

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

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Quarterly Period Ended June 30, 2018

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Transition Period from _____ to _____

COMMISSION FILE NUMBER 0-19687

Synalloy

Synalloy Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

57-0426694

(I.R.S. Employer Identification No.)

4510 Cox Road, Suite 201, Richmond, Virginia

(Address of principal executive offices)

23060

(Zip Code)

(804) 822-3260

(Registrant's telephone number, including area code)

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 No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one)

Large accelerated Filer Accelerated filer Non-accelerated filer (Do not check if smaller reporting company)
Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. Yes No

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

The number of shares outstanding of the registrant's common stock as of July 31, 2018 was 8,802,206.

Synalloy Corporation

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PART I

Item 1. FINANCIAL STATEMENTS

Synalloy Corporation
Condensed Consolidated Balance Sheets

	June 30, 2018 (unaudited)	December 31, 2017
Assets		
Current assets		
Cash and cash equivalents	\$ 18,950	\$ 14,706
Accounts receivable, less allowance for doubtful accounts of \$5,000 and \$35,000, respectively	41,370,921	28,704,481
Inventories, net	90,571,141	72,125,181
Prepaid expenses and other current assets	18,707,741	6,802,072
Total current assets	150,668,753	107,646,440
Non-current assets		
Property, plant and equipment, net of accumulated depreciation of \$53,278,938 and \$50,451,436 respectively	35,605,480	35,080,009
Goodwill	6,003,525	6,003,525
Intangible assets, net of accumulated amortization of \$11,710,526 and \$10,568,479 respectively	9,738,474	10,880,521
Deferred charges, net and other non-current assets	265,441	263,655
Total assets	\$ 202,281,673	\$ 159,874,150
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	\$ 27,357,477	\$ 24,256,812
Accrued expenses and other current liabilities	11,025,061	8,993,454
Total current liabilities	38,382,538	33,250,266
Long-term debt		
Deferred income taxes	1,260,805	635,910
Long-term deferred gain, sale-leaseback	5,766,213	5,933,350
Long-term portion of earn-out liability	3,748,503	3,170,099
Other long-term liabilities	1,365,907	1,270,542
Total non-current liabilities	66,075,372	36,923,458
Commitments and contingencies – See Note 11		
Shareholders' equity		
Common stock, par value \$1 per share; authorized 24,000,000 shares; issued 10,300,000 shares	10,300,000	10,300,000
Capital in excess of par value	35,496,900	35,193,152
Retained earnings	65,630,953	58,129,382
Accumulated other comprehensive loss	—	(10,864)
	111,427,853	103,611,670
Less cost of common stock in treasury: 1,497,793 and 1,566,769 shares, respectively	13,604,090	13,911,244
Total shareholders' equity	97,823,763	89,700,426
Total liabilities and shareholders' equity	\$ 202,281,673	\$ 159,874,150

See accompanying notes to condensed consolidated financial statements.

Synalloy Corporation
Condensed Consolidated Statements of Operations (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Net sales	\$ 71,893,763	\$ 51,511,045	\$ 130,374,365	\$ 93,714,624
Cost of sales	56,177,441	43,333,118	103,424,624	78,133,119
Gross profit	15,716,322	8,177,927	26,949,741	15,581,505
Selling, general and administrative expense	7,738,752	6,281,988	13,594,872	12,170,664
Acquisition related costs	690,217	386,519	690,217	744,996
Operating income	7,287,353	1,509,420	12,664,652	2,665,845
Other expense (income)				
Interest expense	403,852	341,005	717,835	521,320
Change in fair value of interest rate swaps	(19,255)	16,927	(92,458)	(24,503)
Earn-out adjustment	2,307,598	(3,391)	2,461,658	(3,391)
Other, net	(59,112)	—	29,185	—
Income before income taxes	4,654,270	1,154,879	9,548,432	2,172,419
Provision for income taxes	976,998	325,000	2,035,998	641,000
Net income	<u>\$ 3,677,272</u>	<u>\$ 829,879</u>	<u>\$ 7,512,434</u>	<u>\$ 1,531,419</u>
Net income per common share:				
Basic	<u>\$ 0.42</u>	<u>\$ 0.10</u>	<u>\$ 0.86</u>	<u>\$ 0.18</u>
Diluted	<u>\$ 0.41</u>	<u>\$ 0.10</u>	<u>\$ 0.85</u>	<u>\$ 0.18</u>
Weighted average shares outstanding:				
Basic	8,776,239	8,699,488	8,761,182	8,686,714
Dilutive effect from stock options and grants	87,537	23,650	72,804	17,616
Diluted	<u>8,863,776</u>	<u>8,723,138</u>	<u>8,833,986</u>	<u>8,704,330</u>

See accompanying notes to condensed consolidated financial statements

Synalloy Corporation
Condensed Consolidated Statements of Cash Flows (Unaudited)

	Six Months Ended June 30,	
	2018	2017
Operating activities		
Net income	\$ 7,512,434	\$ 1,531,419
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation expense	2,874,216	2,545,195
Amortization expense	1,147,916	1,211,225
Amortization of debt issuance costs	45,492	27,219
Deferred income taxes	624,895	(450,864)
Earn-out adjustment	2,461,658	(3,391)
Reduction of losses on accounts receivable	(30,000)	(18,958)
Provision for losses on inventories	746,960	229,044
Gain on disposal of property, plant and equipment	(17,762)	—
Amortization of deferred gain on sale-leaseback	(167,137)	(167,136)
Straight line lease cost on sale-leaseback	184,344	203,265
Change in fair value of interest rate swaps	(92,458)	(24,503)
Change in fair value of equity securities	29,185	—
Change in environmental reserves	—	15,298
Issuance of treasury stock for director fees	276,000	287,475
Employee stock option and grant compensation	416,179	330,238
Changes in operating assets and liabilities:		
Accounts receivable	(12,768,096)	(12,193,408)
Inventories	(19,192,920)	(5,281,753)
Other assets and liabilities, net	(2,105,247)	(526,153)
Accounts payable	3,100,665	5,109,121
Accrued expenses	1,372,968	2,170,359
Accrued income taxes	889,103	(560,732)
Net cash used in operating activities	(12,691,605)	(5,567,040)
Investing activities		
Purchases of property, plant and equipment	(3,381,925)	(2,831,976)
Purchases of equity securities	(336,951)	(3,831,521)
Acquisition of the stainless pipe and tube assets of Marcegaglia USA, Inc. ("MUSA")	—	(11,953,513)
Cash placed in escrow for acquisition of the galvanized pipe and tube assets of MUSA	(10,378,281)	—
Net cash used in investing activities	(14,097,157)	(18,617,010)
Financing activities		
Net borrowings from line of credit	28,020,386	24,241,144
Payments on capital lease obligation	(52,549)	(67,260)
Payments of debt issuance costs	(53,146)	—
Payments on earn-out liability to MUSA	(1,172,065)	—
Proceeds from exercised stock options	50,380	—
Net cash provided by financing activities	26,793,006	24,173,884
Increase in cash and cash equivalents	4,244	(10,166)
Cash and cash equivalents at beginning of period	14,706	62,873
Cash and cash equivalents at end of period	\$ 18,950	\$ 52,707
Supplemental disclosure		
Cash paid for:		
Interest	\$ 613,918	\$ 345,009
Income taxes	\$ 471,000	\$ 1,659,565

See accompanying notes to condensed consolidated financial statements

Synalloy Corporation
Notes to Condensed Consolidated Financial Statements (unaudited)

Unless indicated otherwise, the terms "Company," "we," "us," and "our" refer to Synalloy Corporation and its consolidated subsidiaries.

1. Basis of Financial Statement Presentation

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and notes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included as required by Regulation S-X, Rule 10-01. Operating results for the six-month period ended June 30, 2018 are not necessarily indicative of the results that may be expected for the year ending December 31, 2018. For further information, refer to the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2017.

2. Recently Issued Accounting Standards

Adoption of Recently Issued Accounting Standards

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, "*Revenue from Contracts with Customers (Topic 606)*". Topic 606 supersedes the revenue recognition requirements in Topic 605 "Revenue Recognition" (Topic 605), and requires entities to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company adopted Topic 606 as of January 1, 2018 using the modified retrospective transition method. The adoption of this Topic did not have an effect on the Company's consolidated financial statements. See Note 3 for further details.

In January 2016, the FASB issued ASU No. 2016-01, "*Financial Instruments (Topic 825)*", to address certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. The standard is effective for all public companies for annual and interim reporting periods beginning after December 15, 2017. The standard requires equity investments (except for those under the equity method of accounting) to be measured at fair value, with changes in fair value recognized in net income. The amendments in the update supersede the guidance to classify equity securities with readily determinable fair values into different categories, and require equity securities to be measured at fair value with changes recognized in net income as opposed to other comprehensive income. The Company adopted ASU 2016-01 effective January 1, 2018 and the effects of this standard are included in the accompanying condensed consolidated financial statements for the three-month and six-month periods ended June 30, 2018. The Company applied the amendments by means of a cumulative effective adjustment to the balance sheet as of January 1, 2018, which resulted in a reclassification of \$10,864 from Accumulated Other Comprehensive Loss to Retained Earnings.

In January 2017, the FASB issued ASU No. 2017-01 "*Business Combinations (Topic 805): Clarifying the Definition of a Business.*" ASU 2017-01 provides guidance to evaluate whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. If substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in a single asset or a group of similar assets, the assets acquired (or disposed of) are not considered a business. The Company adopted ASU 2017-01 as of January 1, 2018 on a prospective basis. The adoption of this Topic did not have an effect on the Company's consolidated financial statements as of June 30, 2018.

In May 2017, the FASB issued ASU 2017-09, "*Compensation - Stock Compensation (Topic 718): Scope of Modification Accounting.*" which amends the scope of modification accounting for share-based payment arrangements, provides guidance on the types of changes to the terms or conditions of share-based payment awards to which an entity would be required to apply modification accounting under ASC 718. ASU 2017-09 is effective for fiscal years beginning after December 15, 2017. We adopted ASU 2017-09 as of January 1, 2018 on a prospective basis. The adoption of this Topic did not have an impact on the Company's consolidated financial statements as of June 30, 2018.

Recently Issued Accounting Standards Not Yet Adopted

In February 2016, the FASB issued ASU No. 2016-02, "*Leases (Topic 842)*," to increase the transparency and comparability of lease recognition and disclosure. The update establishes a right of use ("ROU") model which requires lessees to recognize lease

contracts with a term greater than one year on the balance sheet as ROU assets and lease liabilities. Leases will be classified as either financing or operating which will determine expense classification and recognition. ASU 2016-02 is effective for fiscal years beginning after December 15, 2018 and must be applied using the modified retrospective approach. Early adoption is permitted. While the Company expects ASU 2016-02 to add material ROU assets and lease liabilities to the consolidated balance sheets related to its current land and building operating leases, it is evaluating other effects that the new standard will have on the consolidated financial statements as well as its business processes, internal controls, and accounting policies. As part of its assessment, the Company is reviewing its lease portfolio and identifying which attributes of its leases will be impacted by ASU 2016-02.

3. Revenues

Adoption of ASC Topic 606, "Revenue from Contracts with Customers"

On January 1, 2018, the Company adopted Topic 606 using the modified retrospective method applied to those contracts which were not completed as of January 1, 2018. Results for reporting periods beginning after January 1, 2018 are presented under Topic 606, while prior period amounts are not adjusted and continue to be reported in accordance with our historic accounting under Topic 605. The Company operates as a manufacturer of various products, and revenue is comprised of short-term contracts with point-in-time performance obligations. As a result, the Company did not identify any differences in its recognition of revenue between Topic 606 and Topic 605. Accordingly, there was no adjustment required to opening retained earnings for the cumulative impact of adopting Topic 606 and no impact to revenues for the three-month or six-month periods ended June 30, 2018 as a result of applying Topic 606.

Revenue Recognition

Revenues are recognized when control of the promised goods or services is transferred to our customers upon shipment, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services.

The following table presents the Company's revenues, disaggregated by product group. Substantially all of the Company's revenues are derived from contracts with customers where performance obligations are satisfied at a point-in-time.

	Three Months Ended		Six Months Ended	
	Jun 30, 2018	Jun 30, 2017	Jun 30, 2018	Jun 30, 2017
Storage tank and vessel	\$ 9,071,649	\$ 6,057,865	\$ 14,847,421	\$ 12,331,705
Seamless carbon steel pipe and tube	8,403,288	6,391,212	16,835,901	12,112,688
Stainless steel pipe	38,899,542	26,639,245	70,183,404	44,353,889
Specialty chemicals	15,519,284	12,422,723	28,507,639	24,916,342
Total revenues	\$ 71,893,763	\$ 51,511,045	\$ 130,374,365	\$ 93,714,624

Arrangements with Multiple Performance Obligations

Our contracts with customers may include multiple performance obligations. For such arrangements, revenue for each performance obligation is based on its standalone selling price and revenue is recognized as each performance obligation is satisfied. The Company generally determines standalone selling prices based on the prices charged to customers using the adjusted market assessment approach or expected cost plus margin.

Deferred Revenues

Deferred revenues are recorded when cash payments are received in advance of satisfying the performance obligation, including amounts which are refundable. The deferred revenue balance increased \$55,163 during the first six months of 2018 to \$240,037 as of June 30, 2018 due to receiving \$1,481,644 in advance of satisfying our performance obligations during the period, offset by \$1,426,481 of revenue that was recognized during the period after satisfying the performance obligations that were included

in the beginning deferred revenue balance or received during the current period. Deferred revenues are included in "Accrued expenses and other current liabilities" on the accompanying Condensed Consolidated Balance Sheets.

Our payment terms vary by the financial strength or location of our customer and the products offered. The length of time between invoicing and when payment is due is not significant. For certain customers, payment is required before the products or services are delivered to the customer.

Practical Expedients and Elections

When shipping and handling activities are performed after a customer obtains control of goods, the Company reflects shipping and handling activities as part of satisfying the obligation of providing goods to the customer.

In some instances, the Company withholds various states' sales taxes upon shipments into those states. Accordingly, management makes an accounting policy election to exclude from the measurement of the transaction price all taxes assessed by a governmental authority that are imposed on and concurrent with a specific revenue-producing transaction and collected from a customer.

The Company expenses sales commissions when incurred because the amortization period would have been one year or less. These costs are recorded within selling, general, and administrative expenses.

The Company does not disclose the value of unsatisfied performance obligations since contracts are expected to be completed within one year.

4. Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by either specific identification or weighted average methods. The components of inventories are as follows:

	Jun 30, 2018	Dec 31, 2017
Raw materials	\$ 46,202,040	\$ 37,748,316
Work-in-process	16,477,860	9,491,408
Finished goods	27,891,241	24,885,457
	<u>\$ 90,571,141</u>	<u>\$ 72,125,181</u>

5. Stock options and restricted stock

During the first six months of 2018, stock options for 40,606 shares of common stock were exercised by officers or employees for an aggregate exercise price of \$474,378. No options were exercised by employees or directors in 2017. Stock compensation expense for the three and six-months ended June 30, 2018 was \$223,979 and \$416,179, respectively. Stock compensation expense for the three and six-months ended June 30, 2017 was approximately \$210,000 and \$330,000, respectively.

On February 7, 2018, the Compensation & Long-Term Incentive Committee (the "Committee") of the Company's Board of Directors approved stock grants under the Company's 2015 Stock Awards Plan to certain management employees of the Company where 65,527 shares with a market price of \$12.47 per share were granted under the Plan. These stock awards vest in either 20 percent or 33 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 2015 Stock Awards Plan. An employee is not entitled to any voting rights with respect to any shares not yet vested, and the shares are not transferable.

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. For the six months ended June 30, 2018 and June 30, 2017 the Company had

weighted average shares of common stock, in the form of stock grants and options, of 36,815 and 144,064, respectively, which were not included in the diluted earnings per share calculation as their effect was anti-dilutive.

6. Income Taxes

The Company and its subsidiaries are subject to U.S. federal income tax as well as income tax of multiple state jurisdictions. The Company is no longer subject to U.S. federal examinations for years before 2014 or state income tax examinations for years before 2013. During the first six-months of 2018, the Company did not identify nor reserve for any unrecognized tax benefits.

The effective tax rate was 21 percent for the three and six-month periods ended June 30, 2018, respectively. The effective tax rate was 28 percent and 30 percent for the three and six-month periods ended June 30, 2017. The prior year effective tax rate was different than the 34 percent statutory rate primarily due to state tax expense, net of federal benefit and other permanent differences, including the manufacturer's exemption.

On December 22, 2017, the Tax Cuts and Jobs Act ("The Act") was signed into law by the President of the United States, enacting significant changes to the Internal Revenue Code effective January 1, 2018. The Act included a number of provisions including, but not limited to, a permanent reduction of the U.S. corporate tax rate from a blended 35 percent to 21 percent, eliminating the deduction for domestic production activities, limiting the tax deductibility of interest expense, accelerating the expensing of certain business assets and reducing the amount of executive pay that could qualify as a tax deduction. Many effects of The Act are international in nature, such as the one-time transition tax, base erosion anti-abuse tax and the global intangible low-taxed income tax, and thus would not pertain to the Company as it has no international operations.

In December 2017, the Company recorded \$381,000 of income tax benefit related to adopting various provisions of the Act. Under Staff Accounting Bulletin No. 118 ("SAB 118") our income tax benefit is provisional in nature and is subject to further clarification of the new law, including but not limited to U.S. state conformity that cannot be estimated at this time and measurement of underlying tax basis in certain business assets. The ultimate impact may differ from provisional amounts due to, among other things, additional analysis, changes in interpretations and assumptions the Company has made, and additional regulatory guidance that may be issued. Further guidance may be forthcoming from federal and state agencies, which could result in additional adjustments. The accounting is expected to be completed no later than the filing of the 2017 U.S. corporate income tax return in 2018.

Synalloy Corporation
Notes to Condensed Consolidated Financial Statements (unaudited)

7. Segment Information

The following table summarizes certain information regarding segments of the Company's operations:

	Three Months Ended		Six Months Ended	
	Jun 30, 2018	Jun 30, 2017	Jun 30, 2018	Jun 30, 2017
Net sales				
Metals Segment	\$ 56,374,479	\$ 39,088,322	\$ 101,866,726	\$ 68,798,282
Specialty Chemicals Segment	15,519,284	12,422,723	28,507,639	24,916,342
	<u>\$ 71,893,763</u>	<u>\$ 51,511,045</u>	<u>\$ 130,374,365</u>	<u>\$ 93,714,624</u>
Operating income				
Metals Segment	\$ 9,090,516	\$ 2,359,054	\$ 15,107,047	\$ 3,923,568
Specialty Chemicals Segment	1,106,672	1,137,911	1,970,161	2,645,371
	<u>2,219,618</u>	<u>1,601,026</u>	<u>3,722,339</u>	<u>3,158,098</u>
Unallocated corporate expenses	2,219,618	1,601,026	3,722,339	3,158,098
Acquisition related costs	690,217	386,519	690,217	744,996
Operating income	<u>7,287,353</u>	<u>1,509,420</u>	<u>12,664,652</u>	<u>2,665,845</u>
Interest expense	403,852	341,005	717,835	521,320
Change in fair value of interest rate swaps	(19,255)	16,927	(92,458)	(24,503)
Earn-out adjustment	2,307,598	(3,391)	2,461,658	(3,391)
Other loss (income), net	(59,112)	—	29,185	—
Income before income taxes	<u>\$ 4,654,270</u>	<u>\$ 1,154,879</u>	<u>\$ 9,548,432</u>	<u>\$ 2,172,419</u>

	As of	
	Jun 30, 2018	Dec 31, 2017
Identifiable assets		
Metals Segment	\$ 158,144,084	\$ 130,456,857
Specialty Chemicals Segment	29,549,710	25,394,078
Corporate	14,587,879	4,023,215
	<u>\$ 202,281,673</u>	<u>\$ 159,874,150</u>
Goodwill		
Metals Segment	\$ 4,648,795	\$ 4,648,795
Specialty Chemicals Segment	1,354,730	1,354,730
	<u>\$ 6,003,525</u>	<u>\$ 6,003,525</u>

8. Fair Value of Financial Instruments

The Company makes estimates of fair value in accounting for certain transactions, in testing and measuring impairment and in providing disclosures of fair value in its condensed consolidated financial statements. The Company determines the fair values of its financial instruments for disclosure purposes by maximizing the use of observable inputs and minimizing the use of unobservable inputs. Fair value disclosures for assets and liabilities are grouped into three levels. The levels prioritize the inputs used to measure the fair value of the assets or liabilities. These levels are:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Synalloy Corporation
Notes to Condensed Consolidated Financial Statements (unaudited)

Level 2 - Inputs other than quoted prices that are observable for assets and liabilities, either directly or indirectly. These inputs include quoted prices for similar assets or liabilities in active markets or quoted prices for identical or similar assets or liabilities in markets that are less active.

Level 3 - Unobservable inputs that are supported by little or no market activity for assets or liabilities and includes certain pricing models, discounted cash flow methodologies and similar techniques.

The Company's financial instruments include cash and cash equivalents, accounts receivable, derivative instruments, accounts payable, earn-out liabilities, revolving line of credit and equity investments. For short-term instruments, other than those required to be reported at fair value on a recurring basis and for which additional disclosures are included below, management concluded the historical carrying value is a reasonable estimate of fair value because of the short period of time between the origination of such instruments and their expected realization. Therefore, as of June 30, 2018 and December 31, 2017, the carrying amount for cash and cash equivalents, accounts receivable, accounts payable and the Company's revolving line of credit, which is based on a variable interest rate, approximates their fair value.

During the second quarter of 2018, the Company recorded a gain on the investment in equity securities of \$59,112 which is included in "Other expense (income)" on the accompanying Condensed Consolidated Statements of Operations. The fair value of equity securities held by the Company as of June 30, 2018 and December 31, 2017 was \$845,000 and \$537,233, respectively, and is included in "Prepaid expenses and other current assets" on the accompanying Consolidated Balance Sheets. The equity securities are classified as a Level 1 financial instrument.

The Company has one interest rate swap contract, which is classified as a Level 2 financial instrument as it is not actively traded and is valued using pricing models that use observable market inputs. The fair value of the contract was an asset of \$220,440 and \$127,981 at June 30, 2018 and December 31, 2017, respectively. The interest rate swap was priced using discounted cash flow techniques. Changes in its fair value were recorded to other income (expense) with corresponding offsetting entries to current assets or liabilities, as appropriate. Significant inputs to the discounted cash flow model include projected future cash flows based on projected one-month LIBOR and the average margin for companies with similar credit ratings and similar maturities. It is classified as Level 2 as it is not actively traded and is valued using pricing models that use observable market inputs.

To manage the impact on earnings of fluctuating nickel prices, the Company occasionally enters into six-month forward option contracts, which are classified as Level 2. At June 30, 2018, the Company did not have any such contracts in place. At December 31, 2017, the Company had contracts in place with notional quantities totaling approximately 1,351,494 pounds with strike prices ranging from \$3.75 to \$4.64 per pound. The fair value of the option contract in place at December 31, 2017 was an asset of \$9,027. The fair value of the contracts was priced using discounted cash flows techniques based on forward curves and volatility levels by asset class determined on the basis of observable market inputs, when available. Changes in their fair value were recorded to "Other expense (income)" with corresponding offsetting entries to other current assets. The fair value of the forward option contracts approximates their carrying value.

The fair value of contingent consideration liabilities ("earn-out") resulting from the Bristol Metals-Munhall acquisition discussed in Note 9 is classified as Level 3. The fair value was estimated by applying the Monte Carlo Simulation approach using management's projection of pounds shipped and price per unit. Each quarter-end the Company re-evaluates its assumptions and adjusts to the updated fair value.

The following table presents a summary of changes in fair value of the Company's earn-out liability during the period:

Balance at December 31, 2017	\$ 4,833,850
Earn-out payments to MUSA	(1,172,065)
Change in fair value during the period	2,461,658
Balance at June 30, 2018	<u>\$ 6,123,443</u>

There were no transfers of assets or liabilities between Level 1, Level 2 and Level 3 in the three-month or six-month periods ended June 30, 2018 or year ended December 31, 2017. During the first six months of 2018, there have been no changes in the fair value methodologies used by the Company.

9. Acquisitions

On February 28, 2017, the Company's subsidiary Bristol Metals, LLC ("BRISMET"), acquired the stainless steel pipe and tube assets of MUSA located in Munhall, PA ("Bristol Metals-Munhall").

Bristol Metals-Munhall's results of operations since acquisition are reflected in the Company's consolidated statements of operations as follows:

	Three Months Ended		Six Months Ended	
	Jun 30, 2018	Jun 30, 2017	Jun 30, 2018	Jun 30, 2017
Revenues	\$ 14,771,010	\$ 7,299,734	\$ 25,739,242	\$ 8,411,926
Pre-tax income (loss)	(38,142)	211,703	1,019,497	390,896

Pre-tax loss for the second quarter of 2018 includes a \$2,307,598 charge related to an increase in the fair value of the stainless steel earn-out liability during the period, as compared to a gain of \$3,391 in the second quarter of 2017. For the six months ended June 30, 2018, charges related to the earn-out liability fair value adjustments totaled \$2,461,658 as compared to a gain of \$3,391 for the six months ended June 30, 2017.

10. Long-term Debt

On June 29, 2018 the Company amended its Credit Agreement with its bank to increase the limit of the asset based line of credit (the "Line") by \$15,000,000 to a maximum of \$80,000,000. As a result of the amendment, the interest rate on the Line is now calculated using One Month LIBOR plus a spread of 1.65 percent. None of the other provisions of the Credit Agreement were changed as a result of this amendment.

Pursuant to the Credit Agreement, the Company is subject to certain covenants including maintaining a minimum fixed charge coverage ratio and a limitation on the Company's maximum amount of capital expenditures per year, which is in line with currently projected needs. At June 30, 2018, the Company was in compliance with all debt covenants.

11. Contingencies

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

Management is not currently aware of any asserted or unasserted matters which could have a material effect on the financial condition or results of operations of the Company.

12. Leases

On June 29, 2018, the Company and Store Master Funding XII, LLC, an affiliate of Store Capital Corporation ("Store"), entered into an Amended and Restated Master Lease Agreement (the "Master Lease"), pursuant to which the Company will lease the Munhall, PA facility, purchased by Store from MUSA on June 29, 2018, for the remainder of the initial term of 20 years set forth in the Master Lease, with two renewal options of ten years each. The lease includes a rent escalator equal to the lesser of 1.25 times the percentage increase in the Consumer Price Index since the previous increase or 2 percent.

Synalloy Corporation
Notes to Condensed Consolidated Financial Statements (unaudited)

The amount of future minimum lease payments under operating leases are as follows:

Remainder of 2018	\$	1,408,869
2019		2,859,865
2020		2,917,062
2021		2,975,404
2022		3,034,912
2023		3,095,610
Thereafter		45,337,403

13. Subsequent Events

On May 29, 2018, BRISMET, a subsidiary of the Company's Metals Segment, entered into an asset purchase agreement to acquire the galvanized tube assets and operations of MUSA located in Munhall, PA. The effective date of the transaction was July 1, 2018, which was funded through an increase to the Company's current credit facility. The purchase price for the transaction totaled \$10,378,281, which was placed into an escrow account on June 29, 2018, and is recorded in "Prepaid expenses and other current assets" on the accompanying Condensed Consolidated Balance Sheet at June 30, 2018. The assets purchased and liabilities assumed from MUSA include accounts receivable, inventory, equipment, and accounts payable. Because the transaction closed on July 1, 2018, the purchase accounting is not complete at the time of this filing.

On August 7, 2018, the Company announced that its Board of Directors has approved an annual dividend of \$0.25 per share, to be paid in December of 2018.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is management's discussion of certain significant factors that affected the Company during the three-month and six-month periods ended June 30, 2018.

Consolidated net sales for the second quarter of 2018 was \$71,893,763, an increase of \$20,382,718 or 40 percent when compared to net sales for the second quarter of 2017 of \$51,511,045. For the second quarter of 2018, the Company recorded net income of \$3,677,272, or \$0.41 per share (diluted), compared to net income of \$829,879 or \$0.10 per share for the same quarter in the prior year.

The second quarter and first six months of 2018 include financial results in the Company's Metals Segment related to the Bristol Metals-Munhall stainless acquisition (which closed on February 28, 2017) as follows:

- For the second quarters of 2018 and 2017, net sales for Bristol Metals-Munhall were \$14,771,010 and \$7,299,734, respectively, with operating income of \$2,270,374 and \$247,997, respectively.
- For the first six months of 2018 and 2017, net sales for Bristol Metals-Munhall were \$25,739,242 and \$8,411,926, respectively, with operating income of \$3,482,072 and \$444,476, respectively.

Metals Segment

Metals Segment net sales for the second quarter of 2018 totaled \$56,374,479, an increase of \$17,286,157 or 44 percent from the second quarter of 2017. Net sales for the first six months of 2018 were \$101,866,726, an increase of \$33,068,444 or 48 percent from 2017.

Sales for the second quarter and first six months of 2018 compared to the prior year are summarized as follows:

	Sales Increase (decrease) from prior year period			Units shipped
	\$	%	Average selling price ⁽¹⁾	
Second quarter				
Storage tank and vessel	\$ 3,013,783	49.7%	35.4%	14.3%
Seamless carbon steel pipe and tube	2,012,077	31.5%	25%	6.5%
Stainless steel pipe	12,260,297	46.0%	25.6%	20.4%
Total second quarter change	<u>\$ 17,286,157</u>			
First six months				
Storage tank and vessel	\$ 2,515,717	20.4%	24.1%	(3.7)%
Seamless carbon steel pipe and tube	4,723,214	39%	22.2%	16.8%
Stainless steel pipe	25,829,513	58.2%	18.5%	39.7%
Total first 6 months change	<u>\$ 33,068,444</u>			

⁽¹⁾ Average price increases for the second quarter of 2018 as compared to the second quarter of 2017 primarily relate to the following:

- Storage tank and vessels - product mix change to larger, more complex tanks;
- Seamless carbon steel pipe and tube - pass through of higher mill price input material;
- Stainless steel pipe - pass through of input and cost increases related to:
 - a. Alloy surcharges increase of 10%;
 - b. Alloy mix with higher nickel content cost increase of 7%;
 - c. Base raw material input mill pricing increase of 6%

Average price increases for the first six months of 2018 as compared to the first six months of 2017 relate to the same factors indicated above, however with lower average impacts due to lower material cost inputs in the first quarter of 2018.

The backlog for BRISMET as of June 30, 2018 was \$35,507,218, while the backlog for our subsidiary, Palmer of Texas Inc., totaled \$22,965,205, representing improvements of 50 percent and 28 percent, respectively, over levels at the end of the second quarter in 2017.

The Metals Segment's operating income increased \$6,731,462 to \$9,090,516 for the second quarter of 2018 compared to operating income of \$2,359,054 for the second quarter of 2017. For the first six months of 2018, operating income for the Metals Segment increased \$11,183,479 to an operating profit of \$15,107,047 compared to operating income of \$3,923,568 for the same period of 2017. Current year operating results were affected by the following factors:

1. Nickel prices and resulting surcharges for 304 and 316 alloys continued to rise during the second quarter of 2018, with surcharges for both alloys increasing by \$0.12 and \$0.11 per pound, respectively;
2. Year over year improvements in volume, pricing, and product mix combined for a 57 percent improvement in gross profit margins in the second quarter of 2018 compared to the same quarter in 2017;
3. Seamless carbon pipe and tube showed significant improvement with a 31 percent increase in sales driving a 450 percent improvement in operating profit over the prior year; and
4. The period did benefit from first quarter customer requests for shipments of \$1,329,840 in storage tanks and vessels to be moved into April.

Specialty Chemicals Segment

Net sales for the Specialty Chemicals Segment in the second quarter of 2018 were \$15,519,284, representing a \$3,096,561 or 25 percent increase from the same quarter of 2017. Sales for the first six months of 2018 were \$28,507,639, up \$3,591,297 or 14 percent from 2017 results.

Net sales were impacted during the second quarter and first six months of 2018 primarily from the initial ramp up of seven significant customers, a new fire retardant and new asphalt additive customers at our subsidiary, CRI Tolling, LLC, two new oil and gas customers at our subsidiary, Manufacturers Chemicals, LLC, a new product launch from an existing customer at Manufacturers Chemicals, and the addition of two new pulp/paper coating customers.

Operating income for the Specialty Chemicals Segment for the second quarters of 2018 and 2017 was \$1,106,672 and 1,137,911, respectively. The result was relatively consistent with the second quarter of 2017 on a dollar basis, but slightly lower profit as a percent of sales, at seven percent versus prior year second quarter at nine percent. Similar to what was reported last quarter; the primary difference in operating profit performance compared to prior year second quarter is the relative product mix experienced. The segment historically experiences operating profit in a range between five percent to 12 percent. In 2017, the second quarter represented the middle of that range at nine percent, with the full year averaging to nine percent, close to the average for the past four years. In the first quarter of 2018, operating profit was six percent of sales, close to the low end of historical quarterly performances. In the second quarter of 2018 quarterly performance improved to seven percent; however, annual performance is still expected to be at approximately 10 percent, one percent higher than previous historical averages, primarily related to higher anticipated volumes on a substantially fixed operating cost base.

Other Items

Unallocated corporate expenses for the second quarter of 2018 increased \$618,592, or 39 percent, to \$2,219,618 (three percent of sales) compared to \$1,601,026 (three percent of sales) for the second quarter of 2017. The second quarter increase resulted primarily from: higher professional fees (\$183,017); higher incentive bonus accruals (\$199,950) and; higher salaries and wages (\$81,641).

Acquisition costs were \$721,317 (\$690,217 in unallocated SG&A and \$31,100 in Metals Segment Cost of Sales) for the second quarter of 2018 and \$734,249 (\$690,217 in unallocated SG&A and \$44,032 in Metals Segment Cost of Sales) for the first six months of 2018, resulting primarily from costs associated with the Bristol Metals-Munhall galvanized acquisition. Acquisition costs were \$554,921 (\$386,519 in unallocated SG&A and \$168,402 in Metals Segment cost of sales) for the second quarter of 2017 and \$1,001,408 (\$744,996 in unallocated SG&A and \$256,413 in Metals Segment cost of sales) for the first six months of 2017 related to the Bristol Metals-Munhall stainless acquisition.

Interest expense was \$403,852 and \$341,005 for the second quarters of 2018 and 2017, respectively, and \$717,835 and \$521,320 for the first six months of 2018 and 2017, respectively. The increase was primarily related to higher average debt outstanding in

the second quarter and first six months of 2018 (as additional borrowings were required to support working capital requirements associated with increased business activity).

During the second quarter of 2018, the Company increased the earn-out liability, resulting from the acquisition of Bristol Metals-Munhall stainless steel business in 2017, by \$2,307,598. The charge represents the present value of future increased earn-out payments due to substantially increased projected sales of small diameter stainless-steel pipe and tube (outside diameter of ten inches or less) for the remainder of the measurement period, which ends in February, 2021. The increase is primarily related to our plans to add ornamental stainless items to our product line.

The effective tax rate was 21 percent for the three-month and six-month periods ended June 30, 2018, respectively. The Company's effective tax rate is materially equivalent compared to the U.S. statutory rate of 21 percent. The effective tax rate was 28 percent and 30 percent for the three and six-month periods ended June 30, 2017. The 2017 effective tax rate was lower than the 34 percent federal statutory rate primarily due to state tax expense, net of the federal benefit and other permanent differences, including the manufacturer's exemption.

The Company's cash balance increased \$4,244 to \$18,950 as of June 30, 2018 compared to \$14,706 at December 31, 2017. Fluctuations during the period were comprised of the following:

1. On June 29, 2018, the Company placed \$10,378,281 into an escrow account related to the acquisition of the MUSA galvanized business assets;
2. Net accounts receivable increased \$12,666,440 at June 30, 2018 when compared to the prior year end, which resulted from a 32 percent increase in sales for the last two months of the second quarter 2018 compared to the last two months of the fourth quarter 2017. Days sales outstanding, calculated using a three-month average basis, decreased from 51 days outstanding at the end of December 2017 to 49 days at the end of the second quarter 2018;
3. Net inventories increased \$18,445,960 at June 30, 2018 as compared to the prior year-end 2017. The increase, which was primarily related to the Metals Segment, resulted from higher stainless steel surcharges and generally higher replacement costs during the first six months of 2018, and replenishing seamless carbon steel pipe and tube inventory. Inventory turns decreased from 2.51 turns at December 31, 2017, calculated on a three-month average basis, to 2.43 turns at June 30, 2018;
4. Accounts payable increased \$3,100,665 as of June 30, 2018 from the prior year end. The majority of the increase is related to increased levels of purchasing activity across all sectors of the business. Accounts payable days outstanding were approximately 44 days at June 30, 2018 compared to 60 days at December 31, 2017; and
5. Capital expenditures for the first six months of 2018 were \$3,381,925.

The Company drew \$28,020,386 against its Line during the first six months of 2018 and had \$53,933,944 of borrowings outstanding as of June 30, 2018. Covenants under the Credit Agreement include maintaining a minimum fixed charge coverage ratio and a limitation on the Company's maximum amount of capital expenditures per year, which is in line with currently projected needs. The Company was in compliance with all covenants as of June 30, 2018.

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

This quarterly report includes and incorporates by reference "forward-looking statements" within the meaning of the federal securities laws. All statements that are not historical facts are "forward-looking statements." The words "estimate," "project," "intend," "expect," "believe," "should," "anticipate," "hope," "optimistic," "plan," "outlook," "should," "could," "may" 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; employee relations; ability to maintain workforce by hiring trained employees; labor efficiencies; customer delays or difficulties in the production of products; new fracking regulations; a prolonged decrease in oil and nickel prices; unforeseen delays in completing the integrations of acquisitions; risks associated with mergers, acquisitions, dispositions and other expansion activities; financial stability of our customers; 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 an economic downturn; loss of consumer or investor confidence and other risks detailed from time-to-time in the Company's Securities and Exchange Commission filings. The Company assumes no obligation to update the information included in this report.

