reviewed this annual report on Form 10-K of Synalloy Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 22, 2010 /s/ Gregory M. Bowie
Gregory M. Bowie
Chief Financial Officer

Exhibit 32

Certifications Pursuant to 18 U.S.C. Section 1350

The undersigned, who are the chief executive officer and the chief financial officer of Synalloy Corporation, each hereby certifies that, to the best of his knowledge, the accompanying Form 10-K of the issuer fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and that information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the issuer.

Date: March 22, 2010

/s/ Ronald H. Braam
Ronald H. Braam
Chief Executive Officer

/s/ Gregory M. Bowie
Gregory M. Bowie
Chief Financial Officer