Item 3. Quantitative and Qualitative Disclosures about Market Risks

Information about the Company's exposure to market risk was disclosed in its Annual Report on Form 10-K for the year ended December 31, 2017, which was filed with the Securities and Exchange Commission on March 13, 2018. There have been no material quantitative or qualitative changes in market risk exposure since the date of that filing.

Item 4. 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 that such controls and procedures, as of the end of the period covered by this quarterly report, were effective.

Changes in Internal Control over Financial Reporting

The Company's management, including the Chief Executive Officer and Chief Financial Officer, identified no change in the Company's internal control over financial reporting that occurred during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's control over financial reporting.

PART II

Item 1. Legal Proceedings

It is not unusual for us and our subsidiaries to be involved in various unresolved legal actions, administrative proceedings and claims in the ordinary course of business involving, among other things, product liability, commercial, employment, workers' compensation, and environmental matters. We establish reserves in a manner that is consistent with accounting principles generally accepted in the U.S. for costs associated with such matters when a liability is probable and those costs are capable of being reasonably estimated. We cannot predict with any certainty the outcome of these unresolved legal actions or the range of possible loss or recovery. Based on current information, however, we believe that the eventual outcome of these unresolved legal actions, either individually or in the aggregate, will not have a material adverse effect on our financial position, results of operations or cash flows. There were no material changes in our Legal Proceedings, as discussed in Part I, Item 3 in the Company's Annual Report on Form 10-K for the period ending December 31, 2017.

Item 1A. Risk Factors

There were no material changes in our assessment of risk factors as discussed in Part I, Item 1A in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit No.	Description
10.1	Amended and Restated Synalloy Corporation 2015 Stock Awards Plan
10.2	Purchase and Sale Agreement, dated as of May 25, 2018, between Marcegaglia USA, Inc. and Bristol Metals, LLC
10.3	Agreement to Designate and Lease, dated as of June 29, 2018, between Registrant and Store Capital Acquisitions, LLC
10.4	Amended and Restated Master Lease Agreement, dated as of June 29, 2018, between Registrant and Store Master Funding XII, LLC
10.5	First Amendment to Third Amended and Restated Loan Agreement, dated as of June 29, 2018, between Registrant and Branch Banking and Trust Company
10.6	Asset Purchase Agreement, dated as of June 29, 2018, but with a closing effective date of July 1, 2018, between Bristol Metals, LLC and Marcegaglia USA, Inc.
10.7	Amendment No. 2 to Asset Purchase Agreement, dated as of July 1, 2018, between Bristol Metals, LLC and Marcegaglia USA, Inc., amending the Asset Purchase Agreement, dated as of December 9, 2016, between Bristol Metals, LLC and Marcegaglia USA, Inc., as amended by Amendment No. 1 to Asset Purchase Agreement, dated as of February 28, 2017, between Bristol Metals, LLC and Marcegaglia USA, Inc.
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
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase
101.LAB*	XBRL Taxonomy Extension Label Linkbase
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase
101.DEF*	XBRL Taxonomy Extension Definition Linkbase
*	In accordance with Regulation S-T, the XBRL-related information in Exhibit 101 to this Quarterly Report on Form 10-Q shall be deemed "furnished" and not "filed."

SIGNATURES

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

SYNALLOY CORPORATION

(Registrant)

Date: August 7, 2018

By: /s/ Craig C. Bram

Craig C. Bram
President and Chief Executive Officer
(principal executive officer)

Date: August 7, 2018

By: /s/ Dennis M. Loughran

Dennis M. Loughran
Senior Vice President and Chief Financial Officer
(principal accounting officer)

SYNALLOY CORPORATION

Amended and Restated 2015 Stock Awards Plan

- Purpose.** This 2015 Stock Awards Plan (the “Plan”) is intended to provide key executive employees of Synalloy Corporation or any of its Subsidiaries (together, the “Company”) with the opportunity to participate in the Company’s future prosperity and growth by awarding them stock of the Company. The purpose of the Plan is to provide key executive employees long-term incentive for gain as a result of outstanding service to the Company and its shareholders, and to assist in attracting and retaining executives of ability and initiative. For purposes of this Plan, “Subsidiary” means any corporation or business organization in which the Company owns, directly or indirectly, twenty percent (20%) or more of the voting stock or capital or profits interest at the time of granting of an award under this Plan.
- Administration.** The Plan shall be administered by a committee consisting of two or more members of the Compensation and Long Term Incentive Committee of the Board (the “Committee”), each of whom shall be (i) a “non- employee director” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934 (the “Exchange Act”), and (ii) an “outside director” as defined under Internal Revenue Code (the “Code”) Section 162(m), unless the action taken pursuant to the Plan is not required to be taken by “outside directors” in order to qualify for tax deductibility under Code Section 162(m).

The Committee shall have complete authority and discretion to interpret all provisions of this Plan consistent with law, to prescribe the form of agreement evidencing the award of stock under the Plan, to adopt, amend, and rescind general and special rules and regulations for its administration, and to make all other determinations necessary or advisable for the administration of the Plan. No member of the Committee shall be liable for any action or determination in respect thereto, if made in good faith, and each member of the Committee shall be entitled to indemnification by the Company with respect to all matters arising from his service on the Committee to the fullest extent allowable under the Company’s Certificate of Incorporation, Bylaws and applicable law.

- Eligibility.** Any salaried employee of the Company who, in the judgment of the Committee, occupies a management position in which his or her efforts contribute to the profit and growth of the Company may be awarded stock under the Plan. The Committee will designate employees to whom stock is to be awarded and will specify the number of shares awarded. The Committee shall have the discretion to determine to what extent, if any, persons employed on a part-time or consulting basis will be eligible to participate in the Plan.
- Stock.** The stock available for awards under the Plan shall be shares of the Company’s \$1.00 par value common stock (the “common stock”), and may be either authorized and unissued or held in the treasury of the Company. The total amount of stock that may be awarded under the Plan shall not exceed 500,000 shares, subject to adjustment to reflect any change in the capitalization of the Company, as more fully provided in Section 8 hereof. The Committee will maintain records showing the cumulative total of all shares awarded/vested under this Plan.

If any shares previously awarded do not vest, in whole or in part, for any reason, such shares shall again become available for award under this Plan.

- Award of Stock.** The Committee, at any time, during the duration of the Plan, may authorize the award of stock to those eligible under Section 3 hereof, subject to the limitations provided herein. The date on which stock shall be deemed awarded shall be the date the Committee authorizes such award or such later date as may be determined by the Committee at the time such award is authorized. The Committee also may impose on any award of stock under the Plan such additional terms and conditions, not inconsistent with the provisions of the Plan, as the Committee shall determine.
- Terms and Conditions of Awards.** Each stock award pursuant to the Plan shall be evidenced by a written agreement, executed by the Company and the participant, which states the number of shares granted thereby and certain other terms, in such form as the Committee shall from time to time approve. Each award of stock pursuant to the Plan shall comply with and be subject to the following terms and conditions:

- Vesting during Continuous Employment.** Stock awarded pursuant to the Plan shall vest according to the following schedule:

Time from Award Date	Percentages of Shares Awarded that are Vested (including those previously vested)
After One Year	20%
After Two Years	40%
After Three Years	60%
After Four Years	80%
After Five Years	100%

Share awards will only vest if, at the time of vesting, the employee has been in the continuous employment of the Company since the date the stock was awarded. The Committee may decide in each case to what extent leaves of absence for government or military service, illness, temporary disability, or other reasons shall not for this purpose be deemed interruptions of continuous employment. Notwithstanding the foregoing, the Committee shall have the authority, in its sole and absolute discretion, to establish and amend vesting schedules for stock awards made pursuant to this Plan.

- Cancellation of Unvested Stock Awards on Termination of Employment.** Notwithstanding the vesting schedule set forth in Section 6.A above, any portion of a stock award that has not vested prior to the termination of an employee’s employment with the Company as the result of retirement (minimum age of 62), death or disability, shall become 100% vested; otherwise, any portion of a stock award that has not vested prior to the termination of an employee’s employment with the Company for any other reason, shall be automatically cancelled. In the event of death, the employee’s estate would receive the balance of the shares.
- Cancellation of Unvested Stock Awards on Failure to Comply with Certain Conditions.** Unless the award agreement specifies otherwise, the Committee may cancel any awards which have not vested at any time if the employee is not in compliance with all applicable provisions of the award agreement and the Plan including the following conditions:

- Noncompetition.** An employee shall not render services for any organization or engage directly or indirectly in any business which, in the judgment of the Chief Executive Officer of the Company or other senior officer designated by the Committee, is or becomes competitive with the Company.

- Confidentiality.** An employee shall not, without prior written authorization from the Company, disclose to anyone outside the Company, or use in other than the Company’s business, any confidential information or material relating to the business of the Company that is acquired by the employee during or after employment with the Company.

(iii) Intellectual Property. An employee shall not fail to disclose promptly and assign to the Company all right, title, and interest in any invention or idea, patent-able or not, made or conceived by the employee during employment by the Company in accordance with the Company's then existing policies.

- D. Sale or Merger. Notwithstanding the vesting schedule set forth in Section 6.A above, 100% of the total number of unvested shares will vest in the event that there is either (i) the acquisition of more than fifty percent (50%) of the outstanding voting securities of the Company or a Subsidiary in which the employee is employed (calculated on a fully diluted basis) by any person during any consecutive 12-month period of time; or (ii) the sale of more than fifty percent (50%) in value of the assets of the Company over any consecutive 12-month period of time.
- E. Voting Rights and Escrow. An employee shall not be entitled to voting rights with respect to any portion of a stock award that has not vested. Each share of stock awarded pursuant to the Plan shall be held in escrow by the Company (together with any distributions in respect of such shares) until such shares have vested. Upon vesting of any portion of a stock award, certificates evidencing the vested shares shall be delivered to the employee. In addition, in the event that, following the grant of the stock award to an employee, the Company has made any distribution to shareholders of the Company in connection with their ownership of the stock, such employee shall be paid, upon vesting of any portion of a stock award, a sum equal to the cumulative distribution(s) associated with the vested stock from the date of the grant of the stock award through the date of vesting of any portion of the stock award. Upon issuance, the shares awarded pursuant to the Plan will be fully paid and non-assessable.
- F. Fair Market Value. Upon the vesting of shares pursuant to this stock award, the Committee shall determine, in good faith and in its best judgment, the value of each share currently vested, which under no circumstance shall be less than fair market value. For such purposes, if the shares are listed on a national securities exchange at the time of the granting of the stock award, then the fair market value per share shall be not less than the average of the highest and lowest selling price on such exchange as of the date that such stock award is vested, or if there were no sales on said date, then the price shall not be less than the mean between the bid and the ask price on such date. If the shares are traded otherwise than on a national securities exchange at the time of the vesting of the stock award, then the price per share shall not be less than the mean between the bid and the asked price on the date of the vesting of the stock award, or if there is no such bid and asked price on said date, then on the next prior business day on which there was a bid and asked price. If no such bid and asked price is available, then the price per share shall be determined by the Committee.

- 7. Assignability. Share awards that have not vested under the Plan shall not be transferable by the employee.
- 8. Adjustment upon Change of Shares. In the event of a reorganization, merger, consolidation, reclassification, recapitalization, combination or exchange of shares, stock split, stock dividend, rights offering or other event affecting shares of the Company, the number of shares subject to unvested stock awards and the number of shares reserved for issuance under this Plan shall be equitably adjusted by the Committee to reflect the change.
- 9. Compliance with Law and Approval of Regulatory Bodies. No shares shall be delivered under the Plan except in compliance with all applicable federal and state laws and regulations including, without limitation, compliance with applicable withholding tax requirements, and with the rules of all domestic stock exchanges on which the Company's shares may be listed. Any share certificate issued to evidence shares may be listed on any domestic stock exchange authorized by the Company. Any share certificate issued to evidence shares may bear legends and statements, and be subject to such restrictions, as the Company shall deem advisable to assure compliance with federal and state laws and regulations. No shares will be delivered under the Plan until the Company has obtained such consents or approvals from regulatory bodies, federal or state, having jurisdiction over such matters as the Company may deem advisable.

It is the intent of the Company that the grant of any awards under the Plan to or other transactions by a participant who is subject to Section 16 of the Exchange Act shall be exempt under Rule 16b-3 (except for transactions acknowledged in writing to be non-exempt by such Participant). Accordingly, if any provision of this Plan or any award agreement does not comply with the requirements of Rule 16b-3 as then applicable to any such transaction, unless the participant shall have acknowledged in writing that a transaction pursuant to such provision is to be non-exempt, such provision shall be construed or deemed amended to the extent necessary to conform to the applicable requirements of Rule 16b-3 so that such participant shall avoid liability under Section 16(b) of the Exchange Act.

- 10. General Provisions. Neither the adoption of the Plan nor its operation, nor any document describing or referring to the Plan, or any part thereof, shall confer upon any employee any right to continue in the employ of the Company or any subsidiary, or shall in any way affect the right and power of the Company to terminate the employment of any employee at any time with or without assigning a reason therefor to the same extent as the Company might have done if the Plan had not been adopted.
- 11. Effective Date of the 2015 Plan. This Plan was adopted by the Board of Directors of the Company effective February 10, 2015, which will be the effective date of the Plan if and when approved by shareholders holding a majority of the Company's outstanding shares of common stock entitled to vote on the Plan at the Annual Meeting of Shareholders on May 13, 2015.
- 12. Amendment to the Plan. The Board of Directors of the Company may alter, amend, or terminate the Plan at any time. However, no amendment shall be effective unless approved by the shareholders holding a majority of the Company's outstanding shares of common stock to the extent shareholder approval is required by applicable law or applicable requirements of any securities exchange or quotation system on which the common stock of the Company is listed or quoted.
- 13. Duration of the Plan. Unless previously terminated by the Board of Directors, the Plan shall be effective for a period of ten years from the effective date of the Plan, and no award shall be made after such date. Unvested shares awarded before that date shall remain valid thereafter in accordance with their terms.
- 14. Governing Law. The Plan shall be governed by and construed in accordance with the laws of the State of Delaware, except to the extent that federal law shall be deemed to apply.
- 15. Arbitration. Any dispute that arises among (i) the Company and/or the Board and (ii) any employee arising in connection with the Plan shall be resolved by binding arbitration by a single arbitrator held in Richmond, Virginia, pursuant to the federal Arbitration Act (or if the federal Arbitration Act is deemed not to apply, the Virginia Uniform Arbitration Act) and applying the rules of the American Arbitration Association as in effect from time to time.
- 16. Taxes. The Company is authorized to withhold from any stock award granted, any payment relating to an award under the Plan, including from a distribution of stock, or any payroll or other payment to an employee, amounts of withholding and other taxes due or potentially payable in connection with any transaction involving an award, and to take such other action as the Committee may deem advisable to enable the Company and employee to satisfy obligations for the payment of withholding taxes and other tax obligations relating to any award. However, this authority shall not include withholding of taxes above the statutorily required withholding amounts where such excess withholding would result in an earnings charge to the Company under U. S. Generally Accepted Accounting Principles.

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is made and entered into as of May 25, 2018 ("Effective Date"), by and between **BRISTOL METALS, LLC**, a Tennessee limited liability company or its affiliate or assignee ("Purchaser" or "Bristol"), **MARCEGAGLIA USA, INC. (formerly DAMASCUS-BISHOP TUBE COMPANY)**, a Pennsylvania corporation ("Seller"). Except as otherwise expressly defined herein, capitalized terms will have the meanings set forth on Exhibit A attached hereto and incorporated herein by this reference. For and in consideration of the mutual covenants and promises hereinafter set forth, the parties hereby mutually covenant and agree as follows:

ARTICLE I

PURCHASE OF PROPERTY

Section 1.01. Agreement to Purchase. Purchaser agrees to purchase, and Seller agrees to sell, in accordance with the terms, conditions and stipulations set forth in this Agreement (the "Transaction"), all of Seller's right, title and interest in and to (a) the parcel or parcels of real property, as more particularly described on Exhibit B attached hereto, and any and all improvements thereon and appurtenances thereto (collectively, the "Real Property"); (b) all fixtures affixed thereto; (c) all plans, specifications and studies pertaining to the Real Property in Seller's possession or under its control; (d) all mineral, oil and gas rights, water rights, sewer rights and other utility rights allocated to the Real Property; and (e) all easements, licenses, privileges and other property interests belonging or appurtenant to the Real Property (all of the foregoing items in clauses (a) through (e) above, now or hereafter existing, collectively, the "Property").

Section 1.02. Purchase Price. The purchase price to be paid by Purchaser to Seller for the Property is \$10,000,000 (the "Purchase Price"). The Purchase Price shall be paid by Purchaser in immediately available federal funds at Closing.

Section 1.03. Designee and Lease Agreement. Seller acknowledges that Purchaser intends to enter into a designation and lease agreement with Store Capital Acquisitions, LLC, a Delaware limited liability company or its Affiliate ("Store") by which Store shall be designated as the grantee in the Deed and pursuant to which Purchaser shall lease the Property at the rent and pursuant to the terms and conditions contained therein (the "Lease"). Seller agrees that Purchase may designate a third party other than Store (such designee, the "Designee") to take title to the Property by written notice to Seller prior to closing; provided, however, that the Designee shall agree in writing to waive, relinquish and release Seller from and against any and all claims, demands, causes of action (including causes of action in tort), losses, damages, liabilities, costs and expenses (including attorneys' fees and court costs) of any and every kind or character, known or unknown, which Designee might have asserted or alleged against Seller, at any time by reason of or arising out of any aspect of the Transaction, including, without limitation, latent or patent construction defects or physical conditions of the Property and violations of any applicable laws (including, without limitation, any environmental laws). Notwithstanding anything to the contrary, the parties hereto acknowledge and agree that, without the waiver described in the prior sentence, Designee (whether Store or any other third party) is not and shall not be treated as a third party beneficiary of this Agreement and shall in no event be treated as the "Purchaser" under this Agreement unless and until the conditions of a formal assignment pursuant to Section 7.03 are

satisfied. Additionally, Bristol shall indemnify and hold harmless Seller from and against all Loss, liability or damage suffered or incurred by Seller arising out of or resulting from any claims brought by or through the Designee in connection with the Transaction. Bristol's obligations to indemnify Seller pursuant to this Section 1.03 shall survive the closing.

Section 1.04. Prorations. All real property taxes, insurance, utilities and maintenance expenses relating to the Property for the year of Closing shall be prorated as of the Closing Date and taxes shall be based on the most recent mill levy and most recent assessed valuation, or, if not available, on the taxes for the calendar year immediately preceding Closing. All prorations shall be final.

Section 1.05. Transaction Costs. Bristol shall be responsible for the payment of all Transaction Costs incurred by Seller and Purchaser in connection with the Transaction and in connection with the assignment of this Agreement to Store or to any other permitted assignee, or in connection with the designation of the Designee); and (b) Seller and Purchaser shall each be responsible for the payment of the fees and expenses of their respective legal counsel, accountants and other professional advisers ("Professional Fees").

The provisions of this Section shall survive Closing or termination of this Agreement for any reason.

ARTICLE II

DUE DILIGENCE

Section 2.01. Title Insurance.

(a) **Title Commitment and Title Policy.** Purchaser shall order an owner's title insurance commitment (the "Title Commitment") with respect to the Property issued by the Title Company, for an ALTA Owner's Extended Coverage Title Insurance Policy, together with any endorsements that Purchaser may reasonably require (collectively, the "Title Policy"). Purchaser shall cause copies of the Title Commitment, all exception documents, and the Survey to be delivered to Seller no later than the date upon which Purchaser delivers its Title Objection for the Property, which shall be no later than the expiration of the Inspection Period. All costs related to the Title Policy, escrow fees and other closing costs shall be included in Transaction Costs, payable as set forth in Section 1.05.

(b) **Title Company.** The Title Company is hereby employed by the parties to act as escrow agent in connection with this Transaction. This Agreement shall be used as instructions to the Title Company, as escrow agent, which may provide its standard conditions of acceptance of escrow; *provided, however*, that in the event of any inconsistency between such standard conditions of acceptance and the terms of this Agreement, the terms of this Agreement shall prevail. The Title Company's receipt of this Agreement and the opening of an escrow pursuant to this Agreement shall be deemed to constitute conclusive evidence of the Title Company's agreement to be bound by the terms and conditions of this Agreement pertaining to the Title Company.

(c) **Title Company Actions.** The Title Company is authorized to pay, from any funds held by it for each party's respective credit, all amounts necessary to procure the delivery of any documents required by this Agreement to be delivered and to pay, on behalf of Purchaser and Seller, all charges and obligations payable by them hereunder,

respectively. Seller and Purchaser will pay all charges payable by them pursuant to this Agreement to the Title Company. The Title Company shall not cause the Transaction to close unless and until it has received written instructions from Purchaser and Seller to do so. The Title Company is authorized, in the event any conflicting demand is made upon it concerning these instructions or the escrow, at its election, to hold any documents and/or funds deposited hereunder until an action shall be brought in a court of competent jurisdiction to determine the rights of Seller and Purchaser or to interplead such documents and/or funds in an action brought in any such court. Deposit by the Title Company of such documents and funds, after deducting therefrom its reasonable charges, expenses and attorneys' fees incurred in connection with any such court action, shall relieve the Title Company of all further liability and responsibility for such documents and funds.

(d) **Title Objections.**

(i) Within seven (7) days after the Purchaser's receipt of both a Title Commitment and Survey for the Property, Purchaser shall notify Seller in writing of Purchaser's objection to any exceptions or other title matters shown on any Title Commitment or Survey. Purchaser's title objections shall be limited to objections to the presence of any valid liens, claims, encumbrances, and/or security interests negatively affecting the Property (each, a "Title Objection"). At least five (5) days prior to the Closing Date, Seller shall notify Purchaser whether it will attempt to cure the Title Objections and which, if not all, Title Objections it will attempt to cure. Based on Seller's response, Purchaser may elect to (A) give Seller additional time to cure, and the parties will delay Closing for the period of time necessary for Seller to attempt to cure, not to exceed 30 days beyond the original Closing Date, or (B) terminate the Agreement, in which event neither party will have any further obligations or liability hereunder, except for those obligations expressly stated to survive such termination. If Purchaser elects to have Seller attempt to cure the Title Objections that Seller agreed to address, Seller shall have the option to extend the Closing Date -- and the parties shall execute an amendment to this Agreement to that effect -- up to 30 days in order to cure such of those Title Objections Seller has agreed to cure. If Seller is unable to cure those Title Objections it has agreed to cure within the agreed-upon time period, then Purchaser shall have the option, as its sole remedy, upon written notice to Seller on or before the amended Closing Date, to terminate this Agreement, in which event neither party will have any further obligations or liability hereunder, except for those obligations expressly stated to survive such termination.

(ii) If any supplement to a Title Commitment or Survey discloses any additional title defects which were not created by or with the consent of Purchaser, and which are not acceptable to Purchaser, Purchaser shall notify Seller in writing of its objection thereto (each, an "Additional Title Objection") within five (5) days following receipt of such supplement or revision. If any Additional Title Objection is not removed or resolved by Seller to Purchaser's satisfaction at least five (5) days prior to the Closing Date, then Purchaser shall have the option, as its sole remedy, to terminate this Agreement upon written notice to Seller on or before the Closing Date, in which event neither party will have any further obligations or liability hereunder, except for those obligations expressly stated to survive such termination.

(iii) Purchaser's failure to timely deliver a Title Objection or an Additional Title Objection shall be deemed Purchaser's acceptance of the matters disclosed by the

Title Commitment and Survey. If Purchaser does not terminate this Agreement by reason of any Title Objection or Additional Title Objection, as provided in this Section 2.01, then such Title Objection or Additional Title Objection shall be deemed waived and approved by Purchaser and shall thereafter be deemed a Permitted Encumbrance.

Section 2.02. Seller Documents. Within ten (10) days of the Effective Date, Seller shall deliver to Purchaser the following items to the extent the same exist and are in Seller's possession or under its control (collectively, the "Seller Documents"): (a) all environmental reports related to the Property (including without limitation, Phase I and Phase II environmental investigation reports); (b) all appraisals or valuations related to the Property; (c) all guaranties and warranties in effect with respect to all or any portion of the Property; (d) all Property Condition Report related to the Property; and (e) all other documents related to the ownership, lease and operation of the Property, and reasonably requested by Purchaser, expressly including corporate and/or real estate documentation evidencing current ownership of the Property.

Section 2.03. Survey. Purchaser shall order a current ALTA/ACSM "as built" survey as required for the Property from a surveyor selected by Purchaser (the "Survey"), together with (a) evidence reasonably satisfactory to Purchaser that the Property fully complies with all zoning ordinances of the Governmental Authority having jurisdiction over the Property ("Zoning Evidence"), and (b) evidence reasonably satisfactory to Purchaser that none of the Property is within a 100-year flood plain or a "Special Flood Hazard Area" as designated by the Federal Emergency Management Agency. The Survey shall show all improvements and shall plot all exceptions shown on the Title Commitment (to the extent plottable), certified in favor of Purchaser, any requested Affiliate of Purchaser and Title Company in a manner reasonably acceptable to Purchaser and prepared in accordance with the appropriate "ALTA/ACSM" minimum standards. The cost of the Survey shall be included in Transaction Costs, payable as set forth in Section 1.05.

Section 2.04. Environmental. Purchaser shall order an update of the existing Phase I environmental investigation report for the Property (provided that the engineer can deliver an updated Phase I in a timely manner and at a cost savings), and if any environmental investigation report recommends additional subsurface investigation of the Property, Seller shall permit Purchaser to perform such reasonable additional subsurface investigation (each Phase I environmental investigation report and each additional subsurface investigation report, an "Environmental Report"), from an environmental inspection company selected by Purchaser, detailing and analyzing certain aspects of the Property; *provided, however*, that, notwithstanding the foregoing, if Seller fails or refuses to permit any such additional subsurface investigation or is unwilling to obtain environmental insurance providing coverage acceptable to Purchaser in its sole discretion, Seller shall be deemed to have elected to terminate this Agreement, in which event neither party will have any further obligations or liability hereunder, except for those obligations expressly stated to survive such termination. The cost of the Environmental Reports shall be included in Transaction Costs, payable as set forth in Section 1.05.

Section 2.05. Valuation. Purchaser shall order a current site inspection and valuation of the Property, separately stating values for the Real Property and improvements for the Property, from an appraiser selected by Purchaser (the "Valuation"). Purchaser shall provide to the appraiser any existing appraisals provided as part of the Seller's Documents. Each Valuation shall be in form and substance acceptable to Purchaser, and shall be certified to Purchaser and any requested Affiliate of Purchaser. The cost of the Valuation shall be included in Transaction Costs, payable as set forth in Section 1.05.

Section 2.06. Property Condition Report. Purchaser shall order current property condition assessment and limited compliance audit for the Property from an inspection company selected by Purchaser (the "Property Condition Report"). Purchaser shall provide to the inspection company any existing Property Condition Report provided as part of the Seller's Documents. The Property Condition Report shall be in form and substance acceptable to Purchaser, and shall be certified to Purchaser and any requested Affiliate of Purchaser. The cost of the Property Condition Report shall be included in Transaction Costs, payable as set forth in Section 1.05.

Section 2.07. Inspections.

(a) **Inspection Period.** From the Effective Date and for a period of thirty (30) days thereafter, during normal business hours and after reasonable advance notice (the "Inspection Period"), (a) Purchaser may perform whatever investigations, tests and inspections (collectively, the "Inspections") with respect to the Property that Purchaser deems reasonably appropriate; and (b) Seller shall, at all reasonable times, (i) provide Purchaser and Purchaser's officers, employees, agents, advisors, attorneys, accountants, architects, and engineers with access to the Property, all drawings, plans, specifications and all engineering reports for and relating to the Property in the possession or under the control of Seller, the files and correspondence relating to the Property, and the financial books and records relating to the ownership, lease (if applicable), and maintenance of the Property, and (ii) allow such Persons to make such inspections, tests, copies, and verifications with respect to the Property as Purchaser considers necessary. Purchaser shall provide Seller at least one Business Days' notice in writing or by telephone in advance of its entry upon the Property for purposes other than visual inspections. No advance notice shall be required for visual inspections of the Property. Purchaser shall not make or perform any borings or other physically invasive or destructive tests without Seller's prior written consent, which shall not be unreasonably withheld, delayed or conditioned. Telephone notices, when permitted, shall be given to Seller's representative for the Property, as follows (the "Property Representatives"):

For Seller:

Andrew Sorg, andrew.sorg@marcegaglia.com, 412-292-8689

For Purchaser:

Kevin Van Zandt , kvanzandt@brismet.com, 812-701-7878; and

(b) **Insurance.** Prior to any entry onto the Property, Purchaser shall ensure that each of Purchaser's representatives and vendors maintains comprehensive general liability insurance with commercially reasonable coverage considering the activities of such party.

(c) **Purchaser's Indemnity.** Purchaser shall not make any physical changes to the Property (other than soil borings as reasonably approved by Seller) and shall indemnify and hold harmless Seller from and against (i) all physical damage to the Property caused by Purchaser's tests and investigations, (ii) all loss, liability or damage suffered or incurred by Seller arising out of or resulting from injury or death to individuals or damage to personal property caused by the tests and investigations conducted by, or at the direction of, Purchaser, and (iii) all reasonable costs and expenses (including reasonable attorneys'

fees and disbursements) incurred by Seller in connection with any action, suit, proceeding, demand, assessment or judgment incident to the foregoing, except to the extent (in each case) such loss, liability or damage arises out of Seller's negligence or intentional acts or omissions. Purchaser's obligations to indemnify Seller pursuant to this Section 2.07(c) and Purchaser's obligations to return the Information to Seller pursuant to Section 2.08 shall survive the termination of this Agreement.

(d) **Confidentiality.** Prior to the Closing, Purchaser shall hold all information concerning the Property obtained by Purchaser (the "Information") in confidence and shall not at any time disclose or permit the disclosure of the Information to any Person without Seller's prior written consent provided, however, Purchaser shall at all times be allowed to disclose or permit the disclosure of the Information in furtherance of any reasonable business purpose designed to aid Purchaser in its decision to purchase the Property. Notwithstanding the foregoing, (i) Purchaser may disclose the Information to its legal counsel, accountants, lenders, existing and prospective investors, consultants, advisors and other Persons who need to review the Information in connection with Purchaser's evaluation and purchase of the Property in accordance with the terms of this Agreement, (ii) the provisions of this Section 2.07(d) shall not apply to any portions of the Information that (a) were rightfully and without restriction known to Purchaser prior to disclosure hereunder, (b) are independently developed by Purchaser without reliance on any Information, or (c) are available from public sources other than through the actions of Purchaser or its agents, and (iii) Purchaser may disclose the Information to the extent that such disclosure is required by law, regulation or court order, but Purchaser first shall provide written notice thereof to Seller. Neither Seller nor Purchaser shall make any public announcements concerning the sale of the Property pursuant to this Agreement without first obtaining the prior written consent of the other except that each of the Party may make any disclosures required by applicable law, court order or Governmental Authority.

Section 2.08. Purchaser's Right to Terminate. Notwithstanding any provision contained herein, Purchaser shall have the right to terminate this agreement at any time on or prior to the expiration of the Inspection Period because of (a) a material environmental issue associated with the Property arising prior to March 1, 2017, (b) any Title Objection(s), (c) any major structural issue(s) associated with the Property, or (d) the failure of the satisfaction of all conditions for the sale of the Seller's business to Purchaser under the Asset Purchase Agreement such that the business sale transaction shall not close with an effective date of July 1, 2018 at 12:01 a.m. local time, in which event neither party will have any further obligations or liability hereunder, except for those obligations expressly stated to survive such termination. For sake of clarity, in case of termination of the Agreement pursuant to this Section 2.08, the Purchaser shall not be entitled to any indemnification by Seller, including pursuant to Section 7.04 - which provides for Seller's indemnity obligation in favor of the Purchaser enforceable by Purchaser only after Closing of the Transaction.

Section 2.09. If this Agreement is terminated for any reason by either party, Purchaser agrees, within 15 days after the date of termination to deliver to Seller copies of all title reports, Title Commitment, Survey, written geotechnical engineering reports and written environmental reports prepared by third parties for Purchaser during the period of time in which this Agreement is in effect provided that Purchaser pays all costs due, and to return to the Seller all written materials concerning the Property previously delivered by Seller to Purchaser pursuant to this Agreement

or otherwise. All third parties' reports and studies shall be delivered to Seller for information only without any right to rely thereon and without any representation or warranty of any type.

ARTICLE III

CLOSING

Section 3.01. Closing Date. Subject to the provisions of Article V of this Agreement, the closing date of the Transaction contemplated by this Agreement (the "Closing") shall be set by mutual agreement of Seller and Purchaser and shall be the closing date under the Asset Purchase Agreement (the "Closing Date"); *provided, however*, that the Closing Date shall not extend beyond the Closing Deadline. The parties shall deposit with the Title Company all documents (including without limitation, the executed Transaction Documents) as necessary to comply with the parties' respective obligations hereunder on or before the Closing Date or as otherwise mutually agreed upon by the parties. The parties shall deposit all funds required hereunder with the Title Company on or before the Closing Date.

Section 3.02. Funding. Notwithstanding any provision contained in this Agreement, funding of the Transaction by Purchaser shall be contingent upon the delivery of the executed Transaction Documents, satisfaction of the conditions precedent set forth herein and in the other Transaction Documents, and confirmation by Purchaser's counsel that it or the Title Company has possession of all Transaction Documents required by Purchaser.

Section 3.03. Possession. Possession of the Property, free and clear of all tenants or other parties in possession, except in accordance with the Lease, shall be delivered to Purchaser on the Closing Date.

ARTICLE IV

REPRESENTATIONS WARRANTIES AND COVENANTS

Section 4.01. Seller. Seller represents and warrants to, and covenants with, Purchaser as follows:

(a) **Organization and Authority.** Seller is duly organized or formed, validly existing and in good standing under the laws of its state of formation or incorporation. Seller has all requisite power and authority to own and operate the Property, to execute, deliver and perform its obligations under this Agreement and all of the other Transaction Documents, and to carry out the Transaction. The Person who has executed this Agreement on behalf of Seller has been duly authorized to do so.

(b) **Enforceability of Documents.** Upon execution by Seller, this Agreement and the other Transaction Documents to which it is a party, shall constitute the legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium, or other similar laws relating to or affecting the rights of creditors generally, or by general equitable principles.

(c) **No Other Agreements and Options.** Neither the Seller nor the Property is subject to any commitment, obligation, or agreement, including, without limitation, any

right of first refusal, option to purchase or lease granted to a third party, which could or would (i) prevent Seller from completing, or impair Seller's ability to complete, the sale of the Property under this Agreement, or (ii) bind Purchaser subsequent to consummation of the Transaction. Except as otherwise disclosed by Seller in writing to Purchaser, there is no lease in place with a third party, nor has there been any such lease in place within the last twelve (12) months of the Effective Date, related to all or any part of the Property, even if any such lease will be terminated upon Closing.

(d) **No Violations.** The authorization, execution, delivery and performance of this Agreement and the other Transaction Documents will not (i) violate any provisions of any applicable organizational or other charter documents of Seller, (ii) result in a violation of or a conflict with, or constitute a default (or an event which, with or without due notice or lapse of time, or both, would constitute a default) under any other document, instrument or agreement to which Seller is a party or by which Seller, the Property or the Property of Seller are subject or bound, (iii) result in the creation or imposition of any Lien, restriction, charge or limitation of any kind, upon Seller or the Property, or (iv) violate any law, statute, regulation, rule, ordinance, code, rule or order of any court or Governmental Authority applicable to Seller or the Property.

(e) **Compliance.** To Seller's actual knowledge, Seller's use and occupation of the Property prior to March 1, 2017 was not in legal violation of any (i) applicable statutes, regulations, rules, ordinances, codes, licenses, permits, orders and approvals of each Governmental Authority having jurisdiction over the Property, including, without limitation, all health, building, fire, safety and other codes, ordinances and requirements, the Americans With Disabilities Act of 1990, and all policies or rules of common law, in each case, as amended, and any judicial or administrative interpretation thereof, including any judicial order, consent, decree or judgment applicable to the Property or the Seller (collectively, the "Legal Requirements"), (ii) all restrictions, covenants and encumbrances of record with respect to the Property, and (iii) all agreements, contracts, insurance policies (including, without limitation, to the extent necessary to prevent cancellation thereof and to insure full payment of any claims made under such policies), agreements and conditions applicable to the Property or the ownership, operation, use or possession thereof. The Seller has not received any notification that the Property is in violation of any of the foregoing, including without limitation, the Legal Requirements.

(f) **Compliance with Anti-Terrorism, Embargo, Sanctions and Anti-Money Laundering Laws.** Without in any way limiting the provisions of Section 4.01(e), Seller is not currently identified on the OFAC List, and is not a Person with whom a citizen of the United States is prohibited from engaging in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or executive order of the President of the United States.

(g) **Litigation.** Seller has received no service of process for any claim or proceeding, has received no other notice of, and has no actual knowledge of, any legal, administrative, arbitration or other proceeding, claim or action of any nature or investigation pending or involving or, to the best of Seller's knowledge, threatened against, Seller or the Property before any Governmental Authority, except as has been disclosed in writing by Seller, which in any way adversely affects or may adversely affect the Property, the business performed and to be performed on the Property, the condition, worth or operations of the

Seller, or the ability of the Seller to perform under this Agreement or any other Transaction Documents, or which questions or challenges the Seller's participation in the Transaction contemplated by this Agreement or any other Transaction Document.

(h) **Condemnation.** Seller has received no notice that any condemnation or eminent domain proceedings affecting the Property have been commenced, and Seller has no actual knowledge that such proceedings, are contemplated.

(i) **Environmental.**

(i) To Seller's actual knowledge, the Property is not in violation of any Hazardous Materials Laws and there is no non-compliance with Hazardous Materials Laws that dates prior to March 1, 2017, or with permits issued pursuant thereto, in connection with the Property.

(ii) Seller has completed all remediation activity required under the terms and provisions of the Consent Order, and the Commonwealth of Pennsylvania, Department of Environmental Protection has approved of such remediation activity.

(iii) Seller has not received any written or oral notice or other communication from any Person (including but not limited to a Governmental Authority) relating to Hazardous Materials or USTs, or remediation thereof, of possible liability of any Person pursuant to any Hazardous Materials Law, other environmental conditions in connection with the Property, or any actual or potential administrative or judicial proceedings in connection with any of the foregoing.

(j) **Solvency.** There is no contemplated, pending or threatened Insolvency Event or similar proceedings, whether voluntary or involuntary, affecting the Seller, or to Seller's knowledge, any of its members, partners, shareholders, or Affiliates.

(k) **Satisfaction of Conditions Precedent.** From the Effective Date through the Closing Date, Seller shall use its best efforts to satisfy all conditions set forth in Section 5.01 and 5.03 of this Agreement on or prior to the Closing Date.

(l) **No Bankruptcy Petition.** Seller hereby agrees that it shall not institute against, or join any other Person in instituting against, Purchaser, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding, or any other proceeding under any federal or state bankruptcy or similar law. The provisions of this Section shall survive the Closing for a period of 2 (two) years. Notwithstanding the foregoing, the provisions of this Section shall in no way limit any other rights Seller may have with respect to this Agreement, either at law or in equity.

(m) **Limitations on Seller's Liability for Representations and Warranties.** Seller's liability for a misrepresentation or breach of warranty under this Agreement shall be subject to the following limitations:

(i) Seller's representations and warranties are for the personal benefit of the Purchaser and no such representation or warranty may be assigned to or enforced by any other Person, except any permitted assignee or any assignee consented to by Seller.

(ii) Whenever a representation or warranty is made in this Agreement on the basis of the best knowledge or the actual knowledge of Seller or words of similar import, or whether Seller has received written notice, such representation or warranty is made with the exclusion of any facts disclosed to or otherwise actually know by Purchaser before the expiration of the Inspection Period, and is made solely on the basis of the actual, as distinguished from implied, imputed or constructive, knowledge on the date that such representation or warranty is made, of the applicable Property Representative for the relevant Property, whom Seller represents to be Mr. Antonio Marcegaglia, Mr. Lorenzo Biagi, and Mr. Marco Costi who are the individuals responsible for being informed of matters relevant to this Agreement, without independent investigation or inquiry, and without attribution to said applicable Property Representative of facts and matters otherwise within the personal knowledge of any other agent or employees of Seller or any other Person, and excluding, whether or not actually known by the applicable Property Representatives (or any of them), any matter actually known to Purchaser, in writing or otherwise, as of the expiration of the Inspection Period. Purchaser and Seller acknowledge that the individuals named above are named solely for the purpose of defining and narrowing the scope of the Seller's and the Purchaser's knowledge and not for the purpose of imposing any liability on or creating any duties running on the part of such individuals. Purchaser and Seller covenant that no action of any kind will be brought against such individuals related to or arising out of this Agreement. Purchaser's knowledge of a misrepresentation or breach of warranty by Seller shall not limit Purchaser's rights and remedies under this Agreement except as otherwise provided in paragraphs (iii) and (iv) below.

(iii) If, before the Closing Date, Purchaser obtains actual knowledge that any of the Seller's representations or warranties is inaccurate and Purchaser nonetheless proceeds with the Closing, Purchaser shall be deemed to have waived its rights and remedies in connection with the breach of such representation(s) or warranty(ies), including the right to be indemnified post- Closing from Seller pursuant to Section 7.04 in connection with the breach of such representation(s) or warranty(ies).

(iv) Seller covenants that all representations and warranties of Seller made in this Agreement shall be true as of the date of this Agreement, shall be deemed to have been made again at and as of the Closing Date, and shall be true at and as of the Closing Date.

(v) Other than the representations and warranties set forth herein, neither Seller nor any other agent, partner, employee, or representative of Seller has made any representation or warranty regarding the physical condition of the Property, or any part thereof, or anything relating to the subject matter of this Agreement.

Section 4.02. Purchaser. Purchaser represents and warrants to, and covenants with, Seller as follows:

(a) **Organization and Authority.** Purchaser is duly organized, validly existing and in good standing under the laws of its state of formation. Purchaser has all requisite

power and authority to execute, deliver and perform its obligations under this Agreement and all of the other Transaction Documents to which it is a party and to carry out the Transaction. The Person who has executed this Agreement on behalf of Purchaser has been duly authorized to do so.

(b) **Enforceability of Documents.** Upon execution by Purchaser, this Agreement and the other Transaction Documents to which it is a party, shall constitute the legal, valid and binding obligations of Purchaser, enforceable against Purchaser in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium, or other similar laws relating to or affecting the rights of creditors generally, or by general equitable principles.

(c) **No Violations.** The authorization, execution, delivery and performance of this Agreement and the other Transaction Documents will not (i) violate any provisions of the any applicable organizational or other charter documents of Purchaser, (ii) result in a violation of or a conflict with, or constitute a default (or an event which, with or without due notice or lapse of time, or both, would constitute a default) under any other document, instrument or agreement to which Purchaser is a party or by which Purchaser is subject or bound, (iii) result in the creation or imposition of any Lien, restriction, charge or limitation of any kind, upon Purchaser, or (iv) violate any law, statute, regulation, rule, ordinance, code, rule or order of any court or Governmental Authority applicable to Purchaser.

(d) **Litigation.** There are no actions or proceedings pending against or involving Purchaser before any Governmental Authority which in any way adversely affect or may adversely affect Purchaser or Purchaser's ability to perform under this Agreement and the other Transaction Documents to which it is a party.

(e) **Satisfaction of Conditions Precedent.** From the Effective Date through the Closing Date, Purchaser agrees to use its best efforts to satisfy all conditions set forth in Section 5.02 and 5.03 of this Agreement on or prior to the Closing Date.

(f) **Purchaser's Investigation.** As a material inducement to Seller to enter into this Agreement and to sell the Property to Purchaser, Purchaser represents and warrants to Seller that Purchaser is a sophisticated investor with substantial experience in purchasing real property similar to the Property and Purchaser will have the right to examine and inspect the physical nature and condition of the Property, including environmental conditions.

All representations and warranties of Purchaser made in this Agreement shall be true as of the date of this Agreement, shall be deemed to have been made again at and as of the Closing Date, shall be true at and as of the Closing Date.

ARTICLE V

CONDITIONS PRECEDENT TO CLOSING

Section 5.01. Purchaser's Conditions to Closing. Purchaser shall not be obligated to close and fund the Transaction until the fulfillment (or written waiver by Purchaser) of all of the following conditions:

(a) Seller shall have delivered to Purchaser or the Title Company, as applicable, the following items:

(i) The Deed.

(ii) Such documents evidencing the legal status and good standing of Seller that may be required by Purchaser and/or the Title Company for issuance of the Title Policy, including, without limitation, certificates of good standing;

(iii) Fully executed originals of an Assignment of Warranties in the form of Exhibit D, attached hereto, or if not assignable, evidence satisfactory to Purchaser that it will receive coverage or protection acceptable to Purchaser for the matters covered by such warranties, in either case, to the extent required by Purchaser (the "Assignment of Warranties"), and all of the other Transaction Documents to which it is a party;

(iv) A certificate of an officer, manager or general partner, as applicable, of Seller, together with copies of Seller's (A) articles of organization or certificate of formation, as applicable, amended to date; (B) operating agreement, bylaws or partnership agreement, as applicable, amended to date; (C) resolutions authorizing the Transaction and the execution of this Agreement and the other Transaction Documents, and identifying the Person(s) authorized to execute this Agreement and the other Transaction Documents; and (D) certificates of good standing or similar documents from the state in which Seller was organized or formed, and original certificates of qualification or similar documents from the state where the Property is located;

(v) A duly executed affidavit from Seller stating that Seller is not a "foreign person" as defined in the Federal Foreign Investment in Real Property Tax Act of 1980 and 1984 Tax Reform Act, in the form attached hereto as Exhibit C (collectively, "Non-Foreign Seller Certificate");

(vi) Lease Termination document duly executed by Seller terminating the Lease Agreement between Seller and Purchaser dated March 1, 2017, as amended on November 8, 2017 (the "Existing Lease");

(vii) Closing settlement statements approved by Seller and Purchaser to reflect the credits, prorations, and adjustments contemplated by or specifically provided for in this Agreement;

(viii) Seller shall have provided the Commonwealth of Pennsylvania, Department of Environmental Protection at least thirty (30) days' prior written notice of the intended transfer of the Property, including the identity of the Purchaser and Store as designee and the Purchaser's intended use for the Property; and

(ix) All documents required to be delivered by this Agreement and the other Transaction Documents and as may otherwise be reasonably required in order to fully and legally close this Transaction.

(b) Purchaser shall have received the Title Commitment and the Title Company's irrevocable commitment to insure title by means of the Title Policy.

(c) Purchaser shall have received evidence of the occurrence of the closing or satisfaction of all conditions for closing under the Asset Purchase Agreement, which shall close on June 29, 2018 with an effective date of July 1, 2018 at 12:01am local time.

(d) Purchaser shall have received evidence of Seller's compliance with the notice provisions of the Consent Order with respect to the conveyance of the Property to Purchaser.

(e) All representations and warranties of Seller set forth herein shall have been true and correct in all respects when made, and all covenants, agreements and conditions required to be performed or complied with by Seller prior to or at the time of Closing in connection with the Transaction shall have been duly performed or complied with by Seller prior to or at such time or waived in writing by Purchaser.

(f) No event shall have occurred or condition shall exist which would, upon the Closing Date, or, upon the giving of notice and/or passage of time, constitute a breach or default hereunder or under any other Transaction Document.

Upon the fulfillment or Purchaser's written waiver of all of the above conditions, Purchaser shall deposit funds necessary to close this Transaction with the Title Company and this Transaction shall close in accordance with the terms and conditions of this Agreement. Unless otherwise agreed, all of the documents to be delivered at Closing shall be dated as of the Closing Date.

Section 5.02. Seller's Conditions Precedent to Closing. Seller shall not be obligated to close the Transaction until the fulfillment (or written waiver by Seller) of all of the following conditions:

(a) Purchaser shall have delivered to the Title Company the Purchase Price, as adjusted pursuant to the requirements of this Agreement;

(b) Purchaser shall have caused to be executed and delivered to the appropriate Persons fully executed originals of all Transaction Documents, including without limitation, the Assignment of Warranties;

(c) Purchaser and Seller shall have approved the Title Company settlement statements that reflect the credits, prorations, and adjustments contemplated by or specifically provided for in this Agreement;

(d) Seller shall have received evidence of the occurrence of the closing or satisfaction of all conditions for closing under the Asset Purchase Agreement, which shall close on June 29, 2018 with an effective date of July 1, 2018 at 12:01 a.m. local time;

(e) Purchaser shall have delivered to the Title Company its executed counterpart of the Existing Lease termination document;

(f) Purchaser shall have delivered to Seller and/or the Title Company such other documents as may reasonably be required in order to fully and legally close this Transaction; and

(g) All representations and warranties of Purchaser set forth herein shall have been true and correct in all respects when made, and all covenants, agreements and conditions required to be performed or complied with by Purchaser prior to or at the time of Closing in connection with the Transaction shall have been duly performed or complied with by Purchaser prior to or at such time or waived in writing by Seller.

(h) No event shall have occurred or condition shall exist which would, upon the Closing Date, or, upon the giving of notice and/or passage of time, constitute a breach or default hereunder or under any Transaction Document.

(i) All covenants, agreements and conditions required to be performed or complied with by Purchaser prior to or at the time of Closing in connection with the Transaction shall have been duly performed or complied with by Purchaser or waived in writing by Seller prior to or at such time.

Section 5.03. Joint Conditions Precedent to Closing. Purchaser and Seller acknowledge that on or about September 29, 2000, Damascus Tube Company, Inc. entered into a Consent Order and Agreement with the Commonwealth of Pennsylvania, Department of Environmental Protection concerning the remediation and reuse of some or all of the Property (the "Consent Order"). Notwithstanding any other provision of this Agreement, neither Purchaser nor Seller shall be obligated to close and/or fund the Transaction until the terms and obligations of the Consent Order have been satisfied as they may relate to the Transaction, including without limitation any prospective requirements, conditions, terms, or the like which may need to be established. Purchaser and Seller agree that they both shall use commercially reasonable efforts to satisfy this joint condition to Closing, and that they shall take commercially reasonable steps to cooperate in that regard.

ARTICLE VI

DEFAULTS; REMEDIES

Section 6.01. Default. Each of the following shall be deemed an event of default (each, an "Event of Default"):

(a) If any representation or warranty of Seller or Purchaser set forth in this Agreement or any other Transaction Document is false in any material respect or if Seller or Purchaser render any false statement;

(b) If Seller or Purchaser fails to perform any of its material obligations under this Agreement; or

(c) If any Insolvency Event shall occur with respect to Seller or Purchaser.

Section 6.02. Remedies. Upon any Event of Default, the non-defaulting party shall be entitled to exercise, at its option and as its sole and exclusive remedy, the following remedy:

(a) Following:

(i) an Event of Default by Seller, Purchaser may terminate this Agreement by giving written notice to the Seller, in which event no party will have any further obligations or liability hereunder, except for those obligations expressly stated to survive such termination; PROVIDED, HOWEVER, in such a case, at Bristol's discretion, the Parties shall amend the Existing Lease Agreement to anticipate the Extension Term (defined therein) on May 31, 2021, rather than May 31, 2023. For sake of clarity, in case of Event of Default by Seller, Purchaser shall not be entitled to any indemnification by Seller, including pursuant to Section 7.04 - which provides for Seller's indemnity obligation in favor of the Purchaser enforceable by Purchaser only after Closing of the Transaction.

(ii) an Event of Default by Purchaser, Seller may terminate this Agreement by giving written notice to Purchaser, in which event no party will have any further obligations or liability hereunder, except for those obligations expressly stated to survive such termination; PROVIDED, HOWEVER, that, in such a case, at Seller's discretion, the Parties shall amend the Existing Lease Agreement to postpone the Extension Term (defined therein) on May 31, 2025, rather than May 31, 2023; or

(b) The non-defaulting party may waive the Event of Default and proceed with the Closing.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Risk of Loss.

(a) **Condemnation.** If, prior to Closing, action is initiated to take the Property, or any portion thereof, by eminent domain proceedings or by deed in lieu thereof, Purchaser may elect at or prior to Closing, to (i) terminate this Agreement, in which event neither party will have any further obligations or liability hereunder, except for those obligations expressly stated to survive such termination, or (ii) proceed to close, in which event all of Seller's assignable right, title and interest in and to the award of the condemning authority shall be assigned to Purchaser at the Closing and there shall be no reduction in the Purchase Price.

(b) **Casualty.** Subject to the existing lease between Seller and Purchaser, Seller assumes all risks and liability for damage to or injury occurring to the Property by fire, storm, accident, or any other casualty or cause until the Closing has been consummated. If the Property, or any part thereof, suffers any damage prior to the Closing from fire or other casualty, which Seller, at its sole option, does not elect to fully repair, Purchaser may elect at or prior to Closing, to (i) terminate this Agreement, in which event neither party will have any further obligations or liability hereunder, except for those obligations expressly stated to survive such termination, or (ii) consummate the Closing, in which event all of Seller's right, title and interest in and to the proceeds of any insurance covering such damage (less an amount equal to any expense and costs reasonably incurred by Seller to repair or restore the Property, which shall be payable to Seller upon Seller's delivery to Purchaser of

satisfactory evidence thereof), to the extent that the amount of such insurance does not exceed the Purchase Price, shall be assigned to Purchaser at Closing, and Purchaser shall be entitled to a credit in the amount of Seller's deductible at Closing.

(c) **Maintenance of the Property and Insurance.** From the Effective Date until Closing, Purchaser shall continue to maintain the Property or cause the Property to be maintained in good condition and repair, and shall continue to maintain or cause to be maintained all insurance for the Property in the same or greater amounts, with the same or greater coverage, and subject to the same or lower deductibles as in existence as of the Effective Date.

Section 7.02. Notices. All notices, demands, designations, certificates, requests, offers, consents, approvals, appointments and other instruments given pursuant to this Agreement (collectively called "Notices") shall be in writing and given by (a) hand delivery, (b) express overnight delivery service, (c) email transmission, or (d) certified or registered mail, return receipt requested, and shall be deemed to have been delivered upon (i) receipt, if hand delivered, (ii) the next Business Day, if delivered by a reputable express overnight delivery service, (iii) receipt of confirmation of email, if delivered by email, or (iv) the third Business Day following the day of deposit of such notice with the United States Postal Service, if sent by certified or registered mail, return receipt requested. Notices shall be provided to the parties and addresses (or email addresses, as applicable) specified below:

If to Seller: Marcegaglia USA Inc.
c/o Marcegaglia Specialties SPA
Via Bresciani, 16 – 46040 Gazoldo degli Ippoliti (MN) - Italy

Attention: Mr. Antonio Marcegaglia
Email: antonio.marcegaglia@marcegaglia.com

If to Purchaser: Synalloy Corporation
4510 Cox Road, Suite 201
Glen Allen, VA 23060
Attention: Craig Bram
Email: cbram@synalloy.com

With a copy to: LeClairRyan
Attention: Lori H. Schweller, Esq.
123 East Main Street, Eighth Floor
Charlottesville, VA 22903
(434) 245-3448 Direct
(804) 296-0905 Fax
(804) 248-8700 Mobile
LSchweller@leclairryan.com

or to such other address or such other Person as either party may from time to time hereafter specify to the other party in a notice delivered in the manner provided above. Whenever in this Agreement the giving of Notice is required, the giving thereof may be waived in writing at any time by the Person or Persons entitled to receive such Notice.

A copy of any Notice delivered pursuant to this Section shall also contemporaneously be delivered in the manner herein specified to any mortgagee or assignee of Purchaser's interest which shall have duly notified Seller in writing of its name and address.

Section 7.03. Assignment. Purchaser may assign its rights under this Agreement in whole or in part at any time to an Affiliate of Purchaser or to Store if the assignee assumes all liability and obligations of Purchaser under this Agreement and Seller and Escrow Agent are given prior written notice of such assignment (together with a copy of the instrument of assignment), provided that Bristol shall remain jointly liable with any such assignee for the fulfillment of any of its obligation hereunder. Seller shall not, without the prior written consent of Purchaser, which consent may be withheld in Purchaser's sole discretion, sell, assign, transfer, mortgage, convey, encumber or grant any easements or other rights or interests of any kind in the Property or any of Seller's rights under this Agreement.

Section 7.04. Indemnity. Following Closing of the Transaction and without prejudice for the provisions under Section 4.01 (m), which shall limit Seller's liability under this Section 7.04, Seller shall indemnify, defend and hold harmless Purchaser and its Affiliates, and their respective officers, directors, shareholders, managers, members, employees, representatives, successors and assigns, as applicable (collectively, the "Purchaser Indemnified Parties"), from and against any and all Losses of any nature arising from or connected to the breach or falsity of any representation or warranty given by Seller. Without limiting the generality of the foregoing, such indemnity shall include, without limitation, any Losses incurred with respect to any reasonable engineering, governmental inspection and attorneys' fees and expenses that the Purchaser may incur by reason of any material environmental condition caused by Seller and that occurred on the Property prior to March 1, 2017 and/or any representation or warranty set forth in Section 4.01(j) being false, or by reason of any investigation or claim of any Governmental Authority in connection therewith. Notwithstanding the foregoing, the Seller's obligation to indemnify, defend, and hold Purchaser harmless as described by this Section 7.04 shall not cover the first \$25,000.00 of Losses, attorneys' fees, costs, and expenses that Purchaser may incur and shall be unlimited above said \$25,000.00 minimum. The obligations under this Section 7.04 shall survive Closing for a period of two (2) years. If any Indemnified Party receives notice of the assertion of any environmental claim or of the commencement of any environmental claim, action, or proceeding made or brought by any Person who is not a Party to this Agreement (a "Third Party Claim") with respect to which indemnification is to be sought from Seller hereunder and the claim is not addressed also against the Seller, then (i) the Indemnified Party shall give prompt notice to the Seller about such Third Party Claim providing to the Seller any information and details that may be available to it, and (ii) if a litigation proceeding is commenced and the Seller is not involved in it, then the Third Party Claim shall be defended by the Indemnified Party through counsels chosen by it but taking into consideration the reasonable input that might be provided by the Seller, provided however that the Indemnified Party shall not make any settlement of any such Third Party Claim without the prior written consent of the Seller, which consent shall not be unreasonably withheld, delayed or conditioned.

Section 7.01. Brokerage Commission. Each of the parties represents and warrants to the other that neither party has dealt with, negotiated through or communicated with any broker in connection with this Transaction. Each party shall indemnify, defend and hold harmless the other party from and against any and all claims, loss, costs and expenses, including reasonable attorneys' fees, resulting from any claims that may be made against the indemnified party by any broker

claiming a commission or fee by, through or under such indemnifying party. The parties' respective obligations under this Section 7.05 shall survive Closing or termination of this Agreement.

Section 7.02. Reporting Requirements. The parties agree to comply with any and all reporting requirements applicable to the Transaction which are set forth in any law, statute, ordinance, rule, regulation, order or determination of any Governmental Authority, and further agree upon request, to furnish the other party with evidence of such compliance.

Section 7.03. Disclosures. Except as expressly set forth in Sections 7.06 and 7.15 and this Section 7.07 and as required by law or judicial action, prior to Closing neither Seller nor Purchaser will make any public disclosure of this Agreement or the other Transaction Documents, the Transaction or the provisions of the Transaction Documents without the prior consent of the other party hereto. The parties further agree that, notwithstanding any provision contained in this Agreement, any party (and each employee, representative or other agent of any party) may disclose to any and all Persons, without limitation of any kind, any matter required under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

Section 7.04. Time is of the Essence. The parties hereto expressly agree that time is of the essence with respect to this Agreement. The Inspection Period, which is also the time period for examining and objecting to Title Commitment and Survey, can be extended only by written amendment to this Agreement.

Section 7.05. Non-Business Days. If the Closing Date or the date for delivery of a notice or performance of some other obligation of a party falls on a Saturday, Sunday or legal holiday in the state in which the Property is located, then the Closing Date or such notice or performance shall be postponed until the next Business Day.

Section 7.06. Waiver and Amendment. No provision of this Agreement shall be deemed waived or amended except by a written instrument unambiguously setting forth the matter waived or amended and signed by the party against which enforcement of such waiver or amendment is sought. Waiver of any matter shall not be deemed a waiver of the same or any other matter on any future occasion.

Section 7.07. Limitation on Liability. Notwithstanding anything to the contrary provided in this Agreement, it is specifically understood and agreed, such agreement being a primary consideration for the execution of this Agreement and the Lease, that (a) there shall be absolutely no personal liability on the part of any director, officer, manager, member, employee or agent of either party with respect to any of the terms, covenants and conditions of this Agreement, (b) each party waives all claims, demands and causes of action against the other party's directors, officers, managers, members, employees and agents in the event of any breach by such other party of any of the terms, covenants and conditions of this Agreement, and (c) each party shall look solely to the assets of the other party for the satisfaction of each and every remedy in the event of any breach of any of the terms, covenants and conditions of this Agreement, such exculpation of liability to be absolute and without any exception whatsoever.

Section 7.08. Headings; Internal References. The headings of the various sections and exhibits of this Agreement have been inserted for reference only and shall not to any extent have the effect of modifying the express terms and provisions of this Agreement. Unless stated to the

contrary, any references to any section, subsection, exhibit and the like contained herein are to the respective section, subsection, exhibit and the like of this Agreement.

Section 7.09. Construction Generally. This is an agreement between parties who are experienced in sophisticated and complex matters similar to the Transaction and the other Transaction Documents, is entered into by both parties in reliance upon the economic and legal bargains contained herein and therein, and shall be interpreted and construed in a fair and impartial manner without regard to such factors as the party which prepared the instrument, the relative bargaining powers of the parties or the domicile of any party. Seller and Purchaser were each represented by legal counsel competent in advising them of their obligations and liabilities hereunder.

Section 7.10. Further Assurances. Each of the parties agrees, whenever and as often as reasonably requested so to do by the other party or the Title Company, to execute, acknowledge, and deliver, or cause to be executed, acknowledged, or delivered, any and all such further conveyances, assignments, confirmations, satisfactions, releases, instruments, or other documents as may be necessary, expedient or proper, in order to complete any and all conveyances, transfers, sales and assignments herein provided and to do any and all other acts and to execute, acknowledge and deliver any and all documents as so requested in order to carry out the intent and purpose of this Agreement.

Section 7.11. Securitizations and Other Transactions. As a material inducement to Purchaser's willingness to complete the transactions contemplated by this Agreement and the other Transaction Documents, Seller hereby acknowledges and agrees that Purchaser may, from time to time and at any time following Closing, advertise, issue press releases, send direct mail or otherwise disclose information regarding the Transaction for marketing purposes; provided, however, Seller shall have a right to review such information at least ten days prior to disclosure. The provisions of this Section 7.15 shall survive the Closing.

Section 7.12. Attorneys' Fees. In the event of any controversy, claim, dispute or proceeding between the parties concerning this Agreement, the prevailing party shall be entitled to recover all of its reasonable attorneys' fees and other costs in addition to any other relief to which it may be entitled.

Section 7.13. Entire Agreement. This Agreement and all other Transaction Documents, and all other certificates, instruments or agreements to be delivered hereunder and thereunder constitute the entire agreement between the parties with respect to the subject matter hereof, and there are no other representations, warranties or agreements, written or oral, between Seller and Purchaser with respect to the subject matter of this Agreement. Notwithstanding anything in this Agreement to the contrary, upon the execution and delivery of this Agreement by Seller and Purchaser, (a) this Agreement shall supersede any previous discussions, letters of intent, agreements and/or term or commitment letters relating to the Transaction, including without limitation, the Letter of Intent and any and all agreements related to confidentiality, exclusivity, non-competition, non-solicitation of employees, non-solicitation or pursuit of any business opportunity represented by the Transaction, or any other term or condition which restricts any business activity of Purchaser or its affiliates, (b) the terms and conditions of this Agreement shall control notwithstanding that such terms are inconsistent with or vary from those set forth in any of the foregoing agreements, and (c) this Agreement may only be amended by a written agreement executed by Purchaser and Seller. The provisions of this Section shall survive the Closing.

Section 7.14. Forum Selection; Jurisdiction; Venue. For purposes of any action or proceeding arising out of this Agreement, the parties hereto expressly submit to the jurisdiction of all federal and state courts located in the Commonwealth of Virginia. Seller consents that it may be served with any process or paper by registered mail or by personal service in accordance with applicable law. Furthermore, Seller waives and agrees not to assert in any such action, suit or proceeding that it is not personally subject to the jurisdiction of such courts, that the action, suit or proceeding is brought in an inconvenient forum or that venue of the action, suit or proceeding is improper. Nothing contained in this Section shall limit or restrict the right of Purchaser or Seller to commence any proceeding in the federal or state courts located in the state in which the Property is located to the extent Purchaser or Seller – as the case should be – deems such proceeding necessary or advisable to exercise remedies available under this Agreement.

Section 7.15. Separability; Binding Effect; Governing Law. Each provision hereof shall be separate and independent, and the breach of any provision by Purchaser shall not discharge or relieve Seller or Lessee from any of their respective obligations hereunder. Each provision hereof shall be valid and shall be enforceable to the extent not prohibited by law. If any provision hereof or the application thereof to any Person or circumstance shall to any extent be invalid or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby. Subject to the provisions of Section 7.03, all provisions contained in this Agreement shall be binding upon, inure to the benefit of and be enforceable by the successors and assigns of each party hereto, including, without limitation, any United States trustee, any debtor-in-possession or any trustee appointed from a private panel, in each case to the same extent as if each successor and assign were named as a party hereto. This Agreement shall be governed by, and construed with, the laws of the applicable state in which the Property is located, without giving effect to any state's conflict of laws principles.

Section 7.16. Survival. Except for the conditions of Closing set forth in Article V, which shall be satisfied or waived in writing as of the Closing Date, all representations, warranties, agreements, obligations and indemnities of Seller and Purchaser set forth in this Agreement shall survive the Closing.

Section 7.17. Waiver of Jury Trial and Certain Damages. THE PARTIES HERETO SHALL AND THEY HEREBY DO INTENTIONALLY WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT AND/OR ANY CLAIM OR INJURY OR DAMAGE RELATED THERETO. EACH PARTY FURTHER WAIVES THE RIGHT IT MAY HAVE TO SEEK PUNITIVE, CONSEQUENTIAL, SPECIAL AND INDIRECT DAMAGES FROM THE OTHER PARTY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM WITH RESPECT TO ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT AND/OR ANY DOCUMENT CONTEMPLATED HEREIN OR RELATED HERETO.

Section 7.18. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all such counterparts shall be deemed to constitute one and the same instrument.

Section 7.19. State Bulk Sales Statutes. Seller and Purchaser waive compliance with the provisions of any state bulk sales statutes promulgated by any Governmental Authority which may be applicable to the sale of the Property to Buyer.

[Remainder of page intentionally left blank; signature page(s) to follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date first set forth above.

PURCHASER:

BRISTOL METALS, LLC, a Tennessee limited liability company

By: ____
Name: ____
Title: ____

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date first set forth above.

SELLER:

MARCEGAGLIA USA INC., a Pennsylvania corporation

By: ____
Name: _____
Title: _____

Exhibits:

- A. Defined Terms
- B. Property Addresses / Legal Descriptions
- C. Non-Foreign Seller Certificate

Assignment of Warranties

EXHIBIT A

DEFINED TERMS

The following terms shall have the following meanings for all purposes of this Agreement:

"Additional Title Objection" has the meaning set forth in Section 2.01(d)(ii).

"Affiliate" or any derivation thereof, means any Person which directly or indirectly controls, is under common control with, or is controlled by any other Person. For purposes of this definition, "controls", "under common control with" and "controlled by" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities or otherwise.

"Asset Purchase Agreement" means that certain Asset Purchase Agreement by and between Lessee and Seller for the sale of Seller's galvanized and ornamental stainless steel operations and equipment at the Property, which transaction shall close on June 29, 2018 with effective date of July 1, 2018.

"Assignment of Warranties" has the meaning set forth in Section 5.01(a)(iii).

"Bulk Sales Statutes" means bulk sales statutes promulgated by any Governmental Authority.

"Business Day" means a day on which banks located in Scottsdale, Arizona are not required or authorized to remain closed.

“Closing” shall have the meaning set forth in Section 3.01.

“Closing Date” shall have the meaning set forth in Section 3.01.

“Closing Deadline” means June 29, 2018.

“Consent Order” has the meaning set forth in Section 5.03.

“Deed” means that certain special warranty Deed whereby Seller conveys to Purchaser or Purchaser’s designee, pursuant to Section 1.03, all of Seller’s right, title and interest in and to the Property, free and clear of all Liens, restrictions, encroachments and easements, except the Permitted Encumbrances.

“Designee” has the meaning set forth in Section 1.03

“Effective Date” has the meaning set forth in the introductory paragraph of this Agreement.

“Environmental Liens” means all liens and other encumbrances imposed pursuant to any Hazardous Materials Law.

“Environmental Report” has the meaning set forth in Section 2.04.

“Event of Default” has the meaning set forth in Section 6.01.

“Governmental Authority” means the United States of America, any state or other political subdivision thereof, any other entity exercising executive, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing.

“Hazardous Materials” includes: (a) oil, petroleum products, flammable substances, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other materials, contaminants or pollutants, the presence of which causes the Property to be in violation of any local, state or federal law or regulation, (including without limitation, any Hazardous Materials Law), or are defined as or included in the definition of “hazardous substances”, “hazardous wastes”, “hazardous materials”, “toxic substances”, “contaminants”, “pollutants”, or words of similar import under any applicable local, state or federal law or under the regulations adopted, orders issued, or publications promulgated pursuant thereto, including, but not limited to: (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601, et seq.; (ii) the Hazardous Materials Transportation Act, as amended, 49 U.S.C. §1801, et seq.; (iii) the Resource Conservation and Recovery Act, as amended, 42 U.S.C. §6901, et seq.; and (iv) regulations adopted and publications promulgated pursuant to the aforesaid laws; (b) asbestos in any form which is friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of fifty (50) parts per million; (c) underground storage tanks; and (d) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any Governmental Authority.

“Hazardous Materials Laws” includes any and all federal, state and local laws, rules, regulations, statutes, and requirements pertaining or relating to the environmental condition of the Property or to Hazardous Materials, including the Consent Order.

“Indemnified Parties” has the meaning set forth in Section 7.04.

“Insolvency Event” means (a) a Person’s (i) failure to generally pay its debts as such debts become due; (ii) admitting in writing its inability to pay its debts generally; or (iii) making a general assignment for the benefit of creditors; (b) any proceeding being instituted by or against any Person (i) seeking to adjudicate it a bankrupt or insolvent; (ii) seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency, or reorganization or relief of debtors; or (iii) seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property, and in the case of any such proceeding instituted against any such Person, either such proceeding shall remain undismissed for a period of 120 days or any of the actions sought in such proceeding shall occur; or (c) any Person taking any corporate or other formal action to authorize any of the actions set forth above in this definition.

“Inspection Period” has the meaning set forth in Section 2.07.

“Inspections” has the meaning set forth in Section 2.07.

“Lease” has the meaning set forth in Section 1.03.

“Legal Requirements” has the meaning set forth in Section 4.01(e).

“Letter of Intent” means that certain Letter of Intent dated April 9, 2018 between Bristol Metals, LLC, on behalf of Purchaser, and Marcegaglia USA, Inc. on behalf of the Seller with respect to the Transaction, and any amendments or supplements thereto.

“Lien” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction).

“Losses” means any and all claims, lawsuits, suits, liabilities (including, without limitation, strict liabilities), actions, proceedings,

obligations, debts, damages, losses, costs, expenses, diminutions in value, fines, penalties, interest, charges, fees, expenses, judgments, decrees, awards, amounts paid in settlement and damages of whatever kind or nature (including, without limitation, attorneys' fees, court costs and costs incurred in the investigation, defense and settlement of claims).

"Non-Foreign Seller Certificate" has the meaning set forth in Section 5.01(a)(v).

"Notices" has the meaning set forth in Section 7.02.

"OFAC List" means the list of specially designated nationals and blocked Persons subject to financial sanctions that is maintained by the U.S. Treasury Department, Office of Foreign Assets Control and any other similar list maintained by the U.S. Treasury Department, Office of Foreign Assets Control pursuant to any Legal Requirements, including, without limitation, trade embargo, economic sanctions, or other prohibitions imposed by Executive Order of the President of the United States. The OFAC List currently is accessible through the internet website www.treas.gov/ofac/t11sdn.pdf.

"Permitted Encumbrances" means (a) the lien of any real estate taxes, water and sewer charges, not yet due and payable; (b) those recorded easements, restrictions, liens and encumbrances set forth as exceptions in the Title Commitment and in the Title Policy to be issued by Title Company to Purchaser and approved by Purchaser in its sole discretion in connection with this Agreement; and (c) the Lease.

"Person" means any natural person, firm, corporation, partnership, limited liability company, other entity, state, political subdivision of any state, the United States of America, any agency or instrumentality of the United States of America, any other public body or other organization or association.

"Professional Fees" has the meaning set forth in Section 1.05.

"Property" or *"Properties"* has the meaning set forth in Section 1.01.

"Property Condition Report" has the meaning set forth in Section 2.06.

"Purchase Price" means the amount specified in Section 1.02.

"Real Property" has the meaning set forth in Section 1.01.

"Seller Documents" has the meaning set forth in Section 2.02.

"Survey" has the meaning set forth in Section 2.03.

"Title Commitment" has the meaning set forth in Section 2.01(a).

"Title Company" means First American Title Insurance Company located at 2425 E. Camelback Road, Suite 300, Phoenix, Arizona 85016, Attention: Kristin Brown, National Commercial Services, or an alternative title insurance company selected by Purchaser.

"Title Objection" has the meaning set forth in Section 2.01(d)(i).

"Title Policy" has the meaning set forth in Section 2.01(a).

"Transaction" has the meaning set forth in Section 1.01.

"Transaction Costs" means all out-of-pocket costs and expenses incurred in connection with the Transaction and the assignment of the Agreement from Bristol to Store or any other assignee of Bristol, including but not limited to (a) the procurement, or if the same is provided by Seller, the update of, the Property Condition Report, Environmental Report, Survey, Title Commitment, Title Policy, all Title Policy and all endorsements required by Purchaser and its lender, (b) the Valuation, (c) any mortgagee's title insurance policies required by Purchaser's lender and any mortgage taxes, (d) all taxes (including stamp taxes and transfer taxes), escrow, closing, transfer and recording fees. Transaction Costs expressly exclude Professional Fees.

"Transaction Documents" means this Agreement the Deed, the Non-Foreign Seller Certificate, the Assignment of Warranties, the Asset Purchase Agreement, and any and all documents referenced herein and therein, and such other documents, payments, instruments and certificates as are reasonably required by Purchaser and/or the Title Company.

"UST Regulations" means 40 C.F.R. § 298 Subpart H – Financial Responsibility, or any equivalent state law, with respect to petroleum underground storage tanks (as such term is defined under 40 C.F.R. § 290.12 or any equivalent state law).

"USTs" means any one or combination of tanks and associated product piping systems used in connection with storage, dispensing and general use of Hazardous Materials.

"Valuation" or *"Valuation"* has the meaning set forth in Section 2.05.

"Zoning Evidence" has the meaning set forth in Section 2.03.

PROPERTY ADDRESS / LEGAL DESCRIPTION

Street Address:

1001 E. Waterfront Drive, Munhall, PA 15120

Legal Description: To be provided by Seller or Title Company.

EXHIBIT C

NON-FOREIGN SELLER CERTIFICATE

STATE OF ___)
) ss:
COUNTY OF ___)

_____, being first duly sworn deposes and states under penalty of perjury:

- 1. That he/she is a _____ of _____, the transferor of the Property described on Schedule I attached hereto.
2. That the transferor's office address is at _____.
3. That the United States taxpayer identification number for the transferor is _____.
4. That the transferor is not a "foreign person" as that term is defined in Section 1445(f) of the United States Internal Revenue Code of 1986, as amended (the "Code").
5. That the transferor is not a disregarded entity as defined in § 1.1445-2(b)(2)(iii) of the regulations promulgated under the Code.

This affidavit is given to _____, a Delaware limited liability company, the transferee of the Property described in paragraph 1 above, for the purpose of establishing and documenting the non-foreign affidavit exemption to the withholding requirement of Section 1445 of the Code. The transferor understands that this affidavit may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

By: EXHIBIT - NOT FOR SIGNATURE _____
Name: ___
Title: ___

Subscribed and sworn to before me this ___ day of _____, 2___.

Notary Public: _____

(SEAL)

My Commission Expires: _____

Schedule I
to Non-foreign Seller Certificate

Street Address:

1001 E. Waterfront Drive, Munhall, PA 15120

Legal Description: To be provided by Seller or Title Company.

EXHIBIT D

ASSIGNMENT OF WARRANTIES

THIS ASSIGNMENT OF WARRANTIES (this "Assignment"), is made as of September __, 2018 by and between _____, a _____ ("Assignor") and **Bristol Metals, LLC, a Tennessee limited liability company** ("Assignee").

WITNESSETH:

WHEREAS, pursuant to the terms of that certain Purchase and Sale Agreement, dated as of _____, 2018, by and between Assignor and Assignee (the "Purchase Agreement"), Assignor agreed to sell to Assignee, *inter alia*, certain real property, the improvements located thereon and certain rights appurtenant thereto, all as more particularly described in the Purchase Agreement (collectively, the "Property"). Initially capitalized terms not otherwise defined herein shall have the respective meanings ascribed to such terms in the Purchase Agreement; and

WHEREAS, the Purchase Agreement provides, *inter alia*, that Assignor shall assign to Assignee rights to all guaranties and warranties relating to the Property and that Assignor and Assignee shall enter into this Assignment.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto hereby agree as follows:

1. Assignment of Warranties. Assignor hereby assigns, sets over and transfers to Assignee all of Assignor's right, title and interest in, to and under any and all guaranties and warranties in effect with respect to all or any portion of the Property as of the date hereof, if and only to the extent the same may be assigned or quitclaimed by Assignor without expense to Assignor. Assignee hereby accepts the foregoing assignment of guaranties and warranties.

2. Miscellaneous. This Assignment and the obligations of the parties hereunder shall survive the closing of the transaction referred to in the Purchase Agreement and shall not be merged therein, shall be binding upon and inure to the benefit of the parties hereto, their respective legal representatives, successors and assigns and may not be modified or amended in any manner other than by a written agreement signed by the party to be charged therewith.

3. Severability. If any term or provision of this Assignment or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Assignment or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Assignment shall be valid and enforced to the fullest extent permitted by law.

4. Counterparts. This Assignment may be executed in counterparts, each of which shall be an original and all of which counterparts taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the undersigned have executed this Assignment as of the date first set forth hereinabove.

ASSIGNOR:

_____, a _____

By: EXHIBIT – NOT FOR SIGNATURE

Name: _____

Title: _____

IN WITNESS WHEREOF, the undersigned have executed this Assignment as of the date first set forth hereinabove.

ASSIGNEE:

BRISTOL METALS, LLC, a Tennessee limited liability company

By: **EXHIBIT – NOT FOR SIGNATURE**

Name: _____

Title: _____

AGREEMENT TO DESIGNATE AND LEASE

THIS AGREEMENT TO DESIGNATE AND LEASE (this "Agreement") is made and entered into as of June ____, 2018 ("Effective Date"), by and between **STORE CAPITAL ACQUISITIONS, LLC**, a Delaware limited liability company ("Lessor"), and **SYNALLOY CORPORATION**, a Delaware corporation, on its own behalf and on behalf of Bristol Metals, LLC ("Lessee"). Except as otherwise expressly defined herein, capitalized terms will have the meanings set forth on Exhibit A attached hereto and incorporated herein by this reference. For and in consideration of the mutual covenants and promises hereinafter set forth, the parties hereby mutually covenant and agree as follows:

ARTICLE I

PURCHASE OF PROPERTY

Section 1.01. Agreement. The parties acknowledge and agree that (i) fee title to the Property is currently with Marcegaglia USA, Inc. (fka Damascus-Bishop Tube Company), a Pennsylvania corporation (the "Current Owner"); (ii) Bristol Metals, LLC, a Tennessee limited liability company ("Bristol"), an Affiliate of Lessee, is under contract to acquire the Property from the Current Owner pursuant to the Property Purchase Agreement; (iii) the obligations of Lessee under this Agreement may be satisfied by the Current Owner; and (iv) unless otherwise mutually agreed by Lessee and Lessor, Lessee shall cause Bristol to designate or nominate Lessor to take title to the Property pursuant to the terms of the Property Purchase Agreement and the closing under the Property Purchase Agreement and the Closing hereunder shall be simultaneous. Lessor agrees to purchase in accordance with the terms, conditions and stipulations set forth in this Agreement (the "Transaction"), all of Current Owner's right, title and interest in and to (a) the parcel or parcels of real property, as more particularly described on Exhibit B attached hereto, and any and all improvements thereon and appurtenances thereto (collectively, the "Real Property"); (b) all fixtures affixed thereto; (c) all plans, specifications and studies pertaining to the Real Property in Current Owner's possession or under its control; (d) all mineral, oil and gas rights, water rights, sewer rights and other utility rights allocated to the Real Property; and (e) all easements, licenses, privileges and other property interests belonging or appurtenant to the Real Property (all of the foregoing items in clauses (a) through (e) above, now or hereafter existing, collectively, the "Property").

Section 1.02. Purchase Price. The purchase price to be paid by Lessor to Current Owner for the Property is \$10,000,000 (the "Purchase Price"). The Purchase Price shall be paid by Lessor in immediately available federal funds at Closing.

Section 1.03. Lease of the Property. On or before the Closing Date, Lessee and Lessor shall agree upon a lease agreement, pursuant to which Lessor shall lease the Property at the rent and pursuant to the terms and conditions contained therein (the "Lease"). The Lease Agreement shall be, at the sole option of Lessor, (a) an amendment and restatement of the Existing Master Lease modifying (i) the definition of "Properties" to include the Property; (ii) the Base Annual Rental to reflect the inclusion of the Property; and (iii) such other terms reasonably deemed necessary by Lessor and Lessee to reflect the addition of the Property to the Existing Master Lease; or (b) a new single-site lease agreement substantially in the form of such Existing Master Lease with such revisions as are necessary to reflect the leasing of only the Property. At least seven (7) Business

Days prior to the Closing Date, Lessee shall obtain and deliver to Lessor the Lease Proof of Insurance.

Section 1.04. Prorations. Lessee currently pays all real property taxes, insurance, utilities and maintenance expenses relating to the Property as Lessee under the lease with the Current Owner and shall continue to pay all real property taxes, insurance, utilities, and maintenance expenses relating to the Property under the Lease; therefore, these costs and expenses shall not be prorated at Closing.

Section 1.05. Transaction Costs. Subject to Section 6.02(a) below, (a) Lessee shall be responsible for the payment of all Transaction Costs incurred by Lessee and Lessor in connection with the Transaction; and (b) Lessor and Lessee shall each be responsible for the payment of the fees and expenses of their respective legal counsel, accountants and other professional advisers ("Professional Fees").

The provisions of this Section shall survive Closing or termination of this Agreement for any reason.

ARTICLE II

DUE DILIGENCE

Section 2.01. Title Insurance.

(a) **Title Commitment and Title Policy.** Lessor shall order an owner's title insurance commitment (the "Title Commitment") with respect to the Property issued by the Title Company, for an ALTA Owner's Extended Coverage Title Insurance Policy, together with any endorsements that Lessor may reasonably require (collectively, the "Title Policy"). Lessor shall cause copies of the Title Commitment, all exception documents, and the Survey to be delivered to Lessee no later than the date upon which Lessor delivers its Title Objection for the Property, which shall be no later than the expiration of the Inspection Period. All costs related to the Title Policy, escrow fees and other closing costs shall be included in Transaction Costs, payable as set forth in Section 1.05.

(b) **Title Company.** The Title Company is hereby employed by the parties to act as escrow agent in connection with this Transaction. This Agreement shall be used as instructions to the Title Company, as escrow agent, which may provide its standard conditions of acceptance of escrow; *provided, however*, that in the event of any inconsistency between such standard conditions of acceptance and the terms of this Agreement, the terms of this Agreement shall prevail. The Title Company's receipt of this Agreement and the opening of an escrow pursuant to this Agreement shall be deemed to constitute conclusive evidence of the Title Company's agreement to be bound by the terms and conditions of this Agreement pertaining to the Title Company.

(c) **Title Company Actions.** The Title Company is authorized to pay, from any funds held by it for each party's respective credit, all amounts necessary to procure the delivery of any documents required by this Agreement to be delivered and to pay, on behalf of Lessor, all charges and obligations payable by them hereunder, respectively. Lessor will pay all charges payable by Lessee pursuant to this Agreement to the Title Company. The Title Company shall not cause the Transaction to close unless and until it has received written

instructions from Lessor and Lessee to do so. The Title Company is authorized, in the event any conflicting demand is made upon it concerning these instructions or the escrow, at its election, to hold any documents and/or funds deposited hereunder until an action shall be brought in a court of competent jurisdiction to determine the rights of Lessor or to interplead such documents and/or funds in an action brought in any such court. Deposit by the Title Company of such documents and funds, after deducting therefrom its reasonable charges, expenses and attorneys' fees incurred in connection with any such court action, shall relieve the Title Company of all further liability and responsibility for such documents and funds.

(d) **Title Objections.**

(i) Within seven (7) days after the Lessor's receipt of both a Title Commitment *and* Survey for the Property, Lessor shall notify Lessee in writing of Lessor's objection to any exceptions or other title matters shown on any Title Commitment or Survey. Lessor's title objections shall be limited to objections to the presence of any valid liens, claims, encumbrances, and/or security interests negatively affecting the Property (each, a "Title Objection"). At least five (5) days prior to the Closing Date, Lessee shall notify Lessor whether Current Owner will attempt to cure the Title Objections and which, if not all, Title Objections Current Owner will attempt to cure. Based on the response, Lessor may elect to (A) give Lessee additional time to allow Current Owner to cure, and the parties will delay Closing for the period of time necessary for Current Owner to attempt to cure, not to exceed 30 days beyond the original Closing Date, or (B) terminate the Agreement, in which event neither party will have any further obligations or liability hereunder, except for those obligations expressly stated to survive such termination. If Lessor elects to have Current Owner attempt to cure the Title Objections that Current Owner agreed to address, Lessee shall have the option to extend the Closing Date -- and the parties shall execute an amendment to this Agreement to that effect -- up to 30 days in order to cure such of those Title Objections Current Owner has agreed to cure. If Current Owner is unable to cure those Title Objections it has agreed to cure within the agreed-upon time period, then Lessor shall have the option, as its sole remedy, upon written notice to Lessee on or before the amended Closing Date, to terminate this Agreement, in which event neither party will have any further obligations or liability hereunder, except for those obligations expressly stated to survive such termination.

(ii) If any supplement to a Title Commitment or Survey discloses any additional title defects which were not created by or with the consent of Lessor, and which are not acceptable to Lessor, Lessor shall notify Lessee in writing of its objection thereto (each, an "Additional Title Objection") within five (5) days following receipt of such supplement or revision. If any Additional Title Objection is not removed or resolved to Lessor's satisfaction at least five (5) days prior to the Closing Date, then Lessor shall have the option, as its sole remedy, to terminate this Agreement upon written notice to Lessee on or before the Closing Date, in which event neither party will have any further obligations or liability hereunder, except for those obligations expressly stated to survive such termination.

(iii) Lessor's failure to timely deliver a Title Objection or an Additional Title Objection shall be deemed Lessor's acceptance of the matters disclosed by the Title Commitment and Survey. If Lessor does not terminate this Agreement by reason of any Title Objection or Additional Title Objection, as provided in this Section 2.01, then such Title

Objection or Additional Title Objection shall be deemed waived and approved by Lessor and shall thereafter be deemed a Permitted Encumbrance.

Section 2.02. Lessee Documents. Within ten (10) days following the Effective Date, Lessee shall deliver to Lessor the following items to the extent the same exist and are in Lessee's possession or under its control or available under the Property Purchase Agreement (collectively, the "Lessee Documents"): (a) all environmental reports related to the Property (including without limitation, Phase I and Phase II environmental investigation reports); (b) all appraisals or valuations related to the Property; (c) all guaranties and warranties in effect with respect to all or any portion of the Property; (d) all Property Condition Report related to the Property; and (e) all other documents related to the ownership, lease and operation of the Property, and reasonably requested by Lessor.

Section 2.03. Survey. Lessor shall order a current ALTA/ACSM "as built" survey as required for the Property from a surveyor selected by Lessor (the "Survey"), together with (a) evidence reasonably satisfactory to Lessor that the Property fully complies with all zoning ordinances of the Governmental Authority having jurisdiction over the Property ("Zoning Evidence"), and (b) evidence reasonably satisfactory to Lessor that none of the Property is within a 100-year flood plain or a "Special Flood Hazard Area" as designated by the Federal Emergency Management Agency. The Survey shall show all improvements and shall plot all exceptions shown on the Title Commitment (to the extent plottable), certified in favor of Lessor, any requested Affiliate of Lessor and Title Company in a manner reasonably acceptable to Lessor and prepared in accordance with the appropriate "ALTA/ACSM" minimum standards. The cost of the Survey shall be included in Transaction Costs, payable as set forth in Section 1.05.

Section 2.04. Environmental. Lessor shall order an update of the existing Phase I environmental investigation report for the Property (provided that the engineer can deliver an updated Phase I in a timely manner and at a cost savings), and if any environmental investigation report recommends additional subsurface investigation of the Property, Lessee shall seek the permission of Current Owner to permit Lessor to perform such additional subsurface investigation (each Phase I environmental investigation report and each additional subsurface investigation report, an "Environmental Report"), from an environmental inspection company selected by Lessor, detailing and analyzing certain aspects of the Property; *provided, however,* that, notwithstanding the foregoing, if Current Owner fails or refuses to permit any such additional subsurface investigation or is unwilling to obtain environmental insurance providing coverage acceptable to Lessor in its sole discretion, Lessee shall be deemed to have elected to terminate this Agreement, in which event neither party will have any further obligations or liability hereunder, except for those obligations expressly stated to survive such termination. The cost of the Environmental Reports shall be included in Transaction Costs, payable as set forth in Section 1.05.

Section 2.05. Valuation. Lessor shall order a current site inspection and valuation of the Property, separately stating values for the Real Property and improvements for the Property, from an appraiser selected by Lessor (the "Valuation"). Lessor shall provide to the appraiser any existing appraisals provided as part of the Lessee's Documents. Each Valuation shall be in form and substance acceptable to Lessor, and shall be certified to Lessor and any requested Affiliate of Lessor. The cost of the Valuation shall be included in Transaction Costs, payable as set forth in Section 1.05.

Section 2.06. Property Condition Report. Lessor shall order current property condition assessment and limited compliance audit for the Property from an inspection company selected

by Lessor (the "Property Condition Report"). Lessor shall provide to the inspection company any existing Property Condition Report provided as part of the Lessee's Documents. The Property Condition Report shall be in form and substance acceptable to Lessor, and shall be certified to Lessor and any requested Affiliate of Lessor. The cost of the Property Condition Report shall be included in Transaction Costs, payable as set forth in Section 1.05.

Section 2.07. Inspections.

(a) **Inspection Period.** From the Effective Date through Closing, during normal business hours and after reasonable advance notice (the "Inspection Period"), (a) Lessor may perform whatever investigations, tests and inspections (collectively, the "Inspections") with respect to the Property that Lessor deems reasonably appropriate; and (b) Lessee shall, at all reasonable times, (i) provide Lessor and Lessor's officers, employees, agents, advisors, attorneys, accountants, architects, and engineers with access to the Property, all drawings, plans, specifications and all engineering reports for and relating to the Property in the possession or under the control of Lessee, the files and correspondence relating to the Property, and the financial books and records relating to the ownership, lease (if applicable), operation, and maintenance of the Property, and (ii) allow such Persons to make such inspections, tests, copies, and verifications with respect to the Property as Lessor considers necessary. Lessor shall provide Lessee and Lessee at least one Business Days' notice in writing or by telephone in advance of its entry upon the Property for purposes other than visual inspections. No advance notice shall be required for visual inspections of the Property. Lessor shall not make or perform any borings or other physically invasive or destructive tests without Current Owner's prior written consent, which Lessee shall obtain and which shall not be unreasonably withheld, delayed or conditioned. Telephone notices, when permitted, shall be given to Lessee's representative for the Property, as follows (the "Property Representatives"):

Kevin Van Zandt , kvanzandt@brismet.com, 812-701-7878

(b) **Insurance.** Prior to any entry onto the Property, Lessor shall ensure that each of Lessor's representatives and vendors maintains comprehensive general liability insurance with commercially reasonable coverage considering the activities of such party.

(c) **Lessor's Indemnity.** Lessor shall not make any physical changes to the Property (other than soil borings as reasonably approved by Lessee) and shall indemnify and hold harmless Lessee from and against (i) all physical damage to the Property caused by Lessor's tests and investigations, (ii) all loss, liability or damage suffered or incurred by Lessee arising out of or resulting from injury or death to individuals or damage to personal property caused by the tests and investigations conducted by, or at the direction of, Lessor, and (iii) all reasonable costs and expenses (including reasonable attorneys' fees and disbursements) incurred by Lessee in connection with any action, suit, proceeding, demand, assessment or judgment incident to the foregoing, except to the extent (in each case) such loss, liability or damage arises out of Lessee's negligence or intentional acts or omissions. Lessor's obligations to indemnify Lessee pursuant to this Section 2.07(c) and Lessor's obligations to return the Information to Lessee pursuant to Section 2.08 shall survive the termination of this Agreement.

(d) **Confidentiality.** Prior to the Closing, Lessor shall hold all information concerning the Property obtained by Lessor (the "Information") in confidence and shall not at any time disclose or permit the disclosure of the Information to any Person without Lessee's prior written consent provided, however, Lessor shall at all times be allowed to disclose or permit the disclosure of the Information in furtherance of any reasonable business purpose designed to aid Lessor in its decision to purchase the Property. Notwithstanding the foregoing, (i) Lessor may disclose the Information to its legal counsel, accountants, lenders, existing and prospective investors, consultants, advisors and other Persons who need to review the Information in connection with Lessor's evaluation and purchase of the Property in accordance with the terms of this Agreement, (ii) the provisions of this Section 2.07(d) shall not apply to any portions of the Information that (a) were rightfully and without restriction known to Lessor prior to disclosure hereunder, (b) are independently developed by Lessor without reliance on any Information, or (c) are available from public sources other than through the actions of Lessor or its agents, and (iii) Lessor may disclose the Information to the extent that such disclosure is required by law, regulation or court order, but Lessor first shall provide written notice thereof to Lessee. Neither Lessee nor Lessor shall make any public announcements concerning the sale of the Property pursuant to this Agreement without first obtaining the prior written consent of the other except that Lessor may make any disclosures required by applicable law, court order or Governmental Authority.

Section 2.08. Lessor's Right to Terminate. Notwithstanding any provision contained herein, in addition to its right to terminate this Agreement as set forth in Section 2.01(d), if (a) Lessor determines, in its sole discretion, that the Property is not satisfactory, and Lessor provides written notice thereof to Lessee on or before expiration of the Inspection Period, or (b) Lessor and Lessee are unable to agree upon the terms and conditions of the Lease as provided in Section 1.03, or (c) Lessor fails to obtain the approval of any material change to the terms of the Transaction from Lessor's Investment Committee prior to Closing, then Lessor shall have the option to terminate this Agreement, in which event neither party will have any further obligations or liability hereunder, except for those obligations expressly stated to survive such termination. For the sake of clarity, in case of termination of the Agreement pursuant to this Section 2.08, Lessor shall not be entitled to any indemnification by Lessee, including pursuant to Section 7.04 - which provides for Seller's indemnity obligation in favor of the Purchaser enforceable by Purchaser only after Closing of the Transaction. If this Agreement is terminated for any reason by either party, Lessor agrees, within 15 days after the date of termination to deliver to Lessee copies of all title reports, Title Commitment, Survey, written geotechnical engineering reports and written environmental reports prepared by third parties for Lessor during the period of time in which this Agreement is in effect provided that Lessee pays all costs due, and to return to the Lessee all written materials concerning the Property previously delivered by Lessee to Lessor pursuant to this Agreement or otherwise. All third party reports and studies shall be delivered to Lessee for information only without any right to rely thereon and without any representation or warranty of any type.

ARTICLE III

CLOSING

Section 3.01. Closing Date. Subject to the provisions of Article V of this Agreement, the closing date of the Transaction contemplated by this Agreement (the "Closing") shall be set by mutual agreement of Lessee and Lessor and shall be the closing date under the Asset Purchase Agreement (the "Closing Date"); *provided, however,* that the Closing Date shall not extend beyond

the Closing Deadline. The parties shall deposit with the Title Company all documents (including without limitation, the executed Transaction Documents) as necessary to comply with the parties' respective obligations hereunder on or before the Closing Date or as otherwise mutually agreed upon by the parties. The parties shall deposit all funds required hereunder with the Title Company on or before the Closing Date.

Section 3.02. Funding. Notwithstanding any provision contained in this Agreement, funding of the Transaction by Lessor shall be contingent upon the delivery of the executed Transaction Documents, satisfaction of the conditions precedent set forth herein and in the other Transaction Documents, and confirmation by Lessor's counsel that it or the Title Company has possession of all Transaction Documents required by Lessor.

Section 3.03. Possession. Possession of the Property, free and clear of all tenants or other parties in possession, except in accordance with the Lease, shall be delivered to Lessor on the Closing Date.

ARTICLE IV

REPRESENTATIONS WARRANTIES AND COVENANTS

Section 4.01. Lessee. Lessee represents and warrants to, and covenants with, Lessor as follows:

(a) **Organization and Authority.** Lessee is duly organized or formed, validly existing and in good standing under the laws of its state of formation or incorporation, and is qualified as a foreign entity to do business in any jurisdiction where such qualification is required. Lessee has all requisite power and authority to operate the Property, to execute, deliver and perform its obligations under this Agreement and all of the other Transaction Documents, and to carry out the Transaction. The Person who has executed this Agreement on behalf of Lessee has been duly authorized to do so.

(b) **Enforceability of Documents.** Upon execution by Lessee, this Agreement and the other Transaction Documents to which it is a party, shall constitute the legal, valid and binding obligations of Lessee, enforceable against Lessee in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium, or other similar laws relating to or affecting the rights of creditors generally, or by general equitable principles.

(c) **No Other Agreements and Options.** Neither Lessee nor the Property is subject to any commitment, obligation, or agreement, including, without limitation, any right of first refusal, option to purchase or lease granted to a third party, which could or would (i) prevent Lessee from completing, or impair Lessee's ability to complete the leasing of the Property pursuant to the Lease, or (ii) bind Lessor subsequent to consummation of the Transaction. Except the current lease between Current Owner and Lessee and as otherwise disclosed by Lessee in writing to Lessor, there is no lease in place, nor has there been any lease in place within the last twelve (12) months of the Effective Date, related to all or any part of the Property, even if any such lease will be terminated upon Closing.

(d) **No Violations.** The authorization, execution, delivery and performance of this Agreement and the other Transaction Documents will not (i) violate any provisions of the

organizational or other charter documents of Lessee, (ii) result in a violation of or a conflict with, or constitute a default (or an event which, with or without due notice or lapse of time, or both, would constitute a default) under any other document, instrument or agreement to which Lessee is a party or by which Lessee, the Property or the Property of Lessee are subject or bound, (iii) result in the creation or imposition of any Lien, restriction, charge or limitation of any kind, upon Lessee or the Property, or (iv) violate any law, statute, regulation, rule, ordinance, code, rule or order of any court or Governmental Authority applicable to Lessee or the Property.

(e) **Compliance.** To Lessee's actual knowledge, Lessee's use and occupation of the Property, and the condition thereof, is not in legal violation of any (i) Legal Requirements, (ii) all restrictions, covenants and encumbrances of record with respect to the Property, and (iii) all agreements, contracts, insurance policies (including, without limitation, to the extent necessary to prevent cancellation thereof and to insure full payment of any claims made under such policies), agreements and conditions applicable to the Property or the ownership, operation, use or possession thereof. No Lessee Entity has received any notification that it or the Property is in violation of any of the foregoing, including without limitation, the Legal Requirements.

(f) **Compliance with Anti-Terrorism, Embargo, Sanctions and Anti-Money Laundering Laws.** Without in any way limiting the provisions of Section 4.01(e), Lessee, and to the best of Lessee's knowledge, each of the Lessee Entities is not currently identified on the OFAC List, and is not a Person with whom a citizen of the United States is prohibited from engaging in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or executive order of the President of the United States.

(g) **Litigation.** Lessee has received no service of process for any claim or proceeding, has received no other notice of, and has no actual knowledge of, any legal, administrative, arbitration or other proceeding, claim or action of any nature or investigation pending or involving or, to the best of Lessee's knowledge, threatened against, Lessee, the Lessee Entities or the Property before any Governmental Authority, except as has been disclosed in writing by Lessee, which in any way adversely affects or may adversely affect the Property, the business performed and to be performed on the Property, the condition, worth or operations of any of the Lessee Entities, or the ability of any of the Lessee Entities to perform under this Agreement or any other Transaction Documents, or which questions or challenges any of the Lessee's Entities' participation in the Transaction contemplated by this Agreement or any other Transaction Document.

(h) **No Mechanics' Liens.** To Lessee's actual knowledge, there are no outstanding accounts payable, mechanics' liens, or rights to claim a mechanics' lien in favor of any materialman, laborer, or any other Person in connection with labor or materials furnished to or performed on any portion of the Property, which will not have been fully paid for on or before the Closing Date or, to Lessee's knowledge, which might provide the basis for the filing of such liens against the Property or any portion thereof. No work has been performed or is in progress nor have materials been supplied to the Property or agreements entered into for work to be performed or materials to be supplied to the Property prior to the date hereof, which will not have been fully paid for on or before the Closing Date or which might provide the basis for the filing of such liens against the Property or any portion thereof. To the extent that Lessee has ordered such work or the delivery of such materials, Lessee

shall be responsible for any and all claims for mechanics' liens and accounts payable that have arisen or may subsequently arise due to agreements entered into for and/or any work performed on, or materials supplied to the Property prior and subsequent to the Closing Date, and Lessee shall and does hereby agree to defend, indemnify and forever hold Lessor and Lessor's designees harmless from and against any and all such mechanics' lien claims, accounts payable or other commitments relating to the Property.

(i) **Licenses and Permits.** Lessee possesses, and upon Closing, Lessee will possess, all required licenses, permits and other authorizations, both governmental and private, presently required by applicable provisions of law, including statutes, regulations and existing judicial decisions, and by the property and contract rights of third persons, necessary to permit the operation of the business in the manner in which it presently is conducted at the Property.

(j) **Intellectual Property.** Lessee possesses, and upon Closing, Lessee will possess and have the right to use all intellectual property, licenses and other rights as are material and necessary for the conduct of business at the Property.

(k) **Environmental.**

(i) To Lessee's actual knowledge, the Property is not in violation of any Hazardous Materials Laws and there is no non-compliance dating from March 1, 2017 to the present with Hazardous Materials Laws, or with permits issued pursuant thereto, in connection with the Property.

(ii) Other than the Consent Order, no written or oral notice or other communication from any Person (including but not limited to a Governmental Authority) relating to Hazardous Materials or USTs, or remediation thereof, of possible liability of any Person (including without limitation, Lessee) pursuant to any Hazardous Materials Law, other environmental conditions in connection with the Property, or any actual or potential administrative or judicial proceedings in connection with any of the foregoing has been received by a Lessee Entity.

(l) **Financial Statements.** The financial statements concerning the Lessee Entities delivered by or on behalf of Lessee to Lessor are true, correct and complete in all respects, and no adverse change has occurred with respect to such financial statements, since the date such financial statements were prepared or delivered to Lessor. Lessee understands that Lessor is relying upon such financial statements and Lessee represents that such reliance is reasonable. All such financial statements were prepared in accordance with generally accepted accounting principles consistently applied and accurately reflect, as of the date of this Agreement and the Closing Date, the financial condition of each individual or entity to which they pertain.

(m) **Solvency.** There is no contemplated, pending or threatened Insolvency Event or similar proceedings, whether voluntary or involuntary, affecting the Lessee Entities, or to Lessee's knowledge, any of their respective members, partners, shareholders, or Affiliates.

(n) **Satisfaction of Conditions Precedent.** From the Effective Date through the Closing Date, Lessee shall use its best efforts to satisfy all conditions set forth in Section 5.01 of this Agreement on or prior to the Closing Date.

(o) **No Bankruptcy Petition.** Lessee hereby agrees that it shall not institute against, or join any other Person in instituting against, Lessor, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding, or any other proceeding under any federal or state bankruptcy or similar law. The provisions of this Section shall survive the Closing or termination of this Agreement. Notwithstanding the foregoing, the provisions of this Section shall in no way limit any other rights Lessee may have with respect to this Agreement, either at law or in equity.

(p) **Limitations on Lessee's Liability for Representations and Warranties.** Lessee's liability for a misrepresentation or breach of warranty under this Agreement shall be subject to the following limitations:

(i) Lessee's representations and warranties are for the personal benefit of the Lessor and no such representation or warranty may be assigned to or enforced by any other Person, except any permitted assignee or any assignee consented to by Lessee.

(ii) Whenever a representation or warranty is made in this Agreement on the basis of the best knowledge or the actual knowledge of Lessee or words of similar import, or whether Lessee has received written notice, such representation or warranty is made with the exclusion of any facts disclosed to or otherwise actually know by Lessor before the expiration of the Inspection Period, and is made solely on the basis of the actual, as distinguished from implied, imputed or constructive, knowledge on the date that such representation or warranty is made, of the applicable Property Representative for the relevant Property, whom Lessee represents to be the representative of Lessee having responsibility for the management and sale of the Property and accordingly the individual responsible for being informed of matters relevant to this Agreement, without independent investigation or inquiry, and without attribution to said applicable Property Representative of facts and matters otherwise within the personal knowledge of any other agent or employees of Lessee or any other Person, and excluding, whether or not actually known by the applicable Property Representative, any matter actually known to Lessor, in writing or otherwise, as of the expiration of the Inspection Period. Lessor and Lessee acknowledge that the individual(s) named above are named solely for the purpose of defining and narrowing the scope of the Lessee's and the Lessor's knowledge and not for the purpose of imposing any liability on or creating any duties running on the part of such individual(s). Lessor and Lessee covenant that no action of any kind will be brought against such individual(s) related to or arising out of this Agreement. Lessor's knowledge of a misrepresentation or breach of warranty by Lessee shall not release Lessee from liability for such breach or misrepresentation except as otherwise provided in paragraphs (iii) and (iv) below.

(iii) If, before the Closing Date, Lessor obtains actual knowledge that any of the Lessee's representations or warranties is inaccurate and Lessor nonetheless proceeds with the Closing, Lessee shall not have any liability for any such matter regarding which Lessor had actual knowledge before the Closing Date.

(iv) All representations and warranties of Lessee made in this Agreement shall be true as of the date of this Agreement, shall be deemed to have been made again at and as of the Closing Date, shall be true at and as of the Closing Date, and, together with the covenants made by Lessee herein, shall survive Closing for a period of one (1) year.

(v) Other than the representations and warranties set forth herein, neither Lessee nor any other agent, partner, employee, or representative of Lessee has made any representation or warranty regarding the physical condition of the Property, or any part thereof, or anything relating to the subject matter of this Agreement.

Section 4.02. Lessor. Lessor represents and warrants to, and covenants with, Lessee as follows:

(a) **Organization and Authority.** Lessor is duly organized, validly existing and in good standing under the laws of its state of formation. Lessor has all requisite power and authority to execute, deliver and perform its obligations under this Agreement and all of the other Transaction Documents to which it is a party and to carry out the Transaction. The Person who has executed this Agreement on behalf of Lessor has been duly authorized to do so.

(b) **Enforceability of Documents.** Upon execution by Lessor, this Agreement and the other Transaction Documents to which it is a party, shall constitute the legal, valid and binding obligations of Lessor, enforceable against Lessor in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium, or other similar laws relating to or affecting the rights of creditors generally, or by general equitable principles.

(c) **No Violations.** The authorization, execution, delivery and performance of this Agreement and the other Transaction Documents will not (i) violate any provisions of the any applicable organizational or other charter documents of Lessor, (ii) result in a violation of or a conflict with, or constitute a default (or an event which, with or without due notice or lapse of time, or both, would constitute a default) under any other document, instrument or agreement to which Lessor is a party or by which Lessor is subject or bound, (iii) result in the creation or imposition of any Lien, restriction, charge or limitation of any kind, upon Lessor, or (iv) violate any law, statute, regulation, rule, ordinance, code, rule or order of any court or Governmental Authority applicable to Lessor.

(d) **Litigation.** There are no actions or proceedings pending against or involving Lessor before any Governmental Authority which in any way adversely affect or may adversely affect Lessor or Lessor's ability to perform under this Agreement and the other Transaction Documents to which it is a party.

(e) **Satisfaction of Conditions Precedent.** From the Effective Date through the Closing Date, Lessor agrees to use its best efforts to satisfy all conditions set forth in Section 5.02 of this Agreement on or prior to the Closing Date.

(f) **Lessor's Investigation.** As a material inducement to Lessee to enter into this Agreement and to sell the Property to Lessor, Lessor represents and warrants to Lessee that Lessor is a sophisticated investor with substantial experience in purchasing real property

similar to the Property and Lessor will have the right to examine and inspect the physical nature and condition of the Property, including environmental conditions.

All representations and warranties of Lessor made in this Agreement shall be true as of the date of this Agreement, shall be deemed to have been made again at and as of the Closing Date, shall be true at and as of the Closing Date, and, together with the covenants made by Lessor herein, shall survive Closing for a period of one (1) year.

ARTICLE V

CONDITIONS PRECEDENT TO CLOSING

Section 5.01. Lessor's Conditions to Closing. Lessor shall not be obligated to close and fund the Transaction until the fulfillment (or written waiver by Lessor) of all of the following conditions:

(a) Lessee shall have delivered, or caused to be delivered by Bristol or Current Owner, to Lessor or the Title Company, as applicable, the following items:

(i) The Deed;

(ii) Such documents evidencing the legal status and good standing of Lessee that may be required by Lessor and/or the Title Company for issuance of the Title Policy, including, without limitation, certificates of good standing;

(iii) Fully executed originals of an Assignment of Warranties in the form of Exhibit D, attached hereto, or if not assignable, evidence satisfactory to Lessor that it will receive coverage or protection acceptable to Lessor for the matters covered by such warranties, in either case, to the extent required by Lessor (the "Assignment of Warranties"), and all of the other Transaction Documents to which it is a party;

(iv) A duly executed affidavit from Lessee stating that Lessee is not a "foreign person" as defined in the Federal Foreign Investment in Real Property Tax Act of 1980 and 1984 Tax Reform Act, in the form attached hereto as Exhibit C (collectively, "Non-Foreign Seller Certificate");

(v) Closing settlement statements approved by Lessee and Lessor to reflect the credits, proration, and adjustments contemplated by or specifically provided for in this Agreement; and

(vi) All documents required to be delivered by this Agreement and the other Transaction Documents and as may otherwise be required in order to fully and legally close this Transaction.

(b) Lessee shall have delivered to Lessor or the Title Company, as applicable, the following items:

(i) Fully executed originals of (A) the Lease, together with fully executed originals of memorandum thereof for all of the Property (collectively, the "Memorandum of Lease"), and (B) all of the other Transaction Documents to which it is a party;

(ii) Certificates evidencing the insurance coverage, limits and policies to be carried by Lessee under and pursuant to the terms of the Lease, on the forms and containing the information required by Lessor, as landlord ("Lease Proof of Insurance");

(iii) A certificate of an officer, manager or general partner, as applicable, of Lessee, together with copies of Lessee's (A) articles of organization or certificate of formation, as applicable, amended to date; (B) operating agreement, bylaws or partnership agreement, as applicable, amended to date; (C) resolutions authorizing the Transaction and the execution of this Agreement and the other Transaction Documents, and identifying the Person(s) authorized to execute this Agreement and the other Transaction Documents; and (D) certificates of good standing or similar documents from the state in which Lessee was organized or formed, and original certificates of qualification or similar documents from the state where the Property is located;

(iv) Closing settlement statements approved by Lessee and Lessor to reflect the credits, prorrations, and adjustments contemplated by or specifically provided for in this Agreement;

(v) To the extent not previously provided, the most recent financial statements available for the Lessee Entities; and

(vi) All documents required to be delivered by this Agreement and the other Transaction Documents and as may otherwise be required in order to fully and legally close this Transaction.

(c) Lessor shall have received the Title Commitment and the Title Company's irrevocable commitment to insure title by means of the Title Policy.

(d) Lessor shall have received evidence of the occurrence of the closing or satisfaction of all conditions for closing under the Asset Purchase Agreement and the Property Purchase Agreement, which shall each close on June 29, 2018 with an effective date of July 1, 2018 at 12:01am local time.

(e) Lessor shall have received evidence of Current Owner's and Lessee's compliance with the notice provisions of the Consent Order with respect to the conveyance of the Property to Lessor.

(f) There shall have been no material adverse change in the financial condition of Lessee or the Property from the Effective Date.

(g) All representations and warranties of Lessee set forth herein shall have been true and correct in all respects when made, and all covenants, agreements and conditions required to be performed or complied with by Lessee prior to or at the time of Closing in connection with the Transaction shall have been duly performed or complied with by Lessee prior to or at such time or waived in writing by Lessor.

(h) No event shall have occurred or condition shall exist which would, upon the Closing Date, or, upon the giving of notice and/or passage of time, constitute a breach or default hereunder or under any other Transaction Document, or any other agreements between or among Lessor or Lessee.

(i) Current Owner and Lessee shall have caused all leases and, unless otherwise agreed to in writing by Lessor, all subleases of any or all of the Property and any other documents affecting the Property existing at Closing, at Lessor's sole option, to be cancelled as of the Closing Date or subordinated to the Lease pursuant to subordination agreements in form and substance satisfactory to Lessor.

Upon the fulfillment or Lessor's written waiver of all of the above conditions, Lessor shall deposit funds necessary to close this Transaction with the Title Company and this Transaction shall close in accordance with the terms and conditions of this Agreement. Unless otherwise agreed, all of the documents to be delivered at Closing shall be dated as of the Closing Date.

Section 5.02. Lessee's Conditions Precedent to Closing. Lessee shall not be obligated to close the Transaction until the fulfillment (or written waiver by Lessee) of all of the following conditions:

(a) Lessor shall have delivered to the Title Company the Purchase Price, as adjusted pursuant to the requirements of this Agreement;

(b) Lessor shall have caused to be executed and delivered to the appropriate Persons fully executed originals of all Transaction Documents, including without limitation, the Assignment of Warranties;

(c) Lessor and Lessee shall have approved the Title Company settlement statements that reflect the credits, prorations, and adjustments contemplated by or specifically provided for in this Agreement;

(d) Current Owner and Lessee shall have satisfied all conditions for closing under the Asset Purchase Agreement and the Property Purchase Agreement, which shall each close on June 29, 2018 with an effective date of July 1, 2018 at 12:01 a.m. local time;

(e) Lessor shall have delivered to Lessee and/or the Title Company such other documents as may reasonably be required in order to fully and legally close this Transaction; and

(f) All representations and warranties of Lessor set forth herein shall have been true and correct in all respects when made, and all covenants, agreements and conditions required to be performed or complied with by Lessor prior to or at the time of Closing in connection with the Transaction shall have been duly performed or complied with by Lessor prior to or at such time or waived in writing by Lessee.

(g) No event shall have occurred or condition shall exist which would, upon the Closing Date, or, upon the giving of notice and/or passage of time, constitute a breach or default hereunder or under any Transaction Document, or any other agreements between or among Lessor or Lessee.

(h) All covenants, agreements and conditions required to be performed or complied with by Lessor prior to or at the time of Closing in connection with the Transaction shall have been duly performed or complied with by Lessor or waived in writing by Lessee prior to or at such time.

Section 5.03. Joint Conditions Precedent to Closing. Lessor and Lessee acknowledge that on or about September 29, 2000, Damascus Tube Company, Inc. entered into a Consent Order and Agreement with the Commonwealth of Pennsylvania, Department of Environmental Protection concerning the remediation and reuse of some or all of the Property (the "Consent Order"). Notwithstanding any other provision of this Agreement, neither Lessor nor Lessee shall be obligated to close and/or fund the Transaction until the terms and obligations of the Consent Order have been satisfied as they may relate to the Transaction, including without limitation any prospective requirements, conditions, terms, or the like which may need to be established. Lessee shall use commercially reasonable efforts to satisfy this joint condition to Closing, and Lessor shall take commercially reasonable steps to cooperate in that regard.

ARTICLE VI

DEFAULTS; REMEDIES

Section 6.01. Default. Each of the following shall be deemed an event of default (each, an "Event of Default"):

- (a) If any representation or warranty of Lessee or Lessor set forth in this Agreement or any other Transaction Document is false in any material respect or if Lessee or Lessor render any false statement;
- (b) If Lessee or Lessor fails to perform any of its obligations under this Agreement; or
- (c) If any Insolvency Event shall occur with respect to any Lessee Entity or Lessor.

Section 6.02. Remedies. Upon any Event of Default, the non-defaulting parties shall be entitled to exercise, at their option and as their sole and exclusive remedy, one of the following remedies:

(a) Following:

(i) an Event of Default by Lessee, Lessor may terminate this Agreement by giving written notice to the other parties hereto and Lessor shall recover from Lessee all reasonable and verified out-of-pocket costs and expenses incurred by Lessor hereunder (including without limitation, the Transaction Costs, any other due diligence costs, and the reasonable and verified fees and costs of legal counsel or other advisors), in which event no party will have any further obligations or liability hereunder, except for those obligations expressly stated to survive such termination, and

(ii) an Event of Default by Lessor, Lessee may terminate this Agreement by giving written notice to the other parties hereto and Lessee shall recover from Lessor all reasonable and verified out-of-pocket costs and expenses incurred by Lessee hereunder (including without limitation, the Transaction Costs, any other due diligence costs, and the reasonable and verified fees and costs of legal counsel or other advisors), in which event no party will have any further obligations or liability hereunder, except for those obligations expressly stated to survive such termination; or

(b) The non-defaulting party or parties, as applicable, may waive the Event of Default and proceed with the Closing.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Transaction Characterization.

(a) Lessor and Lessee intend that all components of the Transaction shall be considered a single integrated transaction and shall not be severable.

(b) The parties intend that the conveyance of the Property to Lessor be an absolute conveyance in effect as well as form, and that the instruments of conveyance to be delivered at Closing shall not serve or operate as a mortgage, equitable mortgage, deed of trust, security agreement, trust conveyance or financing or trust arrangement of any kind, nor as a preference or fraudulent conveyance against any creditors of Lessee. After the execution and delivery of the Deed, Lessee will have no legal or equitable interest or any other claim or interest in the Property. Lessor and Lessee also intend for the Lease to be a true lease and not a transaction creating a financing lease, capital lease, equitable mortgage, mortgage, deed of trust, security interest or other financing arrangement, and the economic realities of the Lease are those of a true lease. Notwithstanding the existence of the Lease, no party shall contest the validity, enforceability or characterization of the sale and purchase of the Property by Lessor pursuant to this Agreement as an absolute conveyance, and the parties shall support the intent expressed herein that the purchase of the Property by Lessor pursuant to this Agreement provides for an absolute conveyance and does not create a joint venture, partnership, equitable mortgage, trust, financing device or arrangement, security interest or the like, if, and to the extent that, any challenge occurs.

(c) Each of the parties hereto agrees that it will not, nor will it permit any Affiliate to, at any time, take any action or fail to take any action with respect to the preparation or filing of any statement or disclosure to Governmental Authority, including without limitation, any income tax return (including an amended income tax return), to the extent that such action or such failure to take action would be inconsistent with the intention of the parties expressed in this Section 7.01.

Section 7.02. Risk of Loss.

(a) **Condemnation.** If, prior to Closing, action is initiated to take the Property, or any portion thereof, by eminent domain proceedings or by deed in lieu thereof, Lessor may elect at or prior to Closing, to (i) terminate this Agreement, in which event neither party will have any further obligations or liability hereunder, except for those obligations expressly stated to survive such termination, or (ii) proceed to close, in which event all of Current Owner's assignable right, title and interest in and to the award of the condemning authority shall be assigned to Lessor at the Closing and there shall be no reduction in the Purchase Price.

(b) **Casualty.** Subject to the existing lease between Lessee and Current Owner, Lessee assumes all risks and liability for damage to or injury occurring to the Property by fire, storm, accident, or any other casualty or cause until the Closing has been consummated.

If the Property, or any part thereof, suffers any damage prior to the Closing from fire or other casualty, which Lessee, at its sole option, does not elect to fully repair, Lessor may elect at or prior to Closing, to (i) terminate this Agreement, in which event neither party will have any further obligations or liability hereunder, except for those obligations expressly stated to survive such termination, or (ii) consummate the Closing, in which event all right, title and interest in and to the proceeds of any insurance covering such damage (less an amount equal to any expense and costs reasonably incurred by Current Owner or Lessee to repair or restore the Property, which shall be payable to Lessee upon Lessee's delivery to Lessor of satisfactory evidence thereof), to the extent that the amount of such insurance does not exceed the Purchase Price, shall be assigned to Lessor at Closing, and Lessor shall be entitled to a credit in the amount of Current Owner's deductible at Closing.

(c) **Maintenance of the Property and Insurance.** From the Effective Date until Closing, Lessee shall continue to maintain the Property or cause the Property to be maintained in good condition and repair, and shall continue to maintain or cause to be maintained all insurance for the Property in the same or greater amounts, with the same or greater coverage, and subject to the same or lower deductibles as in existence as of the Effective Date.

Section 7.03. Notices. All notices, demands, designations, certificates, requests, offers, consents, approvals, appointments and other instruments given pursuant to this Agreement (collectively called "Notices") shall be in writing and given by (a) hand delivery, (b) express overnight delivery service, (c) email transmission, or (d) certified or registered mail, return receipt requested, and shall be deemed to have been delivered upon (i) receipt, if hand delivered, (ii) the next Business Day, if delivered by a reputable express overnight delivery service, (iii) receipt of confirmation of email, if delivered by email, or (iv) the third Business Day following the day of deposit of such notice with the United States Postal Service, if sent by certified or registered mail, return receipt requested. Notices shall be provided to the parties and addresses (or email addresses, as applicable) specified below:

If to Lessee: Synalloy Corporation
Bristol Metals, LLC
4510 Cox Road, Suite 201
Glen Allen, VA 23060
Attention: Craig Bram
Email: cbram@synalloy.com

With a copy to: LeClairRyan
Attention: Lori H. Schweller, Esq.
123 East Main Street, Eighth Floor
Charlottesville, VA 22903
(434) 245-3448 Direct
(804) 296-0905 Fax
(804) 248-8700 Mobile
LSchweller@leclairryan.com

If to Lessor: STORE Capital Acquisitions, LLC
8501 E. Princess Drive, Suite 190
Scottsdale, AZ 85255
Attention: Asset Management
Email: customerservice@storecapital.com

With a copy to: Kutak Rock LLP
1801 California Street, Suite 3000
Denver, CO 80202
Attention: Nathan Humphrey, Esq.
Email: nathan.humphrey@kutakrock.com

or to such other address or such other Person as either party may from time to time hereafter specify to the other party in a notice delivered in the manner provided above. Whenever in this Agreement the giving of Notice is required, the giving thereof may be waived in writing at any time by the Person or Persons entitled to receive such Notice.

A copy of any Notice delivered pursuant to this Section shall also contemporaneously be delivered in the manner herein specified to any mortgagee or assignee of Lessor's interest which shall have duly notified Lessee in writing of its name and address.

Section 7.04. Assignment. Lessor may assign its rights under this Agreement in whole or in part at any time to an Affiliate of Lessor if the assignee assumes all liability and obligations of Lessor under this Agreement and Lessee and Escrow Agent are given written notice of such assignment (together with a copy of the instrument of assignment). Upon any unconditional assignment of Lessor's entire right and interest hereunder to an Affiliate of Lessor, Lessor shall automatically be relieved, from and after the date of such assignment, of liability for the performance of any obligation of Lessor contained herein. Lessee shall not, without the prior written consent of Lessor, which consent may be withheld in Lessor's sole discretion, sell, assign, transfer, mortgage, convey, encumber or grant any easements or other rights or interests of any kind in the Property or any of Lessee's rights under this Agreement.

Section 7.05. Indemnity. Following Closing of the Transaction and without prejudice to the provisions under Section 4.01(p), which shall limit Lessee's liability under this Section 7.05, Lessee shall indemnify, defend and hold harmless Lessor and its Affiliates, and their respective officers, directors, shareholders, managers, members, employees, representatives, successors and assigns, as applicable (collectively, the "Indemnified Parties"), from and against any and all Losses of any nature arising from or connected with the ownership and operation of the Property prior to the Closing Date. Without limiting the generality of the foregoing, such indemnity shall include, without limitation, any Losses incurred with respect to any engineering, governmental inspection and attorneys' fees and expenses that the Indemnified Parties may incur by reason of any environmental condition and/or any representation or warranty set forth in Section 4.01(n) being false, or by reason of any investigation or claim of any Governmental Authority in connection therewith. The obligations under this Section 7.05(a) shall survive Closing for a period of three (3) years.

Section 7.06. Brokerage Commission. Each of the parties represents and warrants to the other that neither party has dealt with, negotiated through or communicated with any broker in connection with this Transaction. Each party shall indemnify, defend and hold harmless the other party from and against any and all claims, loss, costs and expenses, including reasonable attorneys' fees, resulting from any claims that may be made against the indemnified party by any broker claiming a commission or fee by, through or under such indemnifying party. The parties' respective obligations under this Section 7.06 shall survive Closing or termination of this Agreement.

Section 7.07. Reporting Requirements. The parties agree to comply with any and all reporting requirements applicable to the Transaction which are set forth in any law, statute, ordinance, rule, regulation, order or determination of any Governmental Authority, and further agree upon request, to furnish the other party with evidence of such compliance.

Section 7.08. Disclosures. Except as expressly set forth in Sections 7.07 and 7.16 and this Section 7.08 and as required by law or judicial action, prior to Closing neither Lessee nor Lessor will make any public disclosure of this Agreement or the other Transaction Documents, the Transaction or the provisions of the Transaction Documents without the prior consent of the other party hereto. The parties further agree that, notwithstanding any provision contained in this Agreement, any party (and each employee, representative or other agent of any party) may disclose to any and all Persons, without limitation of any kind, any matter required under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

Section 7.09. Time is of the Essence. The parties hereto expressly agree that time is of the essence with respect to this Agreement. The Inspection Period, which is also the time period for examining and objecting to Title Commitment and Survey, can be extended only by written amendment to this Agreement.

Section 7.10. Non-Business Days. If the Closing Date or the date for delivery of a notice or performance of some other obligation of a party falls on a Saturday, Sunday or legal holiday in the state in which the Property is located, then the Closing Date or such notice or performance shall be postponed until the next Business Day.

Section 7.11. Waiver and Amendment. No provision of this Agreement shall be deemed waived or amended except by a written instrument unambiguously setting forth the matter waived or amended and signed by the party against which enforcement of such waiver or amendment is

sought. Waiver of any matter shall not be deemed a waiver of the same or any other matter on any future occasion.

Section 7.12. Limitation on Liability. Notwithstanding anything to the contrary provided in this Agreement, it is specifically understood and agreed, such agreement being a primary consideration for the execution of this Agreement and the Lease, that (a) there shall be absolutely no personal liability on the part of any director, officer, manager, member, employee or agent of either party with respect to any of the terms, covenants and conditions of this Agreement, (b) each party waives all claims, demands and causes of action against the other party's directors, officers, managers, members, employees and agents in the event of any breach by such other party of any of the terms, covenants and conditions of this Agreement, and (c) each party shall look solely to the assets of the other party for the satisfaction of each and every remedy in the event of any breach of any of the terms, covenants and conditions of this Agreement, such exculpation of liability to be absolute and without any exception whatsoever.

Section 7.13. Headings; Internal References. The headings of the various sections and exhibits of this Agreement have been inserted for reference only and shall not to any extent have the effect of modifying the express terms and provisions of this Agreement. Unless stated to the contrary, any references to any section, subsection, exhibit and the like contained herein are to the respective section, subsection, exhibit and the like of this Agreement.

Section 7.14. Construction Generally. This is an agreement between parties who are experienced in sophisticated and complex matters similar to the Transaction and the other Transaction Documents, is entered into by both parties in reliance upon the economic and legal bargains contained herein and therein, and shall be interpreted and construed in a fair and impartial manner without regard to such factors as the party which prepared the instrument, the relative bargaining powers of the parties or the domicile of any party. Lessee and Lessor were each represented by legal counsel competent in advising them of their obligations and liabilities hereunder.

Section 7.15. Further Assurances. Each of the parties agrees, whenever and as often as reasonably requested so to do by the other party or the Title Company, to execute, acknowledge, and deliver, or cause to be executed, acknowledged, or delivered, any and all such further conveyances, assignments, confirmations, satisfactions, releases, instruments, or other documents as may be necessary, expedient or proper, in order to complete any and all conveyances, transfers, sales and assignments herein provided and to do any and all other acts and to execute, acknowledge and deliver any and all documents as so requested in order to carry out the intent and purpose of this Agreement.

Section 7.16. Securitizations and Other Transactions. As a material inducement to Lessor's willingness to complete the transactions contemplated by this Agreement and the other Transaction Documents, Lessee and Lessee each hereby acknowledges and agrees that Lessor may, from time to time and at any time following Closing, (a) advertise, issue press releases, send direct mail or otherwise disclose information regarding the Transaction for marketing purposes; provided, however, Lessee shall have a right to review such information at least ten days prior to disclosure; and (b) engage in all or any combination of the following, or enter into agreements in connection with any of the following or in accordance with requirements that may be imposed by applicable securities, tax or other laws: (i) subject to the terms of the Lease, the sale, assignment, grant, conveyance, transfer, financing, re-financing, purchase or re-acquisition of the Property, the

Lease or any other Transaction Document, Lessor's right, title and interest in the Property, the Lease or any other Transaction Document, the servicing rights with respect to any of the foregoing, or participations in any of the foregoing, or (ii) a securitization and related transactions. Lessee and Lessor each agrees to use all reasonable efforts and to cooperate fully with Lessor with respect to all reasonable requests of Lessor relating to the foregoing, which includes without limitation, with respect to the activities described in subsection (b), providing financial information, financial and other data, and other information and materials which would customarily be required by a purchaser, transferee, assignee, servicer, participant, investor or rating agency involved with respect to any of the foregoing. The provisions of this Section 7.16 shall survive the Closing.

Section 7.17. Attorneys' Fees. In the event of any controversy, claim, dispute or proceeding between the parties concerning this Agreement, the prevailing party shall be entitled to recover all of its reasonable attorneys' fees and other costs in addition to any other relief to which it may be entitled.

Section 7.18. Entire Agreement. This Agreement and all other Transaction Documents, and all other certificates, instruments or agreements to be delivered hereunder and thereunder constitute the entire agreement between the parties with respect to the subject matter hereof, and there are no other representations, warranties or agreements, written or oral, between Lessee and Lessor with respect to the subject matter of this Agreement. Notwithstanding anything in this Agreement to the contrary, upon the execution and delivery of this Agreement by Lessee and Lessor, (a) this Agreement shall supersede any previous discussions, letters of intent, agreements and/or term or commitment letters relating to the Transaction, including without limitation, the Letter of Intent and any and all agreements related to confidentiality, exclusivity, non-competition, non-solicitation of employees, non-solicitation or pursuit of any business opportunity represented by the Transaction, or any other term or condition which restricts any business activity of Lessor or its affiliates, (b) the terms and conditions of this Agreement shall control notwithstanding that such terms are inconsistent with or vary from those set forth in any of the foregoing agreements, and (c) this Agreement may only be amended by a written agreement executed by Lessor and Lessee. The provisions of this Section shall survive the Closing.

Section 7.19. Forum Selection; Jurisdiction; Venue. For purposes of any action or proceeding arising out of this Agreement, the parties hereto expressly submit to the jurisdiction of all federal and state courts located in the Commonwealth of Virginia. Lessee consents that it may be served with any process or paper by registered mail or by personal service in accordance with applicable law. Furthermore, Lessee waives and agrees not to assert in any such action, suit or proceeding that it is not personally subject to the jurisdiction of such courts, that the action, suit or proceeding is brought in an inconvenient forum or that venue of the action, suit or proceeding is improper. Nothing contained in this Section shall limit or restrict the right of Lessor to commence any proceeding in the federal or state courts located in the state in which the Property is located to the extent Lessor deems such proceeding necessary or advisable to exercise remedies available under this Agreement.

Section 7.20. Separability; Binding Effect; Governing Law. Each provision hereof shall be separate and independent, and the breach of any provision by Lessor shall not discharge or relieve Lessee from any of its obligations hereunder. Each provision hereof shall be valid and shall be enforceable to the extent not prohibited by law. If any provision hereof or the application thereof to any Person or circumstance shall to any extent be invalid or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances other than

those as to which it is invalid or unenforceable, shall not be affected thereby. Subject to the provisions of Section 7.04, all provisions contained in this Agreement shall be binding upon, inure to the benefit of and be enforceable by the successors and assigns of each party hereto, including, without limitation, any United States trustee, any debtor-in-possession or any trustee appointed from a private panel, in each case to the same extent as if each successor and assign were named as a party hereto. This Agreement shall be governed by, and construed with, the laws of the applicable state in which the Property is located, without giving effect to any state's conflict of laws principles.

Section 7.21. Survival. Except for the conditions of Closing set forth in Article V, which shall be satisfied or waived in writing as of the Closing Date, all representations, warranties, agreements, obligations and indemnities of Lessee and Lessor set forth in this Agreement shall survive the Closing.

Section 7.22. Waiver of Jury Trial and Certain Damages. THE PARTIES HERETO SHALL AND THEY HEREBY DO INTENTIONALLY WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT AND/OR ANY CLAIM OR INJURY OR DAMAGE RELATED THERETO. EACH PARTY FURTHER WAIVES THE RIGHT IT MAY HAVE TO SEEK PUNITIVE, CONSEQUENTIAL, SPECIAL AND INDIRECT DAMAGES FROM THE OTHER PARTY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM WITH RESPECT TO ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT AND/OR ANY DOCUMENT CONTEMPLATED HEREIN OR RELATED HERETO.

Section 7.23. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all such counterparts shall be deemed to constitute one and the same instrument.

Section 7.24. State Bulk Sales Statutes. Lessor and Lessee waive compliance with the provisions of any state bulk sales statutes promulgated by any Governmental Authority which may be applicable to the sale of the Property to Lessor.

[Remainder of page intentionally left blank; signature page(s) to follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date first set forth above.

PURCHASER:

STORE CAPITAL ACQUISITIONS, LLC, a Delaware limited liability company

By: ____
Name: ____
Title: ____

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date first set forth above.

LESSEE:

SYNALLOY CORPORATION, a Delaware corporation

By: ____
Name: _____
Title: _____

Exhibits:

- A. Defined Terms
- B. Property Addresses / Legal Descriptions

C. Non-Foreign Seller
Certificate

Assignment of Warranties

EXHIBIT A
DEFINED TERMS

The following terms shall have the following meanings for all purposes of this Agreement:

"Additional Title Objection" has the meaning set forth in Section 2.01(d)(ii).

"Affiliate" or any derivation thereof, means any Person which directly or indirectly controls, is under common control with, or is controlled by any other Person. For purposes of this definition, "controls", "under common control with" and "controlled by" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities or otherwise.

"Asset Purchase Agreement" means that certain Asset Purchase Agreement to be dated as of June 29, 2018 by and between Lessee (or an Affiliate thereof) and Current Owner for the sale of Current Owner's galvanized and ornamental stainless steel operations and equipment at the Property.

"Assignment of Warranties" has the meaning set forth in Section 5.01(a)(iii).

"Bristol" has the meaning set forth in Section 1.01.

"Bulk Sales Statutes" means bulk sales statutes promulgated by any Governmental Authority.

"Business Day" means a day on which banks located in Scottsdale, Arizona are not required or authorized to remain closed.

"Closing" shall have the meaning set forth in Section 3.01.

"Closing Date" shall have the meaning set forth in Section 3.01.

"Closing Deadline" means June 29, 2018.

"Consent Order" has the meaning set forth in Section 5.03.

"Current Owner" has the meaning set forth in Section 1.01.

"Deed" means that certain special warranty Deed whereby Current Owner conveys to Lessor all of Current Owner's right, title and interest in and to the Property, free and clear of all Liens, restrictions, encroachments and easements, except the Permitted Encumbrances.

"Designation of Transferee" means a written agreement delivered to the Current Owner whereby Bristol nominates Lessor to take title to the Property upon the closing under the Property Purchase Agreement.

"Effective Date" has the meaning set forth in the introductory paragraph of this Agreement.

"Environmental Liens" means all liens and other encumbrances imposed pursuant to any Hazardous Materials Law.

"Environmental Report" has the meaning set forth in Section 2.04.

"Event of Default" has the meaning set forth in Section 6.01.

"Existing Master Lease" means that certain Master Lease Agreement dated September 30, 2016 by and between STORE Master Funding XII, LLC and Lessee, as amended from time to time.

"Governmental Authority" means the United States of America, any state or other political subdivision thereof, any other entity exercising executive, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing.

"Hazardous Materials" includes: (a) oil, petroleum products, flammable substances, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other materials, contaminants or pollutants, the presence of which causes the Property to be in violation of any local, state or federal law or regulation, (including without limitation, any Hazardous Materials Law), or are defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", "toxic substances", "contaminants", "pollutants", or words of similar import under any applicable local, state or federal law or under the regulations adopted, orders issued, or publications promulgated pursuant thereto, including, but not limited to: (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601, et seq.; (ii) the Hazardous Materials Transportation Act, as amended, 49 U.S.C. §1801, et seq.; (iii) the Resource Conservation and Recovery Act, as amended, 42 U.S.C. §6901, et seq.; and (iv) regulations adopted and publications promulgated pursuant to the aforesaid laws; (b) asbestos in any form which is friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls

in excess of fifty (50) parts per million; (c) underground storage tanks; and (d) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any Governmental Authority.

“*Hazardous Materials Laws*” includes any and all federal, state and local laws, rules, regulations, statutes, and requirements pertaining or relating to the environmental condition of the Property or to Hazardous Materials, including the Consent Order.

“*Indemnified Parties*” has the meaning set forth in Section 7.05.

“*Insolvency Event*” means (a) a Person’s (i) failure to generally pay its debts as such debts become due; (ii) admitting in writing its inability to pay its debts generally; or (iii) making a general assignment for the benefit of creditors; (b) any proceeding being instituted by or against any Person (i) seeking to adjudicate it a bankrupt or insolvent; (ii) seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency, or reorganization or relief of debtors; or (iii) seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property, and in the case of any such proceeding instituted against any such Person, either such proceeding shall remain undismissed for a period of 120 days or any of the actions sought in such proceeding shall occur; or (c) any Person taking any corporate or other formal action to authorize any of the actions set forth above in this definition.

“*Inspection Period*” has the meaning set forth in Section 2.07.

“*Inspections*” has the meaning set forth in Section 2.07.

“*Lease*” has the meaning set forth in Section 1.03.

“*Lease Proof of Insurance*” has the meaning set forth in Section 5.01(a)(iv).

“*Legal Requirements*” means applicable statutes, regulations, rules, ordinances, codes, licenses, permits, orders and approvals of each Governmental Authority having jurisdiction over the Property, including, without limitation, all health, building, fire, safety and other codes, ordinances and requirements, the Americans With Disabilities Act of 1990, and all policies or rules of common law, in each case, as amended, and any judicial or administrative interpretation thereof, including any judicial order, consent, decree or judgment applicable to the Property or the Seller.

“*Lessee*” means Synalloy Corporation, a Delaware corporation.

“*Lessee Documents*” has the meaning set forth in Section 2.02.

“*Lessee Entity*” or “*Lessee Entities*” means individually or collectively, as the context may require, Lessee and any Affiliate of Lessee.

“*Letter of Intent*” means that certain Letter of Intent dated March 1, 2018 between STORE Capital Corporation, on behalf of Lessor, and Lessee with respect to the Transaction, and any amendments or supplements thereto.

“*Lien*” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction).

“*Losses*” means any and all claims, lawsuits, suits, liabilities (including, without limitation, strict liabilities), actions, proceedings, obligations, debts, damages, losses, costs, expenses, diminutions in value, fines, penalties, interest, charges, fees, expenses, judgments, decrees, awards, amounts paid in settlement and damages of whatever kind or nature (including, without limitation, attorneys’ fees, court costs and costs incurred in the investigation, defense and settlement of claims).

“*Memorandum of Lease*” has the meaning set forth in Section 5.01(b)(i).

“*Non-Foreign Seller Certificate*” has the meaning set forth in Section 5.01(a)(v).

“*Notices*” has the meaning set forth in Section 7.03.

“*OFAC List*” means the list of specially designated nationals and blocked Persons subject to financial sanctions that is maintained by the U.S. Treasury Department, Office of Foreign Assets Control and any other similar list maintained by the U.S. Treasury Department, Office of Foreign Assets Control pursuant to any Legal Requirements, including, without limitation, trade embargo, economic sanctions, or other prohibitions imposed by Executive Order of the President of the United States. The OFAC List currently is accessible through the internet website www.treas.gov/ofac/t11sdn.pdf.

“*Permitted Encumbrances*” means (a) the lien of any real estate taxes, water and sewer charges, not yet due and payable; (b) those recorded easements, restrictions, liens and encumbrances set forth as exceptions in the Title Commitment and in the Title Policy to be issued by Title Company to Lessor and approved by Lessor in its sole discretion in connection with this Agreement; and (c) the Lease.

“*Person*” means any natural person, firm, corporation, partnership, limited liability company, other entity, state, political subdivision of any state, the United States of America, any agency or instrumentality of the United States of America, any other public body or other organization or association.

“*Professional Fees*” has the meaning set forth in Section 1.05.

"Property" or "Properties" has the meaning set forth in Section 1.01.

"Property Condition Report" has the meaning set forth in Section 2.06.

"Property Purchase Agreement" means that certain Purchase and Sale Agreement to be dated May 25, 2018 by and between Bristol and Current Owner for the sale of the Property.

"Purchase Price" means the amount specified in Section 1.02.

"Real Property" has the meaning set forth in Section 1.01.

"Survey" has the meaning set forth in Section 2.03.

"Title Commitment" has the meaning set forth in Section 2.01(a).

"Title Company" means First American Title Insurance Company located at 2425 E. Camelback Road, Suite 300, Phoenix, Arizona 85016, Attention: Kristin Brown, National Commercial Services, or an alternative title insurance company selected by Lessor.

"Title Objection" has the meaning set forth in Section 2.01(d)(i).

"Title Policy" has the meaning set forth in Section 2.01(a).

"Transaction" has the meaning set forth in Section 1.01.

"Transaction Costs" means all out-of-pocket costs and expenses incurred in connection with the Transaction, including but not limited to (a) the procurement, or if the same is provided by Lessee, the update of, the Property Condition Report, Environmental Report, Survey, Title Commitment, Title Policy, all Title Policy and all endorsements required by Lessor and its lender, (b) the Valuation, (c) any mortgagee's title insurance policies required by Lessor's lender and any mortgage taxes, (d) all taxes (including stamp taxes and transfer taxes), escrow, closing, transfer and recording fees. Transaction Costs expressly exclude Professional Fees.

"Transaction Documents" means this Agreement, the Lease, the Memorandum of Lease, the Designation of Transferee, the Deed, the Lease Proof of Insurance, the Non-Foreign Seller Certificate, the Assignment of Warranties any and all documents referenced herein and therein, and such other documents, payments, instruments and certificates as are reasonably required by Lessor and/or the Title Company.

"UST Regulations" means 40 C.F.R. § 298 Subpart H – Financial Responsibility, or any equivalent state law, with respect to petroleum underground storage tanks (as such term is defined under 40 C.F.R. § 290.12 or any equivalent state law).

"USTs" means any one or combination of tanks and associated product piping systems used in connection with storage, dispensing and general use of Hazardous Materials.

"Valuation" or "Valuation" has the meaning set forth in Section 2.05.

"Zoning Evidence" has the meaning set forth in Section 2.03.

EXHIBIT B

PROPERTY ADDRESS / LEGAL DESCRIPTION

Street Address:

1001 E. Waterfront Drive, Munhall, PA 15120

Legal Description: To be provided by Lessee or Title Company.

EXHIBIT C

NON-FOREIGN SELLER CERTIFICATE

STATE OF ___)
) ss:
COUNTY OF ___)

_____, being first duly sworn deposes and states under penalty of perjury:

1. That he/she is a _____ of _____, the transferor of the Property described on Schedule I attached hereto.
2. That the transferor's office address is at _____.
3. That the United States taxpayer identification number for the transferor is _____.
4. That the transferor is not a "foreign person" as that term is defined in Section 1445(f) of the United States Internal Revenue Code of 1986, as amended (the "Code").
5. That the transferor is not a disregarded entity as defined in § 1.1445-2(b)(2)(iii) of the regulations promulgated under the Code.

This affidavit is given to _____, a Delaware limited liability company, the transferee of the Property described in paragraph 1 above, for the purpose of establishing and documenting the non-foreign affidavit exemption to the withholding requirement of Section 1445 of the Code. The transferor understands that this affidavit may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

By: **EXHIBIT – NOT FOR SIGNATURE**
Name: __
Title: __

Subscribed and sworn to before me this _____ day of _____, 2_____.

Notary Public: _____

(SEAL)

My Commission Expires: _____

**Schedule I
to Non-foreign Seller Certificate**

Street Address:

1001 E. Waterfront Drive, Munhall, PA 15120

Legal Description: To be provided by Seller or Title Company.

EXHIBIT D

ASSIGNMENT OF WARRANTIES

THIS ASSIGNMENT OF WARRANTIES (this "Assignment"), is made as of September __, 2018 by and between **BRISTOL METALS, LLC**, a Tennessee limited liability company ("Assignor") and **STORE _____**, a Delaware limited liability company ("Assignee").

WITNESSETH:

WHEREAS, pursuant to the terms of that certain Purchase and Sale Agreement, dated as of _____, 2018, by and between Assignor and Assignee (the "Purchase Agreement"), Assignor agreed to sell to Assignee, *inter alia*, certain real property, the improvements located thereon and certain rights appurtenant thereto, all as more particularly described in the Purchase Agreement (collectively, the "Property"). Initially capitalized terms not otherwise defined herein shall have the respective meanings ascribed to such terms in the Purchase Agreement; and

WHEREAS, the Purchase Agreement provides, *inter alia*, that Assignor shall assign to Assignee rights to all guaranties and warranties relating to the Property and that Assignor and Assignee shall enter into this Assignment.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto hereby agree as follows:

1. Assignment of Warranties. Assignor hereby assigns, sets over and transfers to Assignee all of Assignor's right, title and interest in, to and under any and all guaranties and warranties in effect with respect to all or any portion of the Property as of the date hereof, if and only to the extent the same may be assigned or quitclaimed by Assignor without expense to Assignor. Assignee hereby accepts the foregoing assignment of guaranties and warranties.

2. Miscellaneous. This Assignment and the obligations of the parties hereunder shall survive the closing of the transaction referred to in the Purchase Agreement and shall not be merged therein, shall be binding upon and inure to the benefit of the parties hereto, their respective legal representatives, successors and assigns and may not be modified or amended in any manner other than by a written agreement signed by the party to be charged therewith.

3. Severability. If any term or provision of this Assignment or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Assignment or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Assignment shall be valid and enforced to the fullest extent permitted by law.

4. Counterparts. This Assignment may be executed in counterparts, each of which shall be an original and all of which counterparts taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the undersigned have executed this Assignment as of the date first set forth hereinabove.

ASSIGNOR:

BRISTOL METALS, LLC, a Tennessee limited liability company

By: **EXHIBIT – NOT FOR SIGNATURE**

Name: _____

Title: _____

IN WITNESS WHEREOF, the undersigned have executed this Assignment as of the date first set forth hereinabove.

ASSIGNEE:

STORE _____, LLC, a Delaware limited liability company

By: **EXHIBIT – NOT FOR SIGNATURE**

Name: _____

Title: _____

4832-7207-7155.6
STORE/Synalloy
Purchase and Sale Agreement
1001 E. Waterfront Dr., Munhall, PA
File No. 7210/02-475.7

**AMENDED AND RESTATED
MASTER LEASE AGREEMENT**

THIS AMENDED AND RESTATED MASTER LEASE AGREEMENT (this "Lease") is made as of June __, 2018 (the "Effective Date"), by and between **STORE MASTER FUNDING XII, LLC**, a Delaware limited liability company ("Lessor"), whose address is 8377 E. Hartford Drive, Suite 100, Scottsdale, Arizona 85255, and **SYNALLOY CORPORATION**, a Delaware corporation ("Lessee"), whose address is 4510 Cox Road, Suite 201, Richmond, VA 23060. Capitalized terms not defined herein shall have the meanings set forth in Exhibit A hereto.

This Lease amends and restates in its entirety that certain Master Lease Agreement dated September 30, 2016, together with any and all amendments thereto (the "Original Lease") by and between Lessor and Lessee. The terms of the Original Lease shall remain in force and effect as to the period ending on 11:59 P.M. prior to the Effective Date hereof. The terms contained in this Lease shall apply to and be effective with respect to the period from and after the Effective Date, without novation, replacement or substitution of the Original Lease, and the leasehold estate of Lessee shall mean the leasehold estate commencing under the Original Lease.

In consideration of the mutual covenants and agreements herein contained, Lessor and Lessee hereby covenant and agree as follows:

ARTICLE I

BASIC LEASE TERMS

Section 1.01. Properties. The street addresses and legal descriptions of the Properties are set forth on Exhibit B attached hereto and incorporated herein.

Section 1.02. Initial Term Expiration Date. September 30, 2036.

Section 1.03. Extension Options. Two (2) extensions of ten (10) years each, as described in Section 3.02.

Section 1.04. Term Expiration Date (if fully extended). September 30, 2056.

Section 1.05. Current Base Annual Rental. \$2,789,840.00, as described in Article IV.

Section 1.06. Rental Adjustment. The lesser of (i) 2.00%, or (ii) 1.25 times the change in the Price Index, as described in Section 4.02.

Section 1.07. Adjustment Date. October 1, 2018 and annually thereafter during the Lease Term (including any Extension Term).

Section 1.08. Guarantor. None.

Section 1.09. Lessee Tax Identification No. 57-0426694.

Section 1.10. Lessor Tax Identification No. 81-2113691.

ARTICLE II

LEASE OF PROPERTIES

Section 2.01. Lease. In consideration of Lessee's payment of the Rental and other Monetary Obligations and Lessee's performance of all other obligations hereunder, Lessor hereby leases to Lessee, and Lessee hereby takes and hires, the Properties, "AS IS" and "WHERE IS" without representation or warranty by Lessor, and subject to the existing state of title, the parties in possession, any statement of facts which an accurate survey or physical inspection might reveal, and all Legal Requirements now or hereafter in effect.

Section 2.02. Quiet Enjoyment. So long as Lessee shall pay the Rental and other Monetary Obligations provided in this Lease and shall keep and perform all of the terms, covenants and conditions on its part contained herein, Lessee shall have, subject to the terms and conditions set forth herein, the right to the peaceful and quiet enjoyment and occupancy of the Properties.

ARTICLE III

LEASE TERM; EXTENSION

Section 3.01. Initial Term. The remaining term of this Lease ("Initial Term") shall expire at midnight on September 30, 2036, unless terminated sooner as provided in this Lease and as may be extended as provided herein. The time period during which this Lease shall actually be in effect, including any Extension Term, is referred to as the "Lease Term."

Section 3.02. Extensions. Unless this Lease has expired or has been sooner terminated, or an Event of Default has occurred and is continuing at the time any extension option is exercised, Lessee shall have the right and option (each, an "Extension Option") to extend the Initial Term for all and not less than all of the Properties for two (2) additional successive periods of ten (10) years each (each, an "Extension Term"), pursuant to the terms and conditions of this Lease then in effect.

Section 3.03. Notice of Exercise. Lessee may only exercise the Extension Options by giving written notice thereof to Lessor of its election to do so no later than one hundred twenty (120) days prior to the expiration of the then-current Lease Term. If written notice of the exercise of any Extension Option is not received by Lessor by the applicable dates described above, then this Lease shall terminate on the last day of the Initial Term or, if applicable, the last day of the Extension Term then in effect. Upon the request of Lessor or Lessee, the parties hereto will, at the expense of Lessee, execute and exchange an instrument in recordable form setting forth the extension of the Lease Term in accordance with this Section 3.03.

Section 3.04. Removal of Personalty. Upon the expiration of the Lease Term, and if Lessee is not then in breach hereof, Lessee may remove from the Properties all personal property belonging to Lessee. Lessee shall repair any damage caused by such removal and shall leave all of the Properties clean and in good and working condition and repair inside and out, subject to normal wear and tear, casualty and condemnation. Any property of Lessee left on the Properties on the tenth day following the expiration of the Lease Term shall, at Lessor's option, automatically and immediately become the property of Lessor.

ARTICLE IV

RENTAL AND OTHER MONETARY OBLIGATIONS

Section 4.01. Base Monthly Rental. During the Lease Term, on or before the first day of each calendar month, Lessee shall pay in advance the Base Monthly Rental then in effect. If the Effective Date is a date other than the first day of the month, Lessee shall pay to Lessor on the Effective Date the Base Monthly Rental prorated by multiplying the Base Monthly Rental by a fraction, the numerator of which is the number of days remaining in the month (including the Effective Date) for which Rental is being paid, and the denominator of which is the total number of days in such month.

Section 4.02. Adjustments. During the Lease Term (including any Extension Term), on the first Adjustment Date and on each Adjustment Date thereafter, the Base Annual Rental shall increase by an amount equal to the Rental Adjustment; *provided, however*, that in no event shall Base Annual Rental be reduced as a result of the application of the Rental Adjustment.

Section 4.03. Additional Rental. Lessee shall pay and discharge, as additional rental ("Additional Rental"), all sums of money required to be paid by Lessee under this Lease which are not specifically referred to as Rental. Lessee shall pay and discharge any Additional Rental when the same shall become due, provided that amounts which are billed to Lessor or any third party, but not to Lessee, shall be paid within fifteen (15) days after Lessor's delivery or presentation of an invoice to Lessee and demand for payment thereof or, if earlier, when the same are due, provided, if the invoice for such amount has been delivered to Lessor, Lessor has forwarded the same to Lessee upon receipt. In no event shall Lessee be required to pay to Lessor any item of Additional Rental that Lessee is obligated to pay and has paid to any third party pursuant to any provision of this Lease.

Section 4.04. Rentals to be Net to Lessor. The Base Annual Rental payable hereunder shall be net to Lessor, so that this Lease shall yield to Lessor the Rentals specified during the Lease Term, and all Costs and obligations of every kind and nature whatsoever relating to the Properties shall be performed and paid by Lessee. Lessee shall perform all of its obligations under this Lease at its sole cost and expense. All Rental and other Monetary Obligations which Lessee is required to pay hereunder shall be the unconditional obligation of Lessee and shall be payable in full when due and payable, without notice or demand, and without any setoff, abatement, deferment, deduction or counterclaim whatsoever.

Section 4.05. ACH Authorization. Upon execution of this Lease, Lessee shall deliver to Lessor a complete Authorization Agreement – Pre-Arranged Payments in the form of Exhibit C attached hereto and incorporated herein by this reference, together with a voided check for account verification, establishing arrangements whereby payments of the Base Monthly Rental are transferred by Automated Clearing House Debit initiated by Lessor from an account established by Lessee at a United States bank or other financial institution to such account as Lessor may designate. Lessee shall continue to pay all Rental by Automated Clearing House Debit unless otherwise directed by Lessor.

Section 4.06. Late Charges; Default Interest. Any payment not made within three (3) days of the date due shall, in addition to any other remedy of Lessor, incur a late charge of five

percent (5%) (which late charge is intended to compensate Lessor for the cost of handling and processing such delinquent payment and should not be considered interest). Any payment not made within five (5) days of the due date shall also bear interest at the Default Rate, such interest to be computed from and including the date such payment was due through and including the date of the payment; *provided, however*, in no event shall Lessee be obligated to pay a sum of late charge and interest higher than the maximum legal rate then in effect.

Section 4.07. Holdover. IF LESSEE REMAINS IN POSSESSION OF THE PROPERTIES AFTER THE EXPIRATION OF THE TERM HEREOF, LESSEE, AT LESSOR'S OPTION AND WITHIN LESSOR'S SOLE DISCRETION, MAY BE DEEMED A TENANT ON A MONTH-TO-MONTH BASIS AND SHALL CONTINUE TO PAY RENTALS AND OTHER MONETARY OBLIGATIONS IN THE AMOUNTS HEREIN PROVIDED, EXCEPT THAT THE BASE MONTHLY RENTAL SHALL BE AUTOMATICALLY INCREASED TO ONE HUNDRED FIFTY PERCENT (150%) OF THE LAST BASE MONTHLY RENTAL PAYABLE UNDER THIS LEASE, AND LESSEE SHALL COMPLY WITH ALL THE TERMS OF THIS LEASE; *PROVIDED THAT* NOTHING HEREIN NOR THE ACCEPTANCE OF RENTAL BY LESSOR SHALL BE DEEMED A CONSENT TO SUCH HOLDING OVER. LESSEE SHALL DEFEND, INDEMNIFY, PROTECT AND HOLD THE INDEMNIFIED PARTIES HARMLESS FROM AND AGAINST ANY AND ALL LOSSES RESULTING FROM LESSEE'S FAILURE TO SURRENDER POSSESSION UPON THE EXPIRATION OF THE LEASE TERM.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF LESSEE

The representations and warranties of Lessee contained in this Article V are being made to induce Lessor to enter into this Lease, and Lessor has relied, and will continue to rely, upon such representations and warranties. Lessee represents and warrants to Lessor as follows:

Section 5.01. Organization, Authority and Status of Lessee. Lessee has been duly organized or formed, is validly existing and in good standing under the laws of its state of formation and is qualified as a foreign corporation to do business in any jurisdiction where such qualification is required. All necessary corporate action has been taken to authorize the execution, delivery and performance by Lessee of this Lease and of the other documents, instruments and agreements provided for herein. Lessee is not, and if Lessee is a "disregarded entity," the owner of such disregarded entity is not, a "nonresident alien," "foreign corporation," "foreign partnership," "foreign trust," "foreign estate," or any other "person" that is not a "United States Person" as those terms are defined in the Code and the regulations promulgated thereunder. The Person who has executed this Lease on behalf of Lessee is duly authorized to do so.

Section 5.02. Enforceability. This Lease constitutes the legal, valid and binding obligation of Lessee, enforceable against Lessee in accordance with its terms.

Section 5.03. Litigation. There are no suits, actions, proceedings or investigations pending, or to the best of its knowledge, threatened against or involving any Lessee Entity or the Properties before any arbitrator or Governmental Authority which might reasonably result in any Material Adverse Effect.

Section 5.04. Absence of Breaches or Defaults. Lessee is not in default under any document, instrument or agreement to which Lessee is a party or by which Lessee, the Properties or any of Lessee's property is subject or bound, which has had, or could reasonably be expected to result in, a Material Adverse Effect. The authorization, execution, delivery and performance of this Lease and the documents, instruments and agreements provided for herein will not result in any breach of or default under any document, instrument or agreement to which Lessee is a party or by which Lessee, the Properties or any of Lessee's property is subject or bound.

Section 5.05. Compliance with OFAC Laws. None of the Lessee Entities, and no individual or entity owning directly or indirectly any interest in any of the Lessee Entities, is an individual or entity whose property or interests are subject to being blocked under any of the OFAC Laws or is otherwise in violation of any of the OFAC Laws; *provided, however*, that the representation contained in this sentence shall not apply to any Person to the extent such Person's interest is in or through a U.S. Publicly Traded Entity.

Section 5.06. Solvency. There is no contemplated, pending or threatened Insolvency Event or similar proceedings, whether voluntary or involuntary, affecting Lessee or any Lessee Entity. Lessee does not have unreasonably small capital to conduct its business.

Section 5.07. Ownership. None of (i) Lessee, (ii) any Affiliate of Lessee, or (iii) any Person owning ten percent (10%) or more of Lessee, owns, directly or indirectly, ten percent (10%) or more of the total voting power or total value of capital stock in STORE Capital Corporation.

ARTICLE VI

TAXES AND ASSESSMENTS; UTILITIES; INSURANCE

Section 6.01. Taxes.

(a) **Payment.** Subject to the provisions of Section 6.01(b) below, Lessee shall pay, prior to the earlier of delinquency or the accrual of interest on the unpaid balance, all taxes and assessments of every type or nature assessed by applicable Governmental Authorities having jurisdiction over the Properties against or imposed upon the Properties, Lessee or Lessor during the Lease Term related to or arising out of this Lease and the activities of the parties hereunder, including without limitation, (i) all taxes or assessments upon the Properties or any part thereof and upon any personal property, trade fixtures and improvements located on the Properties, whether belonging to Lessor or Lessee, or any tax or charge levied in lieu of such taxes and assessments; (ii) all taxes, charges, license fees and or similar fees imposed by reason of the use of the Properties by Lessee; (iii) all excise, franchise, transaction, privilege, sales, use and other taxes upon the Rental or other Monetary Obligations hereunder, the leasehold estate of either party or the activities of either party pursuant to this Lease; and (iv) all franchise, privilege or similar taxes of Lessor calculated on the value of the Properties or on the amount of capital apportioned to the Properties. Notwithstanding anything in clauses (i) through (iv) to the contrary, Lessee shall not be obligated to pay or reimburse Lessor for any taxes based on the net income or gross rental income of Lessor or for any margin tax in the State of Texas.

(b) **Right to Contest.** Within thirty (30) days after each tax and assessment payment is required by this Section 6.01 to be paid, Lessee shall provide Lessor with evidence

reasonably satisfactory to Lessor that taxes and assessments have been timely paid by Lessee. In the event Lessor receives a tax bill, Lessor shall use commercially reasonable efforts to forward said bill to Lessee within fifteen (15) days of Lessor's receipt thereof. Lessee may, at its own expense, contest or cause to be contested (in the case of any item involving more than \$10,000, after prior written notice to Lessor, which shall be given within fifteen (15) days of Lessee's determination to contest any matter as permitted herein), by appropriate legal proceedings conducted in good faith and with due diligence, any above-described item or lien with respect thereto, including, without limitation, the amount or validity or application, in whole or in part, of such item, provided that (i) neither the Properties nor any interest therein would be in any danger of being sold, forfeited or lost by reason of such proceedings; (ii) no Event of Default has occurred and is continuing; (iii) if and to the extent required by the applicable taxing authority and/or Lessor, Lessee posts a bond or takes other steps acceptable to such taxing authority and/or Lessor that removes such lien or stays enforcement thereof; (iv) Lessee shall promptly provide Lessor with copies of all notices received or delivered by Lessee and filings made by Lessee in connection with such proceeding; and (v) upon termination of such proceedings, it shall be the obligation of Lessee to pay the amount of any such tax and assessment or part thereof as finally determined in such proceedings, the payment of which may have been deferred during the prosecution of such proceedings, together with any costs, fees (including attorneys' fees and disbursements), interest, penalties or other liabilities in connection therewith. Lessor shall at the request of Lessee, execute or join in the execution of any instruments or documents necessary in connection with such contest or proceedings, but Lessor shall incur no cost or obligation thereby.

Section 6.02. Utilities. Lessee shall contract, in its own name, for and pay when due all charges for the connection and use of water, gas, electricity, telephone, garbage collection, sewer use and other utility services supplied to the Properties during the Lease Term. Under no circumstances shall Lessor be responsible for any interruption of any utility service.

Section 6.03. Insurance. TO BE REVIEWED BY LESSOR'S INSURANCE CONSULTANT AND MODIFIED, IF NECESSARY, TO FIT TRANSACTION

(a) **Coverage.** Throughout the Lease Term, Lessee shall maintain, with respect to each of the Properties, at its sole expense, the following types and amounts of insurance, in addition to such other insurance as Lessor may reasonably require from time to time:

(i) Insurance against loss or damage to real property and personal property under an "all risk" or "special form" insurance policy, which shall include coverage against all risks of direct physical loss, including but not limited to loss by fire, lightning, wind, terrorism, and other risks normally included in the standard ISO special form (and shall also include National Flood and Excess Flood insurance for any Property located in Flood Zone A or Flood Zone V, as designated by FEMA, or otherwise located in a flood zone area identified by FEMA as a 100-year flood zone or special hazard area, and earthquake insurance if any Property is located within a moderate to high earthquake hazard zone as determined by an approved insurance company set forth in Section 6.03(b)(x) below). Such policy shall also include soft costs, a joint loss agreement, coverage for ordinance or law covering the loss of value of the undamaged portion of the Properties, costs to demolish and the increased costs of construction if any of the improvements located on, or the use of, the Properties shall at any time constitute legal non-conforming structures or uses. Ordinance or law limits shall be in an amount equal to the full replacement cost for the loss of value of the undamaged portion of the Properties and no less than 25% of the replacement cost for costs

to demolish and the increased cost of construction, or in an amount otherwise specified by Lessor. Such insurance shall be in amounts not less than 100% of the full insurable replacement cost values (without deduction for depreciation), with an agreed amount endorsement or without any coinsurance provision, and with sublimits satisfactory to Lessor, as determined from time to time at Lessor's request but not more frequently than once in any 12-month period.

(ii) Commercial general liability insurance, including products and completed operation liability, covering Lessor and Lessee against bodily injury liability, property damage liability and personal and advertising injury, including without limitation any liability arising out of the ownership, maintenance, repair, condition or operation of every Property or adjoining ways, streets, parking lots or sidewalks. Such insurance policy or policies shall contain a broad form contractual liability endorsement under which the insurer agrees to insure Lessee's obligations under Article X hereof to the extent insurable, and a "severability of interest" clause or endorsement which precludes the insurer from denying the claim of Lessee or Lessor because of the negligence or other acts of the other, shall be in amounts of not less than \$10,000,000 per occurrence for bodily injury and property damage, and \$10,000,000 general aggregate per location, or such higher limits as Lessor may reasonably require from time to time, and shall be of form and substance satisfactory to Lessor. Such limits of insurance can be acquired through Commercial General liability and Umbrella liability policies.

(iii) Workers' compensation and Employers Liability insurance in the amount of \$1,000,000 or, if the amount required by state statute in the applicable Property's location is less, such lesser coverage amount, covering all persons employed by Lessee on the Properties in connection with any work done on or about any of the Properties for which claims for death or bodily injury could be asserted against Lessor, Lessee or the Properties.

(iv) Business interruption insurance including Rental Value Insurance payable to Lessor at all locations for a period of not less than twelve (12) months. Such insurance is to follow the form of the real property "all risk" or "special form" coverage and is not to contain a co-insurance clause. Such insurance is to have a minimum of 180 days of extended period of indemnity.

(v) Automobile liability insurance, including owned, non-owned and hired car liability insurance for combined limits of liability of \$5,000,000 per occurrence. The limits of liability can be provided in a combination of an automobile liability policy and an umbrella liability policy.

(vi) Comprehensive Boiler and Machinery or Equipment Breakdown Insurance against loss or damage from explosion of any steam or pressure boilers or similar apparatus, if any, and other building equipment including HVAC units located in or about each Property and in an amount equal to the lesser of 25% of the 100% replacement cost of each Property or \$5,000,000.

(vii) Such additional and/or other insurance and in such amounts as at the time is customarily carried by prudent owners or tenants with respect to improvements and personal property similar in character, location and use and occupancy to each Property.

(b) **Insurance Provisions.** All insurance policies shall:

- (i) provide for a waiver of subrogation by the insurer as to claims against Lessor, its employees and agents;
 - (ii) be primary and provide that any "other insurance" clause in the insurance policy shall exclude any policies of insurance maintained by Lessor and the insurance policy shall not be brought into contribution with insurance maintained by Lessor;
 - (iii) contain deductibles not to exceed \$25,000, except for property insurance and workers' compensation insurance which may have a deductible up to \$250,000;
 - (iv) contain a standard non-contributory mortgagee clause or endorsement in favor of any Lender designated by Lessor;
 - (v) provide that the policy of insurance shall not be terminated, cancelled or amended without at least thirty (30) days' prior written notice to Lessor and to any Lender covered by any standard mortgagee clause or endorsement;
 - (vi) provide that the insurer shall not have the option to restore the Properties if Lessor elects to terminate this Lease in accordance with the terms hereof;
 - (vii) be in amounts sufficient at all times to satisfy any coinsurance requirements thereof;
 - (viii) except for workers' compensation insurance referred to in Section 6.03(a)(iii) above, name Lessor and any Lessor Affiliate or Lender requested by Lessor, as an "additional insured" with respect to liability insurance, and as an "additional named insured" or "additional insured" with respect to real property and rental value insurance, as appropriate and as their interests may appear;
 - (ix) be evidenced by delivery to Lessor and any Lender designated by Lessor of an Acord Form 28 for property, business interruption and boiler & machinery coverage (or any other form requested by Lessor) and an Acord Form 25 for commercial general liability, workers' compensation and umbrella coverage (or any other form requested by Lessor); provided that in the event that either such form is no longer available, such evidence of insurance shall be in a form reasonably satisfactory to Lessor and any Lender designated by Lessor; and
 - (x) be issued by insurance companies licensed to do business in the states where the Properties are located and which are rated no less than A-X by Best's Insurance Guide or are otherwise approved by Lessor.
- (c) **Additional Obligations.** It is expressly understood and agreed that (i) if any insurance required hereunder, or any part thereof, shall expire, be withdrawn, become void by breach of any condition thereof by Lessee, or become void or in jeopardy by reason of the failure or impairment of the capital of any insurer, Lessee shall immediately obtain new or additional insurance reasonably satisfactory to Lessor and any Lender designated by Lessor; (ii) the minimum limits of insurance coverage set forth in this Section 6.03 shall not limit the liability of Lessee for its acts or omissions as provided in this Lease; (iii) Lessee shall procure policies for all insurance for periods of not less than one year and shall provide to Lessor and any servicer or Lender of

Lessor certificates of insurance or, upon Lessor's request, duplicate originals of insurance policies evidencing that insurance satisfying the requirements of this Lease is in effect at all times; (iv) Lessee shall pay as they become due all premiums for the insurance required by this Section 6.03; (v) in the event that Lessee fails to comply with any of the requirements set forth in this Section 6.03, within ten (10) days of the giving of written notice by Lessor to Lessee, (A) Lessor shall be entitled to procure such insurance; and (B) any sums expended by Lessor in procuring such insurance shall be Additional Rental and shall be repaid by Lessee, together with interest thereon at the Default Rate, from the time of payment by Lessor until fully paid by Lessee immediately upon written demand therefor by Lessor; and (vi) Lessee shall maintain all insurance policies required in this Section 6.03 not to be cancelled, invalidated or suspended on account of the conduct of Lessee, its officers, directors, managers, members, employees or agents, or anyone acting for Lessee or any subtenant or other occupant of the Properties, and shall comply with all policy conditions and warranties at all times to avoid a forfeiture of all or a part of any insurance payment.

(d) **Blanket Policies.** Notwithstanding anything to the contrary in this Section 6.03, any insurance which Lessee is required to obtain pursuant to this Section 6.03 may be carried under a "blanket" policy or policies covering other properties or liabilities of Lessee provided that such "blanket" policy or policies otherwise comply with the provisions of this Section 6.03.

Section 6.04. Tax Impound. Upon the occurrence of an Event of Default and with respect to each Event of Default, in addition to any other remedies, Lessor may require Lessee to pay to Lessor on the first day of each month the amount that Lessor reasonably estimates will be necessary in order to accumulate with Lessor sufficient funds in an impound account (which shall not be deemed a trust fund) (the "Reserve") for Lessor to pay any and all real estate taxes ("Real Estate Taxes") for the Properties for the ensuing twelve (12) months, or, if due sooner, Lessee shall pay the required amount immediately upon Lessor's demand therefor. Lessor shall, upon prior written request of Lessee, provide Lessee with evidence reasonably satisfactory to Lessee that payment of the Real Estate Taxes was made in a timely fashion. In the event that the Reserve does not contain sufficient funds to timely pay any Real Estate Taxes, upon Lessor's written notification thereof, Lessee shall, within five (5) Business Days of such notice, provide funds to Lessor in the amount of such deficiency. Lessor shall pay or cause to be paid directly to the applicable taxing authorities any Real Estate Taxes then due and payable for which there are funds in the Reserve; *provided, however*, that in no event shall Lessor be obligated to pay any Real Estate Taxes in excess of the funds held in the Reserve, and Lessee shall remain liable for any and all Real Estate Taxes, including fines, penalties, interest or additional costs imposed by any taxing authority (unless incurred as a result of Lessor's failure to timely pay Real Estate Taxes for which it had funds in the Reserve). Lessee shall cooperate fully with Lessor in assuring that the Real Estate Taxes are timely paid. Lessor may deposit all Reserve funds in accounts insured by any federal or state agency and may commingle such funds with other funds and accounts of Lessor. Interest or other gains from such funds, if any, shall be the sole property of Lessor. Upon an Event of Default, in addition to any other remedies, Lessor may apply all impounded funds in the Reserve against any sums due from Lessee to Lessor. Lessor shall give to Lessee an annual accounting showing all credits and debits to and from such impounded funds received from Lessee.

ARTICLE VII

MAINTENANCE; ALTERATIONS

Section 7.01. Condition of Property; Maintenance. Lessee hereby accepts the Properties "AS IS" and "WHERE IS" with no representation or warranty of Lessor as to the condition thereof. Lessee shall, at its sole cost and expense, be responsible for (a) keeping all of the building, structures and improvements erected on each of the Properties in good order and repair, free from actual or constructive waste; (b) the repair or reconstruction of any building, structures or improvements erected on the Properties damaged or destroyed by a Casualty; (c) subject to Section 7.02, making all necessary structural, non-structural, exterior and interior repairs and replacements to any building, structures or improvements erected on the Properties; (d) (i) ensuring that no party encroaches upon any Property, and (ii) prosecuting any claims that Lessee seeks to bring against any Person relating to Lessee's use and possession of any Property; and (e) paying all operating costs of the Properties in the ordinary course of business. Lessee waives any right to require Lessor to maintain, repair or rebuild all or any part of the Properties or make repairs at the expense of Lessor pursuant to any Legal Requirements at any time in effect.

Section 7.02. Alterations and Improvements. During the Lease Term, Lessee shall not alter the exterior, structural, plumbing or electrical elements of the Properties in any manner without the consent of Lessor, which consent shall not be unreasonably withheld, delayed or conditioned; *provided, however*, Lessee may undertake nonstructural alterations to the Properties, individually, costing \$250,000 or less without Lessor's prior written consent. If Lessor's consent is required hereunder and Lessor consents to the making of any such alterations, the same shall be made by Lessee at Lessee's sole expense by a licensed contractor and according to plans and specifications approved by Lessor and subject to such other conditions as Lessor shall reasonably require. Any work at any time commenced by Lessee on the Properties shall be prosecuted diligently to completion, shall be of good workmanship and materials and shall comply fully with all the terms of this Lease and all Legal Requirements. Upon completion of any alterations individually costing more than \$250,000, Lessee shall promptly provide Lessor with evidence of full payment to all laborers and materialmen contributing to the alterations. Additionally, upon completion of any alterations, Lessee shall promptly provide Lessor with (a) an architect's certificate certifying the alterations to have been completed in conformity with the plans and specifications (if the alterations are of such a nature as would require the issuance of such a certificate from the architect); (b) a certificate of occupancy (if the alterations are of such a nature as would require the issuance of a certificate of occupancy); and (c) any related documents or information reasonably requested by Lessor. Lessee shall keep the Properties free from any liens arising out of any work performed on, or materials furnished to, the Properties. Lessee shall execute and file or record, as appropriate, a "Notice of Non-Responsibility," or any equivalent notice permitted under applicable Law in the states where the Properties are located which provides that Lessor is not responsible for the payment of any costs or expenses relating to the additions or alterations. Any addition to or alteration of the Properties shall be deemed a part of the Properties and belong to Lessor, and Lessee shall execute and deliver to Lessor such instruments as Lessor may require to evidence the ownership by Lessor of such addition or alteration. Lessor and Lessee acknowledge and agree that their relationship is and shall be solely that of "Lessor-Lessee" (thereby excluding a relationship of "owner-contractor," "owner-agent" or other similar relationships). Accordingly, all materialmen, contractors, artisans, mechanics, laborers and any other persons now or hereafter contracting with Lessee, any contractor or subcontractor of Lessee or any other Lessee party for the furnishing of any labor, services, materials, supplies or equipment with respect to any portion of the Properties at any time from the date hereof until the end of the Lease Term, are hereby charged with notice that they look exclusively to Lessee to obtain payment for same.

Section 7.03. Encumbrances. During the Lease Term, following reasonable prior notice to Lessee, Lessor shall have the right to grant easements on, over, under and above the Properties, provided that such easements will not materially interfere with Lessee's use of the Properties. Lessee shall comply with and perform all obligations of Lessor under all easements, declarations, covenants, restrictions and other items of record now or hereafter encumbering the Properties; provided, however, that Lessor shall provide prior written notice to Lessee of any easements, declarations, covenants, and restrictions to which Lessor subjects the Property. Without Lessor's prior written consent, Lessee shall not grant any easements on, over, under or above the Properties.

ARTICLE VIII

USE OF THE PROPERTIES; COMPLIANCE

Section 8.01. Use. During the Lease Term, each of the Properties shall be used solely for the operation of a Permitted Facility. Except during periods when a Property is untenable due to Casualty or Condemnation (and provided that Lessee continues to strictly comply with the other terms and conditions of this Lease), Lessee shall at all times during the Lease Term occupy the Properties and shall diligently operate its business on the Properties. In the event that Lessee shall change the use of the Properties or the concept or brand operated on the Properties, Lessee shall provide Lessor with written notice of any such change and copies of the franchise agreement(s) related to such new concept or brand, if any.

Section 8.02. Compliance. LESSEE'S USE AND OCCUPATION OF EACH OF THE PROPERTIES, AND THE CONDITION THEREOF, SHALL, AT LESSEE'S SOLE COST AND EXPENSE, COMPLY FULLY WITH ALL LEGAL REQUIREMENTS AND ALL RESTRICTIONS, COVENANTS AND ENCUMBRANCES OF RECORD, AND ANY OWNER OBLIGATIONS UNDER SUCH LEGAL REQUIREMENTS, OR RESTRICTIONS, COVENANTS AND ENCUMBRANCES OF RECORD, WITH RESPECT TO THE PROPERTIES, IN EITHER EVENT, THE FAILURE WITH WHICH TO COMPLY COULD HAVE A MATERIAL ADVERSE EFFECT. WITHOUT IN ANY WAY LIMITING THE FOREGOING PROVISIONS, LESSEE SHALL COMPLY WITH ALL LEGAL REQUIREMENTS RELATING TO ANTI-TERRORISM, TRADE EMBARGOS, ECONOMIC SANCTIONS, ANTI-MONEY LAUNDERING LAWS, AND THE AMERICANS WITH DISABILITIES ACT OF 1990, AS SUCH ACT MAY BE AMENDED FROM TIME TO TIME, AND ALL REGULATIONS PROMULGATED THEREUNDER, AS IT AFFECTS THE PROPERTIES NOW OR HEREAFTER IN EFFECT. LESSEE SHALL OBTAIN, MAINTAIN AND COMPLY WITH ALL REQUIRED LICENSES AND PERMITS, BOTH GOVERNMENTAL AND PRIVATE, TO USE AND OPERATE THE PROPERTIES AS PERMITTED FACILITIES. UPON LESSOR'S WRITTEN REQUEST FROM TIME TO TIME DURING THE LEASE TERM, LESSEE SHALL CERTIFY IN WRITING TO LESSOR THAT LESSEE'S REPRESENTATIONS, WARRANTIES AND OBLIGATIONS UNDER SECTION 5.05 AND THIS SECTION 8.02 REMAIN TRUE AND CORRECT AND HAVE NOT BEEN BREACHED. LESSEE SHALL IMMEDIATELY NOTIFY LESSOR IN WRITING IF ANY OF SUCH REPRESENTATIONS, WARRANTIES OR COVENANTS ARE NO LONGER TRUE OR HAVE BEEN BREACHED OR IF LESSEE HAS A REASONABLE BASIS TO BELIEVE THAT THEY MAY NO LONGER BE TRUE OR HAVE BEEN BREACHED. IN CONNECTION WITH SUCH AN EVENT, LESSEE SHALL COMPLY WITH ALL LEGAL REQUIREMENTS AND DIRECTIVES OF GOVERNMENTAL AUTHORITIES AND, AT LESSOR'S REQUEST, PROVIDE TO LESSOR COPIES OF ALL NOTICES, REPORTS AND OTHER COMMUNICATIONS EXCHANGED WITH, OR RECEIVED FROM, GOVERNMENTAL

AUTHORITIES RELATING TO SUCH AN EVENT. LESSEE SHALL ALSO REIMBURSE LESSOR FOR ALL COSTS INCURRED BY LESSOR IN EVALUATING THE EFFECT OF SUCH AN EVENT ON THE PROPERTIES AND THIS LEASE, IN OBTAINING ANY NECESSARY LICENSE FROM GOVERNMENTAL AUTHORITIES AS MAY BE NECESSARY FOR LESSOR TO ENFORCE ITS RIGHTS UNDER THE TRANSACTION DOCUMENTS, AND IN COMPLYING WITH ALL LEGAL REQUIREMENTS APPLICABLE TO LESSOR AS THE RESULT OF THE EXISTENCE OF SUCH AN EVENT AND FOR ANY PENALTIES OR FINES IMPOSED UPON LESSOR AS A RESULT THEREOF. LESSEE WILL USE ITS BEST EFFORTS TO PREVENT ANY ACT OR CONDITION TO EXIST ON OR ABOUT THE PROPERTIES THAT WILL MATERIALLY INCREASE ANY INSURANCE RATE THEREON, EXCEPT WHEN SUCH ACTS ARE REQUIRED IN THE NORMAL COURSE OF ITS BUSINESS AND LESSEE SHALL PAY FOR SUCH INCREASE. LESSEE AGREES THAT IT WILL DEFEND, INDEMNIFY AND HOLD HARMLESS THE INDEMNIFIED PARTIES FROM AND AGAINST ANY AND ALL LOSSES CAUSED BY, INCURRED OR RESULTING FROM LESSEE'S FAILURE TO COMPLY WITH ITS OBLIGATIONS UNDER THIS SECTION, EXCLUDING LOSSES SUFFERED BY AN INDEMNIFIED PARTY ARISING OUT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNIFIED PARTY.

Section 8.03. Environmental.

(a) **Covenants.**

(i) Lessee covenants to Lessor during the Lease Term, subject to the limitations of subsection (ii) below, as follows:

(A) Lessee shall permit no uses or operations on or of the Properties, whether by Lessee or any other Person, that are not in compliance with all Environmental Laws and permits issued pursuant thereto.

(B) Lessee shall permit no Releases in, on, under or from the Properties, except in Permitted Amounts.

(C) Lessee shall permit no Hazardous Materials or Regulated Substances in, on or under the Properties, except in Permitted Amounts. Above and below ground storage tanks shall be properly permitted and only used as permitted.

(D) Lessee shall keep the Properties or cause the Properties to be kept free and clear of all Environmental Liens, whether due to any act or omission of Lessee or any other Person.

(E) Lessee shall not act or fail to act or allow any other tenant, occupant, guest, customer or other user of the Properties to act or fail to act in any way that (1) materially increases a risk to human health or the environment, (2) poses an unreasonable or unacceptable risk of harm to any Person or the environment (whether on or off any of the Properties), (3) has a Material Adverse Effect, (4) is contrary to any material requirement set forth in the insurance policies maintained by Lessee or Lessor, (5) constitutes a public or private nuisance or constitutes waste, (6) violates any covenant, condition, agreement or easement applicable to the Properties,

or (7) would result in any reopening or reconsideration of any prior investigation or causes a new investigation by a Governmental Authority having jurisdiction over any Property.

(F) Lessee shall, at its sole cost and expense, fully and expeditiously cooperate in all activities pursuant to this Section 8.03, including but not limited to providing all relevant information and making knowledgeable persons available for interviews.

(G) Lessee shall, at its sole cost and expense, comply with the terms and provisions of and perform all obligations and covenants set forth in the Consent Order.

(ii) Notwithstanding any provision of this Lease to the contrary, an Event of Default shall not be deemed to have occurred as a result of the failure of Lessee to satisfy any one or more of the covenants set forth in subsections (A) through (E) above provided that Lessee shall be in compliance with the requirements of any Governmental Authority with respect to the Remediation of any Release at the Properties.

(b) **Notification Requirements.** During the Lease Term, Lessee shall immediately notify Lessor in writing upon Lessee obtaining actual knowledge of (i) any Releases or Threatened Releases in, on, under or from any of the Properties other than in Permitted Amounts, or migrating towards any of the Properties; (ii) any non-compliance with any Environmental Laws related in any way to any of the Properties; (iii) any actual or potential Environmental Lien or activity use limitation; (iv) any required or proposed Remediation of environmental conditions relating to any of the Properties required by applicable Governmental Authorities; and (v) any written or oral notice or other communication of which Lessee becomes aware from any source whatsoever (including but not limited to a Governmental Authority) relating in any way to Hazardous Materials, Regulated Substances or above or below ground storage tanks, or Remediation thereof at or on any of the Properties, other than in Permitted Amounts, possible liability of any Person relating to any of the Properties pursuant to any Environmental Law, other environmental conditions in connection with any of the Properties, or any actual or potential administrative or judicial proceedings in connection with anything referred to in this Section. Lessee shall, upon Lessor's written request, deliver to Lessor a certificate stating that Lessee is and has been in full compliance with all of the environmental representations, warranties and covenants in this Lease.

(c) **Remediation.** Lessee shall, at its sole cost and expense, and without limiting any other provision of this Lease, effectuate any Remediation required by any Governmental Authority of any condition (including, but not limited to, a Release or Threatened Release) in, on, under or from the Properties and take any other reasonable action deemed necessary by any Governmental Authority for protection of human health or the environment. Should Lessee fail to undertake any required Remediation in accordance with the preceding sentence, Lessor, after written notice to Lessee and Lessee's failure to immediately undertake such Remediation, shall be permitted to complete such Remediation, and all Costs incurred in connection therewith shall be paid by Lessee. Any Cost so paid by Lessor, together with interest at the Default Rate, shall be deemed to be Additional Rental hereunder and shall be immediately due from Lessee to Lessor.

(d) **Indemnification.** LESSEE SHALL, AT ITS SOLE COST AND EXPENSE, PROTECT, DEFEND, INDEMNIFY, RELEASE AND HOLD HARMLESS EACH OF THE INDEMNIFIED PARTIES FROM AND AGAINST ANY AND ALL LOSSES, INCLUDING, BUT NOT LIMITED TO, ALL COSTS OF REMEDIATION (WHETHER OR NOT PERFORMED

VOLUNTARILY), ARISING OUT OF OR IN ANY WAY RELATING TO ANY ENVIRONMENTAL LAWS, HAZARDOUS MATERIALS, REGULATED SUBSTANCES, ABOVE OR BELOW GROUND STORAGE TANKS, OR OTHER ENVIRONMENTAL MATTERS CONCERNING THE PROPERTIES, EXCLUDING LOSSES SUFFERED BY AN INDEMNIFIED PARTY ARISING OUT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNIFIED PARTY. IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT LESSEE'S OBLIGATIONS UNDER THIS SECTION SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE FOR ANY REASON FOR TWO (2) YEARS PURSUANT TO SUBSECTION 8.03(G) BELOW.

(e) **Right of Entry.** In the event that Lessor has a reasonable basis to believe that a Release or a violation of any Environmental Law has occurred, Lessor and any other Person designated by Lessor, including but not limited to any receiver, any representative of a Governmental Authority, and any environmental consultant, shall have the right, but not the obligation, to enter upon the Properties during business hours with reasonable prior notice to assess any and all aspects of the environmental condition of any Property and its use, including but not limited to conducting any environmental assessment or audit (the scope of which shall be determined in Lessor's sole and absolute discretion) and taking samples of soil, groundwater or other water, air, or building materials, and conducting other invasive testing; provided, however, that such entry does not unreasonably interfere with Lessee's operations or impose any risk on persons on the Properties. Lessee shall cooperate with and provide access to Lessor and any other Person designated by Lessor. Any such assessment or investigation shall be at Lessee's sole cost and expense.

(f) **Environmental Insurance.** Throughout the Lease Term, Lessor shall have the right, at its sole cost and expense, to maintain an Environmental Policy with respect to the Properties. Upon expiration of an Environmental Policy, Lessee shall reasonably cooperate with Lessor in connection with Lessor's renewal or replacement of such Environmental Policy and allow for any necessary environmental investigations of the Properties.

(g) **Survival.** The obligations of Lessee and the rights and remedies of Lessor under this Section 8.03 shall survive the termination, expiration and/or release of this Lease for a period of two (2) years.

ARTICLE IX

ADDITIONAL COVENANTS

Section 9.01. Performance at Lessee's Expense. Lessee acknowledges and confirms that Lessor may impose reasonable administrative, processing or servicing fees (not to exceed the amount of \$5,000 per instance), and collect its reasonable and actual attorneys' fees, costs and expenses in connection with (a) any extension, renewal, modification, amendment and termination of this Lease requested by Lessee; (b) any release or substitution of Properties requested by Lessee; (c) the procurement of consents, waivers and approvals with respect to the Properties or any matter related to this Lease requested by Lessee; (d) the review of any assignment or sublease or proposed assignment or sublease or the preparation or review of any subordination or non-disturbance agreement requested by Lessee; (e) the collection, maintenance and/or disbursement of reserves created under this Lease or the other Transaction Documents (following

an Event of Default); and (f) inspections required to make certain determinations under this Lease or the other Transaction Documents following Lessor's reasonable belief of a breach under this Lease or any other Transaction Documents.

Section 9.02. Inspection. Lessor and its authorized representatives shall have the right, at all reasonable times and upon giving reasonable (at least 24 hours) prior notice (except in the event of an emergency, in which case no prior notice shall be required), to enter the Properties or any part thereof and inspect the same; provided, however, that such inspections shall not unreasonably interfere with the business of Lessee or impose any risk on any people or property at the Properties. Lessee hereby waives any claim for damages for any injury or inconvenience to or interference with Lessee's business, any loss of occupancy or quiet enjoyment of the Properties and any other loss occasioned by such entry, but, subject to Section 10.01, excluding damages arising as a result of the gross negligence or willful misconduct of Lessor.

Section 9.03. Financial Information.

(a) **Financial Statements.** Within forty five (45) days after the end of each fiscal quarter and within one hundred twenty (120) days after the end of each fiscal year of Lessee and Lessee Reporting Entities, Lessee shall deliver to Lessor (i) complete consolidated financial statements that consolidate Lessee and Lessee Reporting Entities, including a balance sheet, profit and loss statement, statement of stockholders' equity and statement of cash flows and all other related schedules for the fiscal period then ended, such statements to detail separately interest expense, income taxes, non-cash expenses, non-recurring expenses, operating lease expense and current portion of long-term debt – capital leases; (ii) income statements for the business at each of the Properties; and (iii) the supplemental financial information set forth on Schedule 9.03. All such financial statements shall be prepared in accordance with GAAP, and shall be certified to be accurate and complete by an officer or director of each Lessee Reporting Entity. In the event that Lessee's business at the Properties is ordinarily consolidated with other business for financial statements purposes, a separate profit and loss statement shall be provided showing separately the sales, profits and losses pertaining to each Property with interest expense, income taxes, non-cash expenses, non-recurring expenses and operating lease expense (rent), with the basis for allocation of overhead or other charges being clearly set forth in accordance with Schedule 9.03. The financial statements delivered to Lessor need not be audited, but Lessee shall deliver to Lessor copies of any audited financial statements of the Lessee Reporting Entities which may be prepared, as soon as they are available.

(b) **Other Information.** Notwithstanding any provision contained herein, upon request at any time, Lessee will provide to Lessor, at no additional cost or expense to Lessee, any and all financial information and/or financial statements of Lessee Reporting Entities (and in the form or forms) as reasonably requested by Lessor including, but not limited to, as requested by Lessor in connection with Lessor's filings with or disclosures to the Securities and Exchange Commission or other Governmental Authority.

Section 9.04. OFAC Laws. Upon receipt of notice or upon actual knowledge thereof, Lessee shall immediately notify Lessor in writing if any Person owning (directly or indirectly) any interest in any of the Lessee Entities, or any director, officer, shareholder, member, manager or partner of any of such holders is a Person whose property or interests are subject to being blocked under any of the OFAC Laws, or is otherwise in violation of any of the OFAC Laws, or is under

investigation by any Governmental Authority for, or has been charged with, or convicted of, drug trafficking, terrorist-related activities or any violation of the Anti-Money Laundering Laws, has been assessed civil penalties under these or related Laws, or has had funds seized or forfeited in an action under these or related Laws; *provided, however*, that the covenant in this Section 9.04 shall not apply to any Person to the extent such Person's interest is in or through a U.S. Publicly Traded Entity.

Section 9.05. Estoppel Certificate. At any time, and from time to time, Lessee shall, promptly and in no event later than ten (10) Business Days after a request from Lessor or any Lender or mortgagee of Lessor, execute, acknowledge and deliver to Lessor or such Lender or mortgagee, as the case may be, a certificate in the form supplied by Lessor, certifying: (a) that Lessee has accepted the Properties; (b) that this Lease is in full force and effect and has not been modified (or if modified, setting forth all modifications), or, if this Lease is not in full force and effect, the certificate shall so specify the reasons therefor; (c) the commencement and expiration dates of the Lease Term; (d) the date to which the Rentals have been paid under this Lease and the amount thereof then payable; (e) whether there are then any existing defaults by Lessor in the performance of its obligations under this Lease, and, if there are any such defaults, specifying the nature and extent thereof; (f) that no notice has been received by Lessee of any default under this Lease which has not been cured, except as to defaults specified in the certificate; (g) the capacity of the Person executing such certificate, and that such Person is duly authorized to execute the same on behalf of Lessee; (h) that neither Lessor nor any Lender or mortgagee has actual involvement in the management or control of decision making related to the operational aspects or the day-to-day operation of the Properties, including any handling or disposal of Hazardous Materials or Regulated Substances; and (i) any other information reasonably requested by Lessor or any Lender or mortgagee, as the case may be. If Lessee shall fail or refuse to sign a certificate in accordance with the provisions of this Section within ten (10) days following a request by Lessor, Lessee irrevocably constitutes and appoints Lessor as its attorney-in-fact to execute and deliver the certificate to any such third party, it being stipulated that such power of attorney is coupled with an interest and is irrevocable and binding.

ARTICLE X

RELEASE AND INDEMNIFICATION

Section 10.01. Release and Indemnification. LESSEE AGREES TO USE AND OCCUPY THE PROPERTIES AT ITS OWN RISK AND HEREBY RELEASES LESSOR AND LESSOR'S AGENTS AND EMPLOYEES FROM ALL CLAIMS FOR ANY DAMAGE OR INJURY TO THE FULL EXTENT PERMITTED BY LAW. LESSEE AGREES THAT LESSOR SHALL NOT BE RESPONSIBLE OR LIABLE TO LESSEE OR LESSEE'S EMPLOYEES, AGENTS, CUSTOMERS, LICENSEES OR INVITEES FOR BODILY INJURY, PERSONAL INJURY OR PROPERTY DAMAGE OCCASIONED BY THE ACTS OR OMISSIONS OF ANY OTHER LESSEE OR ANY OTHER PERSON. LESSEE AGREES THAT ANY EMPLOYEE OR AGENT TO WHOM THE PROPERTIES OR ANY PART THEREOF SHALL BE ENTRUSTED BY OR ON BEHALF OF LESSEE SHALL BE ACTING AS LESSEE'S AGENT WITH RESPECT TO THE PROPERTIES OR ANY PART THEREOF, AND NEITHER LESSOR NOR LESSOR'S AGENTS, EMPLOYEES OR CONTRACTORS SHALL BE LIABLE FOR ANY LOSS OF OR DAMAGE TO THE PROPERTIES OR ANY PART THEREOF UNLESS CAUSED BY THE GROSS NEGLIGENCE

OR WILLFUL MISCONDUCT OF LESSOR OR LESSOR'S AGENTS, EMPLOYEES OR CONTRACTORS. LESSEE SHALL INDEMNIFY, PROTECT, DEFEND AND HOLD HARMLESS EACH OF THE INDEMNIFIED PARTIES FROM AND AGAINST ANY AND ALL LOSSES (EXCLUDING LOSSES SUFFERED BY AN INDEMNIFIED PARTY ARISING OUT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNIFIED PARTY; *PROVIDED, HOWEVER*, THAT THE TERM "GROSS NEGLIGENCE" SHALL NOT INCLUDE GROSS NEGLIGENCE IMPUTED AS A MATTER OF LAW TO ANY OF THE INDEMNIFIED PARTIES SOLELY BY REASON OF LESSOR'S INTEREST IN ANY PROPERTY OR LESSOR'S FAILURE TO ACT IN RESPECT OF MATTERS WHICH ARE OR WERE THE OBLIGATION OF LESSEE UNDER THIS LEASE) CAUSED BY, INCURRED OR RESULTING FROM LESSEE'S OPERATIONS OR BY LESSEE'S USE AND OCCUPANCY OF THE PROPERTIES, WHETHER RELATING TO ITS ORIGINAL DESIGN OR CONSTRUCTION, LATENT DEFECTS, ALTERATION, MAINTENANCE, USE BY LESSEE OR ANY PERSON THEREON, SUPERVISION OR OTHERWISE, OR FROM ANY BREACH OF, DEFAULT UNDER, OR FAILURE TO PERFORM, ANY TERM OR PROVISION OF THIS LEASE BY LESSEE, ITS OFFICERS, EMPLOYEES, AGENTS OR OTHER PERSONS. IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT LESSEE'S OBLIGATIONS UNDER THIS SECTION SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE FOR ANY REASON WHATSOEVER.

ARTICLE XI

CONDEMNATION AND CASUALTY

Section 11.01. Notification. Lessee shall promptly give Lessor written notice of (a) any Condemnation of any of the Properties, (b) the commencement of any proceedings or negotiations which might result in a Condemnation of any of the Properties, and (c) any Casualty to any of the Properties or any part thereof. Such notice shall provide a general description of the nature and extent of such Condemnation, proceedings, negotiations or Casualty, and shall include copies of any documents or notices received in connection therewith. Thereafter, Lessee shall promptly send Lessor copies of all notices, correspondence and pleadings relating to any such Condemnation, proceedings, negotiations or Casualty.

Section 11.02. Total Condemnation. In the event of a Condemnation of all or substantially all of any of the Properties, and if as a result of such Condemnation: (i) access to the Property to and from the publicly dedicated roads adjacent to the Property as of the Effective Date is permanently and materially impaired such that Lessee no longer has access to such dedicated road; (ii) there is insufficient parking to operate the Property as a Permitted Facility under applicable Laws; or (iii) the Condemnation includes a portion of the building such that the remaining portion is unsuitable for use as a Permitted Facility, as determined by Lessee in the exercise of good faith business judgment (and Lessee provides to Lessor an officer's certificate executed by an officer of Lessee certifying to the same) (each such event, a "Total Condemnation"), then, in such event:

(a) **Termination of Lease.** On the date of the Total Condemnation, all obligations of either party hereunder with respect to the applicable Property shall cease and the Base Annual Rental shall be reduced as set forth in Section 11.03(c) below; *provided, however*, that Lessee's obligations to the Indemnified Parties under any indemnification provisions of this Lease with respect to such Property and Lessee's obligation to pay Rental and all other Monetary

Obligations (whether payable to Lessor or a third party) accruing under this Lease with respect to such Property prior to the date of termination shall survive such termination. If the date of such Total Condemnation is other than the first day of a month, the Base Monthly Rental for the month in which such Total Condemnation occurs shall be apportioned based on the date of the Total Condemnation.

(b) **Net Award.** Subject to Section 11.07 below, Lessor shall be entitled to receive the entire Net Award in connection with a Total Condemnation without deduction for any estate vested in Lessee by this Lease, and Lessee hereby expressly assigns to Lessor all of its right, title and interest in and to every such Net Award and agrees that Lessee shall not be entitled to any Net Award or other payment for the value of Lessee's leasehold interest in this Lease.

Section 11.03. Partial Condemnation or Casualty. In the event of a Condemnation which is not a Total Condemnation (each such event, a "Partial Condemnation"), or in the event of a Casualty:

(a) **Net Awards.** All Net Awards shall be paid to Lessor.

(b) **Continuance of Lease.** This Lease shall continue in full force and effect upon the following terms:

(i) All Rental and other Monetary Obligations due under this Lease shall continue unabated.

(ii) Lessee shall promptly commence and diligently prosecute restoration of such Property to the same condition, as nearly as practicable, as prior to such Partial Condemnation or Casualty as approved by Lessor. Subject to the terms and provisions of the Mortgages and upon the written request of Lessee (accompanied by evidence reasonably satisfactory to Lessor that such amount has been paid or is due and payable and is properly part of such costs, and that Lessee has complied with the terms of Section 7.02 in connection with the restoration), Lessor shall promptly make available in installments, subject to reasonable conditions for disbursement imposed by Lessor, an amount up to but not exceeding the amount of any Net Award received by Lessor with respect to such Partial Condemnation or Casualty. Prior to the disbursement of any portion of the Net Award with respect to a Casualty, Lessee shall provide evidence reasonably satisfactory to Lessor of the payment of restoration expenses by Lessee up to the amount of the insurance deductible applicable to such Casualty. Lessor shall be entitled to keep any portion of the Net Award which may be in excess of the cost of restoration, and Lessee shall bear all additional Costs of such restoration in excess of the Net Award.

(c) **Right to Termination.** Notwithstanding any other provision to the contrary contained in this Article XI, in the event that, as a result of a Casualty in the last year of the Lease Term, Lessee shall reasonably estimate in the exercise of good faith business judgment that the applicable Property cannot be used for the same purpose and substantially with the same utility as before such Casualty (and Lessee provides to Lessor an officer's certificate executed by an officer of Lessee certifying to the same), then, subject to the terms and conditions set forth in this subsection (c), Lessee shall have the right, exercisable by written notice given to Lessor no later than thirty (30) days following such Casualty, to terminate this Lease with respect to such damaged Property (and in connection with such termination, the Base Annual Rental shall be reduced as

set forth in Section 11.03() below). If Lessee elects to terminate, this Lease shall terminate with respect to such Property as of the last day of the month during which such thirty (30) day period expired. Lessee shall vacate and surrender such Property by such termination date, in accordance with the provisions of this Lease, and all obligations of either party hereunder with respect to such Property shall cease as of the date of termination; provided, however, Lessee's obligations to the Indemnified Parties under any indemnification provisions of this Lease with respect to such Property and Lessee's obligations to pay Rental and all other Monetary Obligations (whether payable to Lessor or a third party) accruing under this Lease with respect to such Property prior to the date of termination shall survive such termination subject to, and in accordance with, the terms hereof. In such event, Lessor may retain all Net Awards related to the Casualty, and Lessee shall immediately pay Lessor an amount equal to the insurance deductible applicable to any Casualty.

(d) **Rental.** Upon removal of a Property pursuant to Section 11.02 or Section 11.03, the Base Annual Rental shall be reduced by an amount equal to the Lease Rate multiplied by the Net Award.

Section 11.04. Temporary Taking. In the event of a Condemnation of all or any part of any Property for a temporary use (a "Temporary Taking"), this Lease shall remain in full force and effect without any reduction of Base Annual Rental, Additional Rental or any other Monetary Obligation payable hereunder. Except as provided below, Lessee shall be entitled to the entire Net Award for a Temporary Taking, unless the period of occupation and use by the condemning authorities shall extend beyond the date of expiration of this Lease, in which event the Net Award made for such Temporary Taking shall be apportioned between Lessor and Lessee as of the date of such expiration. At the termination of any such Temporary Taking, Lessee will, at its own cost and expense and pursuant to the provisions of Section 7.02, promptly commence and complete restoration of such Property.

Section 11.05. Adjustment of Losses. Any loss under any property damage insurance required to be maintained by Lessee shall be adjusted by Lessor and Lessee. Any Net Award relating to a Total Condemnation or a Partial Condemnation shall be adjusted by Lessor or, at Lessor's election, Lessee. Notwithstanding the foregoing or any other provisions of this Section 11.05 to the contrary, if at the time of any Condemnation or any Casualty or at any time thereafter an Event of Default shall have occurred and be continuing, Lessor is hereby authorized and empowered but shall not be obligated, in the name and on behalf of Lessee and otherwise, to file and prosecute Lessee's claim, if any, for a Net Award on account of such Condemnation or such Casualty and to collect such Net Award and apply the same to the curing of such Event of Default and any other then existing Event of Default under this Lease and/or to the payment of any amounts owed by Lessee to Lessor under this Lease, in such order, priority and proportions as Lessor in its discretion shall deem proper.

Section 11.06. Lessee Obligation in Event of Casualty. During all periods of time following a Casualty, Lessee shall take reasonable steps to ensure that the affected Property is secure and does not pose any risk of harm to any adjoining property and Persons (including owners or occupants of such adjoining property).

Section 11.07. Lessee Awards and Payments. Notwithstanding any provision contained in this Article XI, Lessee shall be entitled to claim and receive any award or payment from the condemning authority expressly granted for the taking of any personal property owned

by Lessee, any insurance proceeds with respect to any personal property owned by Lessee, the interruption of its business and moving expenses (subject, however, to the provisions of Section 6.03(a)(iv) above), but only if such claim or award does not adversely affect or interfere with the prosecution of Lessor's claim for the Condemnation or Casualty, or otherwise reduce the amount recoverable by Lessor for the Condemnation or Casualty.

ARTICLE XII

DEFAULT, CONDITIONAL LIMITATIONS, REMEDIES AND MEASURE OF DAMAGES

Section 12.01. Event of Default. Each of the following shall be an event of default by Lessee under this Lease (each, an "Event of Default"):

(a) if any representation or warranty of Lessee set forth in this Lease is false in any material respect when made, or if Lessee renders any materially false statement or account when made;

(b) if any Rental or other Monetary Obligation due under this Lease is not paid when due if such failure continues for more than three (3) Business Days after written notice from Lessor; provided, however, Lessor shall only be required to provide such notice twice in any twelve (12) month period; *provided, however*, any delay in the payment of Rental as a result of a technical error in the wiring and/or automated clearinghouse process shall not constitute an Event of Default hereunder so long as the same is corrected within one (1) Business Day of the date Lessee receives notice thereof;

(c) if Lessee fails to pay, prior to delinquency, any taxes, assessments or other charges the failure of which to pay will result in the imposition of a lien against any of the Properties;

(d) if Lessee vacates or abandons any Property;

(e) if there is an Insolvency Event affecting Lessee;

(f) if Lessee fails to observe or perform any of the other covenants, conditions or obligations of Lessee in this Lease *provided, however*, if any such failure does not involve the payment of any Monetary Obligation, is not willful or intentional, does not place any Property or any rights or property of Lessor in immediate jeopardy, and is within the reasonable power of Lessee to promptly cure, all as determined by Lessor in its reasonable discretion, then such failure shall not constitute an Event of Default hereunder, unless otherwise expressly provided herein, unless and until Lessor shall have given Lessee notice thereof and a period of thirty (30) days shall have elapsed, during which period Lessee may correct or cure such failure, upon failure of which an Event of Default shall be deemed to have occurred hereunder without further notice or demand of any kind being required. If such failure cannot reasonably be cured within such thirty (30) day period, as determined by Lessor in its reasonable discretion, and Lessee is diligently pursuing a cure of such failure, then Lessee shall have a reasonable period to cure such failure beyond such thirty (30)-day period, which shall in no event exceed ninety (90) days after receiving notice of such failure from Lessor. If Lessee shall fail to correct or cure such failure within such ninety (90)-day

period, an Event of Default shall be deemed to have occurred hereunder without further notice or demand of any kind being required;

(g) if a final, nonappealable judgment is rendered by a court against Lessee which has a Material Adverse Effect, and is not discharged or provision made for such discharge within ninety (90) days from the date of entry thereof;

(h) if Lessee shall be liquidated or dissolved or shall begin proceedings towards its liquidation or dissolution;

(i) if the estate or interest of Lessee in any of the Properties shall be levied upon or attached in any proceeding and such estate or interest is about to be sold or transferred or such process shall not be vacated or discharged within ninety (90) days after it is made; or

(j) if there is an "Event of Default" or other breach or default by Lessee under any of the other Transaction Documents or any Other Agreement, after the passage of all applicable notice and cure or grace periods; *provided, however*, in the event that this Lease has been the subject of a Securitization and any Other Agreement has not been the subject of the same Securitization or any series relating to such Securitization, an "Event of Default" under such Other Agreement shall not constitute an Event of Default under this Lease.

Section 12.02. Remedies. Upon the occurrence of an Event of Default, with or without notice or demand, except as otherwise expressly provided herein or such other notice as may be required by statute and cannot be waived by Lessee, Lessor shall be entitled to exercise, at its option, concurrently, successively, or in any combination, all remedies available at Law or in equity, including, without limitation, any one or more of the following:

(a) to terminate this Lease, whereupon Lessee's right to possession of the Properties shall cease and this Lease, except as to Lessee's liability, shall be terminated;

(b) to the extent not prohibited by applicable Law, to (i) re-enter and take possession of the Properties (or any part thereof), any or all personal property or fixtures of Lessee upon the Properties and, to the extent permissible, permits and other rights or privileges of Lessee pertaining to the use and operation of the Properties, and (ii) expel Lessee and those claiming under or through Lessee, without being deemed guilty in any manner of trespass or becoming liable for any loss or damage resulting therefrom, without resort to legal or judicial process, procedure or action. No notice from Lessor hereunder or under a forcible entry and detainer statute or similar Law shall constitute an election by Lessor to terminate this Lease unless such notice specifically so states. If Lessee shall, after default, voluntarily give up possession of the Properties to Lessor, deliver to Lessor or its agents the keys to the Properties, or both, such actions shall be deemed to be in compliance with Lessor's rights and the acceptance thereof by Lessor or its agents shall not be deemed to constitute a termination of the Lease. Lessor reserves the right following any re-entry and/or reletting to exercise its right to terminate this Lease by giving Lessee written notice thereof, in which event this Lease will terminate;

(c) to relet the Properties or any part thereof for such term or terms (including a term which extends beyond the original Lease Term), at such rentals and upon such other terms as Lessor, in its sole discretion, may determine, with all proceeds received from such reletting

being applied to the Rental and other Monetary Obligations due from Lessee in such order as Lessor may, in its sole discretion, determine, which other Monetary Obligations include, without limitation, all reasonable and actual repossession costs, brokerage commissions, attorneys' fees and expenses, alteration, remodeling and repair costs and expenses of preparing for such reletting. Except to the extent required by applicable Law, Lessor shall have no obligation to relet the Properties or any part thereof and shall in no event be liable for refusal or failure to relet the Properties or any part thereof, or, in the event of any such reletting, for refusal or failure to collect any rent due upon such reletting, and no such refusal or failure shall operate to relieve Lessee of any liability under this Lease or otherwise to affect any such liability. Lessor reserves the right following any re-entry and/or reletting to exercise its right to terminate this Lease by giving Lessee written notice thereof, in which event this Lease will terminate as specified in said notice;

(d) to recover from Lessee all Costs paid or incurred by Lessor as a result of such breach, regardless of whether or not legal proceedings are actually commenced;

(e) to immediately or at any time thereafter, and with or without notice, at Lessor's sole option but without any obligation to do so, correct such breach or default and charge Lessee all Costs incurred by Lessor therein. Any sum or sums so paid by Lessor, together with interest at the Default Rate, shall be deemed to be Additional Rental hereunder and shall be immediately due from Lessee to Lessor. Any such acts by Lessor in correcting Lessee's breaches or defaults hereunder shall not be deemed to cure said breaches or defaults or constitute any waiver of Lessor's right to exercise any or all remedies set forth herein;

(f) to immediately or at any time thereafter, and with or without notice, except as required herein, set off any money of Lessee held by Lessor under this Lease or any other Transaction Document or any Other Agreement against any sum owing by Lessee hereunder;

(g) Without limiting the generality of the foregoing or limiting in any way the rights of Lessor under this Lease or otherwise under applicable Laws, at any time after the occurrence, and during the continuance, of an Event of Default, Lessor shall be entitled to apply for and seek the appointment of a receiver under and subject to applicable Law by a court of competent jurisdiction (by ex parte motion for appointment without notice) in any action taken by Lessor to enforce its rights and remedies hereunder in order to protect and preserve Lessor's interest under this Lease or in the Properties and the Personality; and/or

(h) to seek any equitable relief available to Lessor, including, without limitation, the right of specific performance.

Section 12.03. Cumulative Remedies. All powers and remedies given by Section 12.02 to Lessor, subject to applicable Law, shall be cumulative and not exclusive of one another or of any other right or remedy or of any other powers and remedies available to Lessor under this Lease, by judicial proceedings or otherwise, to enforce the performance or observance of the covenants and agreements of Lessee contained in this Lease, and no delay or omission of Lessor to exercise any right or power accruing upon the occurrence of any Event of Default shall impair any other or subsequent Event of Default or impair any rights or remedies consequent thereto. Every power and remedy given by this Section or by Law to Lessor may be exercised from time to time, and as often as may be deemed expedient, by Lessor, subject at all times to Lessor's right

in its sole judgment to discontinue any work commenced by Lessor or change any course of action undertaken by Lessor.

Section 12.04. Lessee Waiver. Lessee hereby expressly waives, for itself and all Persons claiming by, through and under Lessee, including creditors of all kinds, (a) any right and privilege which Lessee has under any present or future Legal Requirements to redeem the Properties or to have a continuance of this Lease for the Lease Term after termination of Lessee's right of occupancy by order or judgment of any court or by any legal process or writ, or under the terms of this Lease; (b) the benefits of any present or future Legal Requirement that exempts property from liability for debt or for distress for rent; (c) any present or future Legal Requirement relating to notice or delay in levy of execution in case of eviction of a tenant for nonpayment of rent; and (d) any benefits and lien rights which may arise pursuant to any present or future Legal Requirement.

ARTICLE XIII

MORTGAGE, SUBORDINATION AND ATTORNMENT

Section 13.01. No Liens. Lessor's interest in this Lease and/or the Properties shall not be subordinate to any liens or encumbrances placed upon the Properties by or resulting from any act of Lessee, and nothing herein contained shall be construed to require such subordination by Lessor. NOTICE IS HEREBY GIVEN THAT LESSEE IS NOT AUTHORIZED TO PLACE OR ALLOW TO BE PLACED ANY LIEN, MORTGAGE, DEED OF TRUST, DEED TO SECURE DEBT, SECURITY INTEREST OR ENCUMBRANCE OF ANY KIND UPON ALL OR ANY PART OF THE PROPERTIES OR LESSEE'S LEASEHOLD INTEREST THEREIN, AND ANY SUCH PURPORTED TRANSACTION SHALL BE VOID.

Section 13.02. Subordination. This Lease at all times shall automatically be subordinate to the lien of any and all ground leases and Mortgages now or hereafter placed upon any of the Properties by Lessor, and Lessee covenants and agrees to execute and deliver, upon demand, such further instruments subordinating this Lease to the lien of any or all such ground leases and Mortgages as shall be desired by Lessor, or any present or proposed mortgagees under trust deeds, upon the condition that Lessee shall have the right to remain in possession of the Properties under the terms of this Lease, notwithstanding any default in any or all such ground leases or Mortgages, or after the foreclosure of any such Mortgages, so long as no Event of Default shall have occurred and be continuing.

Section 13.03. Attornment. In the event any purchaser or assignee of any Lender at a foreclosure sale acquires title to any of the Properties, or in the event that any Lender or any purchaser or assignee otherwise succeeds to the rights of Lessor as landlord under this Lease, Lessee shall attorn to Lender or such purchaser or assignee, as the case may be (a "Successor Lessor"), and recognize the Successor Lessor as lessor under this Lease as long as Successor Lessor recognizes Lessee's rights hereunder and does not disturb Lessee, and, subject to the provisions of this Article XIII, this Lease shall continue in full force and effect as a direct lease between the Successor Lessor and Lessee, provided that the Successor Lessor shall only be liable for any obligations of Lessor under this Lease which accrue after the date that such Successor Lessor acquires title. The foregoing provision shall be self-operative and effective without the execution of any further instruments.

Section 13.04. Execution of Additional Documents. Although the provisions in this Article XIII shall be self-operative and no future instrument of subordination shall be required, upon request by Lessor, Lessee shall execute and deliver such additional reasonable instruments as may be reasonably required for such purposes.

Section 13.05. Notice to Lender. Lessee shall give written notice to any Lender having a recorded lien upon any of the Properties or any part thereof of which Lessee has been notified of any breach or default by Lessor of any of its obligations under this Lease and give such Lender at least sixty (60) days beyond any notice period to which Lessor might be entitled to cure such default before Lessee may exercise any remedy with respect thereto.

ARTICLE XIV

ASSIGNMENT

Section 14.01. Assignment by Lessor. As a material inducement to Lessor's willingness to enter into the transactions contemplated by this Lease (the "Transaction") and the other Transaction Documents, Lessee hereby agrees that Lessor may, from time to time and at any time and without the consent of Lessee, engage in all or any combination of the following, or enter into agreements in connection with any of the following or in accordance with requirements that may be imposed by applicable securities, tax or other Laws: (a) the sale, assignment, grant, conveyance, transfer, financing, re-financing, purchase or re-acquisition of all, less than all or any portion of the Properties, this Lease or any other Transaction Document, Lessor's right, title and interest in this Lease or any other Transaction Document, the servicing rights with respect to any of the foregoing, or participations in any of the foregoing; or (b) a Securitization and related transactions. Without in any way limiting the foregoing, the parties acknowledge and agree that Lessor, in its sole discretion, may assign this Lease or any interest herein to another Person in order to maintain Lessor's or any of its Affiliates' status as a REIT. In the event of any such sale or assignment other than a security assignment, Lessee shall attorn to such purchaser or assignee (so long as Lessor and such purchaser or assignee notify Lessee in writing of such transfer and such purchaser or assignee expressly assumes in writing the obligations of Lessor hereunder from and after the date of such assignment). At the request of Lessor, Lessee will execute such documents confirming the sale, assignment or other transfer and such other agreements as Lessor may reasonably request, provided that the same do not increase the liabilities and obligations of Lessee hereunder and include Successor Lessor's express assumption of all Lessor's obligations hereunder. Lessor shall be relieved, from and after the date of such transfer or conveyance, of liability for the performance of any obligation of Lessor contained herein, except for obligations or liabilities accrued prior to such assignment or sale.

Section 14.02. No Assignment by Lessee.

(a) Lessee acknowledges that Lessor has relied both on the business experience and creditworthiness of Lessee and upon the particular purposes for which Lessee intends to use the Properties in entering into this Lease. Subject to Section 14.02(b), Lessee shall not assign, transfer, convey, pledge or mortgage this Lease or any interest herein or any interest in Lessee, whether by operation of Law or otherwise, without the prior written consent of Lessor, which may not be unreasonably conditioned, delayed or withheld. At the time of any assignment of this Lease which is approved by Lessor, the assignee shall assume all of the obligations of

Lessee under this Lease pursuant to a written assumption agreement in form and substance reasonably acceptable to Lessor. Such assignment of this Lease pursuant to this Section 14.02 shall not relieve Lessee of its obligations respecting this Lease unless otherwise agreed to by Lessor, which shall not be unreasonably conditioned, delayed or withheld. Any assignment, transfer, conveyance, pledge or mortgage in violation of this Section 14.02 shall be voidable at the sole option of Lessor. Any consent to an assignment given by Lessor hereunder shall not be deemed a consent to any subsequent assignment. Lessor shall review and provide approval or reasons for withholding approval of an assignment within fifteen (15) days of Lessee's request for approval.

(b) Notwithstanding anything to the contrary contained in Section 14.02(a) above and provided that no Event of Default has occurred and is continuing and provided further that any assignee agrees to assume all of Lessee's obligations under this Lease and reaffirms all the representations and warranties contained herein, a Lessee entity shall have the right to assign or otherwise transfer its interest in, to and under this Lease without Lessor's consent to (i) an Affiliate of Lessee, or (ii) any entity which purchases or otherwise acquires all or substantially all of the assets or equity interest of such Lessee entity in a bona fide sale for fair market value. In no event shall Lessee be released from liability under this Lease without the prior written consent of Lessor.

Section 14.03. No Sale of Assets. Without the prior written consent of Lessor, Lessee shall not sell all or substantially all of Lessee's assets such that Lessee can no longer operate its business at the Properties, except in connection with an assumption of this Lease pursuant to Section 14.02(b) above. Any sale of Lessee's assets in violation of this Section 14.03, shall be voidable at the sole option of Lessor. Any consent to a sale of Lessee's assets given by Lessor hereunder shall not be deemed a consent to any subsequent sale of Lessee's assets.

Section 14.04. Subletting. Provided no Event of Default has occurred and is continuing, Lessee shall have the right to sublease any or all of the Properties; provided, however, (i) the term of any such sublease shall not extend beyond the Lease Term; (ii) the sublease shall be for no use other than a Permitted Facility; (iii) the sublease shall be subject and subordinate to this Lease and shall not contain any terms inconsistent with this Lease; (iv) Lessee shall at all times remain fully and primarily liable under this Lease; (v) the rent due under such sublease shall be fixed rent and shall not be based on the net profits of the sublessee; and (vi) the sublease is approved by Lessor, which approval shall not be unreasonably withheld, conditioned or delayed (each, a "Sublease"). As security for the payment and performance by Lessee of its obligations under this Lease, Lessee hereby assigns, transfers, sets over and grants to Lessor, a security interest in any and all of Lessee's right, title and interest, powers, privileges and other benefits as landlord under the Subleases, including, without limitation: (i) rent and proceeds thereof; (ii) the right to enter upon, take possession of and use any and all property subleased or granted by Lessee under the Subleases; (iii) the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of any default giving rise to a right in favor of Lessee under the Subleases; and (iv) the right to do any and all other things whatsoever which Lessee is or may become entitled to do under the Subleases. Upon the occurrence of and during the continuance of an Event of Default hereunder, Lessee agrees that, at the option of Lessor and in addition to such other rights and remedies as may be afforded to Lessor under this Lease, Lessor shall have the right, without giving notice to or obtaining the consent of Lessee, to

exercise, enforce or avail itself of any of the rights, powers, privileges, authorizations or benefits assigned and transferred to Lessor pursuant to this Section 14.04, including, without limitation, the right to collect all amounts due under the Subleases. From and after the occurrence of an Event of Default, Lessee does hereby irrevocably appoint Lessor as Lessee's true and lawful attorney, with full power (in the name of Lessee or otherwise) to ask, require, demand, receive and give acquittance for every payment under or arising out of the Subleases to which Lessee is or may become entitled. Lessee declares that this appointment is coupled with an interest and shall be irrevocable by Lessee. Lessee further agrees to execute any and all other instruments deemed reasonably necessary by Lessor to further the intent of the foregoing assignment and to vest Lessor in the Subleases. Notwithstanding any provision contained in this Section 14.04, (i) Lessor shall not be obligated to perform or discharge any obligation, duty or liability under the Subleases by reason of the foregoing assignment; and (ii) Lessor shall not be liable or responsible for, and Lessee agrees to indemnify and hold Lessor harmless from and against any liability, loss, cost or damage, claim or demand against Lessor arising, directly or indirectly, from or related to the Subleases.

ARTICLE XV

NOTICES

Section 15.01. Notices. All notices, demands, designations, certificates, requests, offers, consents, approvals, appointments and other instruments given pursuant to this Lease shall be in writing and given by any one of the following: (a) hand delivery; (b) express overnight delivery service; (c) certified or registered mail, return receipt requested; or (d) email transmission, and shall be deemed to have been delivered upon (i) receipt, if hand delivered; (ii) the next Business Day, if delivered by a reputable express overnight delivery service; (iii) the third Business Day following the day of deposit of such notice with the United States Postal Service, if sent by certified or registered mail, return receipt requested; or (iv) transmission, if delivered by email transmission. Notices shall be provided to the parties and addresses (or electronic mail addresses) specified below:

If to Lessee: Synalloy Corporation
4510 Cox Road, Suite 201
Richmond, VA 23060
Attention: Craig Bram
Email: cbram@synalloy.com

With a copy to: LeClairRyan
Attention: John C. Selbach, Esq.
919 East Main Street, Twenty-Fourth Floor
Richmond, VA 23219
(804) 343-4388 Direct
(804) 916-7288 Fax
(804) 240-3578 Mobile
John.Selbach@leclairryan.com

If to Lessor: STORE Master Funding XII, LLC
8377 E. Hartford Drive, Suite 100
Scottsdale, AZ 85255
Attention: Asset Management
Email: customerservice@storecapital.com

With a copy to: Kutak Rock LLP
1801 California Street, Suite 3000
Denver, CO 80202
Attention: Nathan Humphrey, Esq.
Email: nathan.humphrey@kutakrock.com

or to such other address or such other person as either party may from time to time hereafter specify to the other party in a notice delivered in the manner provided above.

ARTICLE XVI

RIGHT OF FIRST REFUSAL

Section 16.01. Offer. Subject to the terms and conditions set forth in this Article XVI, if Lessor desires to sell any Property and receives a bona fide written offer from a third party which offer is in all respects acceptable to Lessor, Lessor shall deliver a complete copy of such bona fide third party offer to Lessee ("Third Party Offer"). Within fifteen (15) days of Lessee's receipt of such Third Party Offer from Lessor, and a written statement of Lessor's desire to sell the Property in accordance with such Third Party Offer, Lessee shall have the right to deliver an offer to Lessor ("Purchase Offer") to purchase Lessor's interest in any such Property for the amount of the bona fide third party offer to purchase such Property (the "Subject Purchase Price"). Lessee shall complete such purchase, subject to the satisfaction of each of the terms and conditions set forth in Section 16.02 below.

Section 16.02. Conditions Precedent.

(a) The purchase of Lessor's interest in a Property pursuant to Section 16.01 shall be subject to the fulfillment of all of the following terms and conditions: (1) no monetary Event of Default shall have occurred and be continuing under this Lease or other Transaction Documents; (2) Lessee shall have paid to Lessor the Subject Purchase Price, together with all Rental and other

Monetary Obligations then due and payable under this Lease as of the date of the closing of such purchase; (3) in addition to payment of the Subject Purchase Price, Lessee shall have satisfied its obligations under Section 16.03 below; and (4) the date of the closing of such purchase shall occur on the next scheduled Base Monthly Rental payment date that is at least thirty (30) days following Lessor's receipt of Lessee's written notice of its exercise of its right to purchase the Property pursuant to Section 16.01.

(b) On the date of the closing of the purchase of a Property pursuant to this Section (the "Purchase Closing Date"), subject to satisfaction of the foregoing conditions: (1) this Lease shall be deemed terminated with respect to the Property and the Base Annual Rental shall be reduced by an amount equal to the Lease Rate multiplied by the Subject Purchase Price; *provided, however*, such termination shall not limit Lessee's obligations to Lessor under any indemnification provisions of this Lease and Lessee's obligations to pay any Monetary Obligations (whether payable to Lessor or a third party) accruing under this Lease with respect to such Property prior to the Purchase Closing Date shall survive the termination of this Lease; and (2) Lessor shall convey such Property to Lessee "as is" by special warranty deed, subject to all matters of record (except for any consensual liens granted by Lessor other than those granted by Lessor at the request of Lessee), and without representation or warranty.

Section 16.03. Costs. Lessee shall be solely responsible for the payment of all Costs resulting from any proposed purchase pursuant to this Article XVI, regardless of whether the purchase is consummated, including, without limitation, to the extent applicable, the cost of title insurance and endorsements, including, survey charges, stamp taxes, mortgage taxes, transfer taxes and fees, escrow and recording fees, taxes imposed on Lessor as a result of such purchase, the attorneys' fees of Lessee and the reasonable attorneys' fees and expenses of counsel to Lessor.

Section 16.04. Termination of Right. NOTWITHSTANDING ANYTHING TO THE CONTRARY, LESSEE'S RIGHTS UNDER THIS ARTICLE XVI SHALL TERMINATE AND BE NULL AND VOID AND OF NO FURTHER FORCE AND EFFECT IF (i) LESSEE FAILS TO EXERCISE THE RIGHT GRANTED PURSUANT TO THIS ARTICLE, AND THE SALE TO THE THIRD PARTY PURCHASER IS CONSUMMATED; (ii) THIS LEASE TERMINATES OR THE LEASE TERM EXPIRES; OR (iii) THE PROPERTY IS SOLD OR TRANSFERRED PURSUANT TO THE EXERCISE OF A PRIVATE POWER OF SALE OR JUDICIAL FORECLOSURE OR ACCEPTANCE OF A DEED IN LIEU THEREOF. IN ANY SUCH EVENT, LESSEE SHALL EXECUTE A QUITCLAIM DEED AND SUCH OTHER DOCUMENTS AS LESSOR SHALL REASONABLY REQUEST EVIDENCING THE TERMINATION OF ITS RIGHT UNDER THIS ARTICLE XVI.

Section 16.05. Attornment. If Lessee does not deliver its Purchase Offer to purchase the Property and the Property is transferred to a third party purchaser, Lessee will attorn to any third party purchaser as Lessor so long as such third party purchaser and Lessor notify Lessee in writing of such transfer. At the request of Lessor, Lessee will execute such documents confirming the agreement referred to above and such other agreements as Lessor may reasonably request, provided that such agreements do not increase the liabilities and obligations of Lessee hereunder.

Section 16.06. Exclusions. The provisions of this Article XVI shall not apply to or prohibit (i) any mortgages or other hypothecation of Lessor's interest in the Property; (ii) any sale of the Property pursuant to a private power of sale under or judicial foreclosure of any mortgage

or other security instrument or device to which Lessor's interest in the Property is now or hereafter subject; (iii) any transfer of Lessor's interest in the Property to a mortgagee or other holder of a security interest therein or their designees by deed in lieu of foreclosure; (iv) any transfer of the Property to any governmental or quasi-governmental agency with power of Condemnation; (v) any transfer of the Property to any Affiliate of Lessor; (vi) any transfers of interests in Lessor by any member, shareholder, partner or other owner to any other member, shareholder, partner or other owner; and (vii) any transfers to any Person to whom Lessor sells all or substantially all of its assets.

ARTICLE XVII

EXCESS LAND

Section 17.01. Option. Lessee shall have a one-time option to give Lessor notice (an "Option Notice") of Lessee's election to purchase all or any portion of that area of the Munhall, PA Property that is not utilized in connection with the operation of the Permitted Facility at such Property (as generally depicted in Schedule 17.01 attached hereto, the "Purchase Option Area") for a price equal to its Fair Market Value. The closing for any such purchase must occur within one hundred twenty (120) days following Lessor's receipt of an Option Notice, but in no event shall closing occur later than the expiration of the Term. The closing of any purchase pursuant to this Article XVII shall be conditioned upon (i) no Event of Default continuing at the time of the applicable closing, (ii) no Material Adverse Effect on the remainder of such Property stemming from such purchase, including ingress and egress, and (iii) Lessee obtains all necessary approvals from Governmental Authorities to create a legal parcel that may be separately conveyed, as approved by Lessor in its reasonable discretion, which approvals shall be at the sole costs and expense of Lessee. Lessor agrees, assents and covenants to assist in good faith, but at no cost or expense to Lessor, with Lessee's obtaining of all necessary approvals from Government Authorities to create a legal parcel that may be separately conveyed.

Section 17.02. Closing. Upon any exercise of this Option, Lessor and Lessee shall open a new escrow account with a recognized title insurance company selected by Lessor. Such escrow shall be subject to the standard escrow instructions of the escrow agent, to the extent they are not inconsistent herewith. At or before the close of escrow, Lessor shall deliver to the escrow agent its special or limited warranty deed conveying to Lessee all of Lessor's right, title and interest in the applicable portion of the Purchase Option Area free and clear of all liens and encumbrances except liens for taxes and assessments and easements, covenants and restrictions of record which were attached to the applicable portion of the Purchase Option Area as of the date hereof, attached during the term of the Lease through Lessee's action or inaction, as the case may be, have been granted by Lessor in lieu of a taking by the power of eminent domain or the like, or have been approved by Lessee. Lessee shall have the right to accept such title as Lessor can convey or elect not to consummate its exercise of the Option. Notwithstanding the foregoing, Lessor shall cause any mortgage or other monetary lien arising by, through or under Lessor (but not arising by, through or under Lessee or by failure of Lessee to comply with its obligations hereunder) to be released at or prior to closing. Both Lessor and Lessee agree to execute a purchase agreement, escrow instructions and such other instruments as may be necessary or appropriate to consummate the sale of the applicable portion of the Purchase Option Area in the manner and containing the terms herein provided. All Costs incurred in connection with Lessee's exercise of the Option, including, but not limited to, escrow fees, title insurance fees, recording costs or fees, reasonable attorneys' fees (including those of Lessor), costs of any approvals from Governmental Authorities, appraisal

fees, stamp taxes and transfer fees shall be borne by Lessee. Lessee shall continue to pay and perform all of its obligations under this Lease until the close of escrow. The purchase price paid by Lessee in exercising this Option shall be paid to Lessor or to such person or entity as Lessor may direct at closing in immediately available funds. The closing date may be extended for a reasonable period of time to permit Lessor to cure title defects or to permit either party to cure any other defects or defaults provided each party is diligently seeking to cure such defect or default and Lessee continues to perform its obligations hereunder. In the case of any mortgage or other monetary lien arising by, through or under Lessor (but not arising by, through or under Lessee), the escrow agent shall first apply the purchase price to the payment of such mortgage or monetary lien, and the balance shall be paid over to Lessor at closing. Upon closing, this Lease shall terminate with respect to the applicable portion of the Purchase Option Area acquired by Lessee and Base Annual Rental shall be reduced by the net proceeds received by Lessor multiplied by a capitalization rate of 8.60%.

Section 17.03. Termination of Option. Notwithstanding anything to the contrary, Lessee's rights under this Article XVII shall terminate and be null and void and of no further force and effect if this Lease terminates or upon Lessee's purchase of the Purchase Option Area. In any such event, Lessee shall execute a quitclaim deed and/or such other documents as Lessor shall reasonably request evidencing the termination of Lessee's right under this Article XVII. Furthermore, in no event may Lessee exercise its rights in this Article XVII more than one time; provided, however, the Purchase Option Area may be comprised of multiple legal parcels.

Section 17.04. No Assignment of Option. Lessee may not sell, assign, transfer, hypothecate or otherwise dispose of the Option granted herein or any interest therein, except in conjunction with a permitted assignment of Lessee's entire interest herein and then only to the assignee thereof. Any attempted assignment of this Option which is contrary to the terms of this Article XVII shall be deemed to be an Event of Default under this Lease and the Option granted herein shall be void. Lessee may designate one or more third parties to acquire title to the Purchase Option Area upon the closing under Section 17.02 above; provided, however, in no event may Lessee receive any funds, payment or fees in excess of the purchase price due to Lessor in connection with such designation.

Section 17.05. No Prohibited Transaction. Notwithstanding the foregoing, the purchase option described in this Article XVII shall be conditioned upon Lessor making a reasonable determination that the sale of any portion of the Purchase Option Area would not cause Lessor to recognize income or gain from a "prohibited transaction" as defined under Section 857(b)(6) of the Internal Revenue Code of 1986, as amended. In the event that Lessor determines that the exercise of the purchase option would cause Lessor to recognize such income or gain in the calendar year in which the applicable Option Notice is delivered, Lessee shall continue to have all rights under this Article XVII and shall have the right to exercise the purchase option in the following calendar year and Lessor shall not have the right to delay closing any further.

Section 17.06. Fair Market Value. For purposes of this Article XVII and determining the "Fair Market Value" of the applicable portion of the Purchase Option Area, Lessor shall, at Lessee's sole expense, retain an independent MAI appraiser to prepare an appraisal of the Fair Market Value of the applicable portion of the Purchase Option Area, including any additions or renovations thereto. In determining the Fair Market Value of the applicable portion of the Purchase Option Area, the appraiser shall utilize the cost, income and sales comparison approaches to value.

The average amount which results from the calculation of each of the cost approach, the income approach and the sales comparison approach, all as determined in accordance with the provisions of this subsection, shall constitute the "Fair Market Value" of the Purchase Option Area for purposes of this subsection. If within five (5) days after being notified of the results of such appraisal, Lessee elects to reject that appraisal, then the first appraisal shall become null and void and Lessor shall nominate to Lessee a list of not less than three (3) independent MAI appraisers who are experienced with appraising properties similar to applicable portion of the Purchase Option Area, and Lessee shall select one appraiser. Within five (5) days of such selection, Lessor shall retain such appraiser, at Lessee's sole expense, to prepare an appraisal of the applicable portion of the Purchase Option Area in the same manner described above and the results of such appraisal shall be the "Fair Market Value" of the applicable portion of the Purchase Option Area for purposes of such subsection.

ARTICLE XVIII

MISCELLANEOUS

Section 18.01. Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, acts of God, enemy or hostile governmental action, civil commotion, fire or other casualty beyond the control of the party obligated to perform (each, a "Force Majeure Event") shall excuse the performance by such party for a period equal to any such prevention, delay or stoppage, expressly excluding, however, the obligations imposed upon Lessee with respect to Rental and other Monetary Obligations to be paid hereunder.

Section 18.02. No Merger. There shall be no merger of this Lease nor of the leasehold estate created by this Lease with the fee estate in or ownership of any of the Properties by reason of the fact that the same person, corporation, firm or other entity may acquire or hold or own, directly or indirectly, (a) this Lease or the leasehold estate created by this Lease or any interest in this Lease or in such leasehold estate, and (b) the fee estate or ownership of any of the Properties or any interest in such fee estate or ownership. No such merger shall occur unless and until all persons, corporations, firms and other entities having any interest in (i) this Lease or the leasehold estate created by this Lease, and (ii) the fee estate in or ownership of the Properties or any part thereof sought to be merged shall join in a written instrument effecting such merger and shall duly record the same.

Section 18.03. Interpretation. Lessor and Lessee acknowledge and warrant to each other that each has been represented by independent counsel and has executed this Lease after being fully advised by said counsel as to its effect and significance. This Lease shall be interpreted and construed in a fair and impartial manner without regard to such factors as the party which prepared the instrument, the relative bargaining powers of the parties or the domicile of any party. Whenever in this Lease any words of obligation or duty are used, such words or expressions shall have the same force and effect as though made in the form of a covenant.

Section 18.04. Characterization. The following expressions of intent, representations, warranties, covenants, agreements, stipulations and waivers are a material inducement to Lessor entering into this Lease:

(a) Lessor and Lessee intend that (i) this Lease constitutes an unseverable, unitary and single lease of all, but not less than all, of the Properties, and, if at any time this Lease covers other real property in addition to the Properties, neither this Lease, nor Lessee's obligations or rights hereunder may be allocated or otherwise divided among such properties by Lessee; (ii) this Lease is a "true lease," is not a financing lease, capital lease, mortgage, equitable mortgage, deed of trust, trust agreement, security agreement or other financing or trust arrangement, and the economic realities of this Lease are those of a true lease; and (iii) the business relationship created by this Lease and any related documents is solely that of a long-term commercial lease between Lessor and Lessee, the Lease has been entered into by both parties in reliance upon the economic and legal bargains contained herein, and none of the agreements contained herein is intended, nor shall the same be deemed or construed, to create a partnership (*de facto* or *de jure*) between Lessor and Lessee, to make them joint venturers, to make Lessee an agent, legal representative, partner, subsidiary or employee of Lessor, nor to make Lessor in any way responsible for the debts, obligations or losses of Lessee.

(b) Lessor and Lessee covenant and agree that: (i) each intends to treat this Lease as an operating lease pursuant to Statement of Financial Accounting Standards No. 13, as amended, and as a true lease for state Law reporting purposes and for federal income tax purposes; (ii) each party will not, nor will it permit any Affiliate to, at any time, take any action or fail to take any action with respect to the preparation or filing of any statement or disclosure to Governmental Authority, including without limitation, any income tax return (including an amended income tax return), to the extent that such action or such failure to take action would be inconsistent with the intention of the parties expressed in this Section 18.04; (iii) with respect to the Properties, the Lease Term is less than seventy-five percent (75%) of the estimated remaining economic life of the Properties; and (iv) the Base Annual Rental is the fair market value for the use of the Properties and was agreed to by Lessor and Lessee on that basis, and the execution and delivery of, and the performance by Lessee of its obligations under, this Lease do not constitute a transfer of all or any part of the Properties.

(c) Lessee waives any claim or defense based upon the characterization of this Lease as anything other than a true lease and as a master lease of all of the Properties. Lessee stipulates and agrees (i) not to challenge the validity, enforceability or characterization of the lease of the Properties as a true lease and/or as a single, unitary, unseverable instrument pertaining to the lease of all, but not less than all, of the Properties; and (ii) not to assert or take or omit to take any action inconsistent with the agreements and understandings set forth in this Section 18.04.

Section 18.05. Disclosures.

(a) **Securities Act or Exchange Act.** The parties agree that, notwithstanding any provision contained in this Lease, any party (and each employee, representative or other agent of any party) may disclose to any and all persons, without limitation of any kind, any matter required under the Securities Act or the Exchange Act.

(b) **Lessor Advertising and Related Publications.** Upon receipt of Lessee's prior consent, Lessor may use Lessee's name, trademarks, logos, pictures of stores and signage, and basic Transaction information (collectively "Lessee's Information") solely in connection with Lessor's sales, advertising, and press release materials, including on Lessor's website.

(c) **Public Disclosures.** Except as required by Law, Lessee shall not make any public disclosure, including press releases or any form of media release, of this Lease Agreement or any transactions relating hereto without the prior written consent of Lessor.

Section 18.06. Attorneys' Fees. In the event of any judicial or other adversarial proceeding concerning this Lease, to the extent permitted by Law, the prevailing party shall be entitled to recover all of its reasonable attorneys' fees and other Costs in addition to any other relief to which it may be entitled.

Section 18.07. Memoranda of Lease. Concurrently with the execution of this Lease, Lessor and Lessee are executing Lessor's standard form memorandum of lease in recordable form, indicating the names and addresses of Lessor and Lessee, a description of the Properties, the Lease Term, but omitting Rentals and such other terms of this Lease as Lessor may not desire to disclose to the public. Further, upon Lessor's request, Lessee agrees to execute and acknowledge a termination of lease and/or quitclaim deed in recordable form to be held by Lessor until the expiration or sooner termination of the Lease Term; *provided, however*, if Lessee shall fail or refuse to sign such a document in accordance with the provisions of this Section within ten (10) days following a request by Lessor, Lessee irrevocably constitutes and appoints Lessor as its attorney-in-fact to execute and record such document, it being stipulated that such power of attorney is coupled with an interest and is irrevocable and binding.

Section 18.08. No Brokerage. LESSOR AND LESSEE REPRESENT AND WARRANT TO EACH OTHER THAT THEY HAVE HAD NO CONVERSATION OR NEGOTIATIONS WITH ANY BROKER CONCERNING THE LEASING OF THE PROPERTIES. EACH OF LESSOR AND LESSEE AGREES TO PROTECT, INDEMNIFY, SAVE AND KEEP HARMLESS THE OTHER, AGAINST AND FROM ALL LIABILITIES, CLAIMS, LOSSES, COSTS, DAMAGES AND EXPENSES, INCLUDING ATTORNEYS' FEES, ARISING OUT OF, RESULTING FROM OR IN CONNECTION WITH THEIR BREACH OF THE FOREGOING WARRANTY AND REPRESENTATION.

Section 18.09. Waiver of Jury Trial and Certain Damages. LESSOR AND LESSEE HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY AND ALL ISSUES PRESENTED IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER OR ITS SUCCESSORS WITH RESPECT TO ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS LEASE, THE RELATIONSHIP OF LESSOR AND LESSEE, LESSEE'S USE OR OCCUPANCY OF THE PROPERTIES, AND/OR ANY CLAIM FOR INJURY OR DAMAGE, OR ANY EMERGENCY OR STATUTORY REMEDY. THIS WAIVER BY THE PARTIES HERETO OF ANY RIGHT EITHER MAY HAVE TO A TRIAL BY JURY HAS BEEN NEGOTIATED AND IS AN ESSENTIAL ASPECT OF THEIR BARGAIN. FURTHERMORE, LESSOR AND LESSEE HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO SEEK PUNITIVE, CONSEQUENTIAL, SPECIAL AND INDIRECT DAMAGES FROM THE OTHER PARTY AND ANY OF THE AFFILIATES, OFFICERS, DIRECTORS, MEMBERS, MANAGERS OR EMPLOYEES OF LESSOR OR LESSEE, AS APPLICABLE, OR ANY OF THEIR SUCCESSORS WITH RESPECT TO ANY AND ALL ISSUES PRESENTED IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT WITH RESPECT TO ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS LEASE OR ANY DOCUMENT

CONTEMPLATED HEREIN OR RELATED HERETO. THE WAIVER BY LESSOR AND LESSEE OF ANY RIGHT EITHER MAY HAVE TO SEEK PUNITIVE, CONSEQUENTIAL, SPECIAL AND INDIRECT DAMAGES HAS BEEN NEGOTIATED BY THE PARTIES HERETO AND IS AN ESSENTIAL ASPECT OF THEIR BARGAIN.

Section 18.10. Securitizations. As a material inducement to Lessor's willingness to enter into the Transactions contemplated by this Lease and the other Transaction Documents, Lessee hereby acknowledges and agrees that Lessor may, from time to time and at any time (a) advertise, issue press releases, send direct mail or otherwise disclose information regarding the Transaction for marketing purposes; and (b) (i) act or permit another Person to act as sponsor, settler, transferor or depositor of, or a holder of interests in, one or more Persons or other arrangements formed pursuant to a trust agreement, indenture, pooling agreement, participation agreement, sale and servicing agreement, limited liability company agreement, partnership agreement, articles of incorporation or similar agreement or document; and (ii) permit one or more of such Persons or arrangements to offer and sell stock, certificates, bonds, notes, other evidences of indebtedness or securities that are directly or indirectly secured, collateralized or otherwise backed by or represent a direct or indirect interest in whole or in part in any of the assets, rights or properties described in Section 14.01 of this Lease, in one or more Persons or arrangements holding such assets, rights or properties, or any of them (collectively, the "Securities"), whether any such Securities are privately or publicly offered and sold, or rated or unrated (any combination of which actions and transactions described in both clauses (i) and (ii) in this paragraph, whether proposed or completed, are referred to in this Lease as a "Securitization"). Lessee shall cooperate fully with Lessor and any Affected Party with respect to all reasonable requests and due diligence procedures and use reasonable efforts to facilitate such Securitization, provided that such cooperation shall be at no additional cost or expense to Lessee so long as Lessee is not otherwise required to provide such information to Lessor pursuant to the other provisions of this Lease.

Section 18.11. State-Specific Provisions. The provisions and/or remedies which are set forth on the attached Exhibit D shall be deemed a part of and included within the terms and conditions of this Lease.

Section 18.12. Time is of the Essence; Computation. Time is of the essence with respect to each and every provision of this Lease. If any deadline provided herein falls on a non-Business Day, such deadline shall be extended to the next day that is a Business Day.

Section 18.13. Waiver and Amendment. No provision of this Lease shall be deemed waived or amended except by a written instrument unambiguously setting forth the matter waived or amended and signed by the party against which enforcement of such waiver or amendment is sought. Waiver of any matter shall not be deemed a waiver of the same or any other matter on any future occasion. No acceptance by Lessor of an amount less than the Rental and other Monetary Obligations stipulated to be due under this Lease shall be deemed to be other than a payment on account of the earliest such Rental or other Monetary Obligations then due or in arrears nor shall any endorsement or statement on any check or letter accompanying any such payment be deemed a waiver of Lessor's right to collect any unpaid amounts or an accord and satisfaction.

Section 18.14. Successors Bound. Except as otherwise specifically provided herein, the terms, covenants and conditions contained in this Lease shall bind and inure to the

benefit of the respective heirs, successors, executors, administrators and assigns of each of the parties hereto.

Section 18.15. Captions. Captions are used throughout this Lease for convenience of reference only and shall not be considered in any manner in the construction or interpretation hereof.

Section 18.16. Other Documents. Each of the parties agrees to sign such other and further documents as may be necessary or appropriate to carry out the intentions expressed in this Lease.

Section 18.17. Entire Agreement. This Lease and any other instruments or agreements referred to herein, constitute the entire agreement between the parties with respect to the subject matter hereof, and there are no other representations, warranties or agreements except as herein provided.

Section 18.18. Forum Selection; Jurisdiction; Venue; Choice of Law. For purposes of any action or proceeding arising out of this Lease, the parties hereto expressly submit to the jurisdiction of all federal and state courts located in the state or states where the Properties are located. Lessee consents that it may be served with any process or paper by registered mail or by personal service within or without the state or states where the Properties are located subject to governing Law. Furthermore, Lessee waives and agrees not to assert in any such action, suit or proceeding that it is not personally subject to the jurisdiction of such courts, that the action, suit or proceeding is brought in an inconvenient forum or that venue of the action, suit or proceeding is improper. This Lease shall be governed by, and construed with, the Laws of the applicable state or states in which the Properties are located, without giving effect to any state's conflict of Laws principles.

Section 18.19. Counterparts. This Lease may be executed in one or more counterparts, each of which shall be deemed an original. Furthermore, the undersigned agree that transmission of this Lease via e-mail in a ".pdf" or other electronic format shall be deemed transmission of the original Lease for all purposes.

[Remainder of page intentionally left blank; signature page(s) to follow]

IN WITNESS WHEREOF, Lessor and Lessee have entered into this Lease as of the date first above written.

LESSOR:

STORE MASTER FUNDING XII, LLC, a Delaware limited liability company

By: __

Printed Name: __

Title: __

STATE OF _____)
) ss.
COUNTY OF _____)

Before me, the undersigned, a Notary Public of the State and County aforesaid, personally appeared _____, with whom I am personally acquainted (or proved to me to be on the basis of satisfactory evidence), and who, upon oath, acknowledged himself/herself to be the _____ of **STORE MASTER FUNDING XII, LLC,** a Delaware limited liability company, the within named Lessor, and that he/she as such officer, being authorized so to do, executed the within instrument for the purposes therein contained, by signing the name of _____ by himself/herself as such officer.

WITNESS my hand and Official Seal at office, this _____ day of September, 2016.

Notary Public

My Commission Expires _____

IN WITNESS WHEREOF, Lessor and Lessee have entered into this Lease as of the date first above written.

LESSEE:

SYNALLOY CORPORATION, a Delaware corporation

By:___

Name: Craig C. Bram

Title: Chief Executive Officer

STATE OF _____)
) ss.
COUNTY OF _____)

Before me, the undersigned, a Notary Public of the State and County aforesaid, personally appeared Craig C. Bram, with whom I am personally acquainted (or proved to me to be on the basis of satisfactory evidence), and who, upon oath, acknowledged himself/herself to be the CEO of **SYNALLOY CORPORATION**, a Delaware corporation, the within named Lessee, and that he/she as such officer, being authorized so to do, executed the within instrument for the purposes therein contained, by signing the name of Craig C. Bram by himself/herself as such officer.

WITNESS my hand and Official Seal at office, this _____ day of September, 2016.

Notary Public

My Commission Expires _____

EXHIBITS

- Exhibit A: Defined Terms
- Exhibit B: Legal Descriptions and Street Addresses of the Properties
- Exhibit C: Authorization Agreement – Pre-Arranged Payments
- Exhibit D: State-Specific Provisions
- Schedule 9.03 Supplemental Financial Information

EXHIBIT A

DEFINED TERMS

The following terms shall have the following meanings for all purposes of this Lease:

“Additional Rental” has the meaning set forth in Section 4.03.

“Adjustment Date” has the meaning set forth in Section 1.07.

“Affected Party” means each direct or indirect participant or investor in a proposed or completed Securitization, including, without limitation, any prospective owner, any rating agency or any party to any agreement executed in connection with the Securitization.

“Affiliate” means any Person which directly or indirectly controls, is under common control with or is controlled by any other Person. For purposes of this definition, “controls,” “under common control with,” and “controlled by” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or otherwise.

“Anti-Money Laundering Laws” means all applicable Laws, regulations and government guidance on the prevention and detection of money laundering, including, without limitation, (a) 18 U.S.C. §§ 1956 and 1957; and (b) the Bank Secrecy Act, 31 U.S.C. §§ 5311 et

seq., and its implementing regulations, 31 CFR Part 103.

"Base Annual Rental" has the meaning set forth in Section 1.05.

"Base Monthly Rental" means an amount equal to 1/12 of the applicable Base Annual Rental.

"Business Day" means a day on which banks located in Scottsdale, Arizona are not required or authorized to remain closed.

"Casualty" means any loss of or damage to any property included within or related to the Properties or arising from an adjoining property caused by an Act of God, fire, flood or other catastrophe.

"Code" means the Internal Revenue Code of 1986, as the same may be amended from time to time.

"Condemnation" means a Taking and/or a Requisition.

"Consent Order" means that certain Consent Order and Agreement with the Commonwealth of Pennsylvania, Department of Environmental Protection concerning the remediation and reuse of some or all of the Property located in Munhall, PA.

"Costs" means all reasonable costs and expenses incurred by a Person, including, without limitation, reasonable attorneys' fees and expenses, court costs, expert witness fees, costs of tests and analyses, travel and accommodation expenses, deposition and trial transcripts, copies and other similar costs and fees, brokerage fees, escrow fees, title insurance premiums, appraisal fees, stamp taxes, recording fees and transfer taxes or fees, as the circumstances require.

"Default Rate" means 12% per annum or the highest rate permitted by Law, whichever is less.

"Effective Date" has the meaning set forth in the introductory paragraph of this Lease.

"Environmental Insurer" means such environmental insurance company as Lessor shall select in its reasonable discretion.

"Environmental Laws" means federal, state and local Laws, ordinances, common law requirements and regulations and standards, rules, policies and other governmental requirements, administrative rulings and court judgments and decrees having the effect of Law in effect now or in the future and including all amendments, that relate to Hazardous Materials, Regulated Substances, USTs, and/or the protection of human health or the environment, or relating to liability for or Costs of Remediation or prevention of Releases, and apply to Lessee and/or the Properties, including the Consent Order.

"Environmental Liens" means any liens and other encumbrances imposed pursuant to any Environmental Law.

"Environmental Policy" means a pollution legal liability insurance policy issued by Environmental Insurer to Lessor and Lessor's lender, which Environmental Policy shall be in form and substance satisfactory to Lessor and shall be in amounts of not less than \$3,000,000.00 per occurrence and \$10,000,000.00 annual aggregate for losses caused by known and unknown pollution conditions that arise from the operations of the tenant at the Properties, their contractors, or their sub-contractors, with coverage to include: (a) bodily injury or death, (b) property damage, including physical injury to or destruction of tangible property, (c) clean-up costs, and (d) defense, including costs, charges and expenses incurred in the investigation, adjustment or defense of claims for damages.

"Event of Default" has the meaning set forth in Section 12.01.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Extension Option" has the meaning set forth in Section 3.02.

"Extension Term" has the meaning set forth in Section 3.02.

"Fair Market Value" has the meaning set forth in Section 17.06.

"Force Majeure Event" has the meaning set forth in Section 18.01.

"GAAP" means generally accepted accounting principles, consistently applied from period to period.

"Governmental Authority" means any governmental authority, agency, department, commission, bureau, board, instrumentality, court or quasi-governmental authority of the United States, any state or any political subdivision thereof with authority to adopt, modify, amend, interpret, give effect to or enforce any federal, state and local Laws, statutes, ordinances, rules or regulations, including common law, or to issue court orders.

"Hazardous Materials" includes: (a) oil, petroleum products, flammable substances, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other materials, contaminants or pollutants, the presence of which causes any of the Properties to be in violation of any local, state or federal Law or regulation, or Environmental Law, or are defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "toxic substances," "contaminants," "pollutants," or words of similar import under any applicable local, state or federal Law or under the regulations adopted, orders issued, or publications promulgated pursuant thereto, including, but not limited to: (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601, et seq.; (ii) the Hazardous Materials Transportation Act, as amended, 49 U.S.C. § 5101, et seq.; (iii) the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901, et seq.; and (iv) regulations adopted and publications promulgated pursuant to the aforesaid Laws; (b) asbestos in any form which is friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of fifty (50) parts per

million; (c) underground storage tanks; and (d) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any Governmental Authority.

"Indemnified Parties" means Lessor and its members, managers, officers, directors, shareholders, partners, employees, agents, servants, representatives, contractors, subcontractors, affiliates, subsidiaries, participants, successors and assigns, including, but not limited to, any successors by merger, consolidation or acquisition of all or a substantial portion of the assets and business of Lessor.

"Initial Term" has the meaning set forth in Section 3.01.

"Insolvency Event" means (a) a Person's (i) failure to generally pay its debts as such debts become due; (ii) admitting in writing its inability to pay its debts generally; or (iii) making a general assignment for the benefit of creditors; (b) any proceeding being instituted by or against any Person (i) seeking to adjudicate it bankrupt or insolvent; (ii) seeking liquidation, dissolution, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any Law relating to bankruptcy, insolvency, or reorganization or relief of debtors; or (iii) seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property, and in the case of any such proceeding instituted against any Person, either such proceeding shall remain undismissed for a period of one hundred twenty (120) days or any of the actions sought in such proceeding shall occur; or (c) any Person taking any corporate action to authorize any of the actions set forth above in this definition.

"Insurance Premiums" has the meaning in Section 6.04.

"Law(s)" means any constitution, statute, rule of law, code, ordinance, order, judgment, decree, injunction, rule, regulation, policy, requirement or administrative or judicial determination, even if unforeseen or extraordinary, of every duly constituted Governmental Authority, court or agency, now or hereafter enacted or in effect.

"Lease Rate" means a percentage equal to (a) the then-current Base Monthly Rental multiplied by twelve (12), divided by (b) the aggregate purchase price of all of the Properties paid by Lessor (or Lessor's predecessor-in-interest).

"Lease Term" has the meaning described in Section 3.01.

"Legal Requirements" means the requirements of all present and future Laws (including, without limitation, Environmental Laws and Laws relating to accessibility to, usability by, and discrimination against, disabled individuals), all judicial and administrative interpretations thereof, including any judicial order, consent, decree or judgment, and all covenants, restrictions and conditions now or hereafter of record which may be applicable to Lessee or to any of the Properties, or to the use, manner of use, occupancy, possession, operation, maintenance, alteration, repair or restoration of any of the Properties, even if compliance therewith necessitates structural changes or improvements or results in interference with the use or enjoyment of any of the Properties.

"Lender" means any lender in connection with any loan secured by Lessor's interest in any or all of the Properties, and any servicer of any loan secured by Lessor's interest in any or all of the Properties.

"Lessee Entity" or *"Lessee Entities"* means individually or collectively, as the context may require, Lessee and all Affiliates thereof.

"Lessee Reporting Entities" means Lessee.

"Lessee's Information" has the meaning set forth in Section 18.05(b).

"Lessor Entity" or *"Lessor Entities"* means individually or collectively, as the context may require, Lessor and all Affiliates of Lessor.

"Losses" means any and all claims, suits, liabilities (including, without limitation, strict liabilities), actions, proceedings, obligations, debts, damages, losses, Costs, diminutions in value, fines, penalties, interest, charges, fees, judgments, awards, amounts paid in settlement and damages of whatever kind or nature, inclusive of bodily injury and property damage to third parties (including, without limitation, attorneys' fees and other Costs of defense).

"Material Adverse Effect" means a material adverse effect on (a) any Property, including without limitation, the operation of any Property as a Permitted Facility and/or the value of any Property; (b) the contemplated business, condition, worth or operations of any Lessee Entity; (c) Lessee's ability to perform its obligations under this Lease; or (d) Lessor's interests in any of the Properties, this Lease or the other Transaction Documents.

"Monetary Obligations" means all Rental and all other sums payable or reimbursable by Lessee under this Lease to Lessor, to any third party on behalf of Lessor, or to any Indemnified Party.

"Mortgages" means, collectively, the mortgages, deeds of trust or deeds to secure debt, assignments of rents and leases, security agreements and fixture filings executed by Lessor for the benefit of Lender with respect to any or all of the Properties, as such instruments may be amended, modified, restated or supplemented from time to time and any and all replacements or substitutions.

"Net Award" means (a) the entire award payable with respect to a Property by reason of a Condemnation whether pursuant to a judgment or by agreement or otherwise; or (b) the entire proceeds of any insurance required under Section 6.03 payable with respect to a Property, as the case may be, and in either case, less any Costs incurred by Lessor in collecting such award or proceeds.

"OFAC Laws" means Executive Order 13224 issued by the President of the United States, and all regulations promulgated thereunder, including, without limitation, the Terrorism Sanctions Regulations (31 CFR Part 595), the Terrorism List Governments Sanctions Regulations (31 CFR Part 596), the Foreign Terrorist Organizations Sanctions Regulations (31 CFR Part 597), and the Cuban Assets Control Regulations (31 CFR Part 515), and all other present and future federal, state and local Laws, ordinances, regulations, policies, lists (including, without limitation, the Specially Designated Nationals and Blocked Persons List) and any other requirements of

any Governmental Authority (including without limitation, the U.S. Department of the Treasury Office of Foreign Assets Control) addressing, relating to, or attempting to eliminate, terrorist acts and acts of war, each as supplemented, amended or modified from time to time after the Effective Date, and the present and future rules, regulations and guidance documents promulgated under any of the foregoing, or under similar Laws, ordinances, regulations, policies or requirements of other states or localities.

“*Option Notice*” has the meaning set forth in Section 17.01.

“*Original Lease*” has the meaning set forth in the second introductory paragraph of this Lease.

“*Other Agreements*” means, collectively, all agreements and instruments now or hereafter entered into between, among or by (a) any of the Lessee Entities and, or for the benefit of, (b) any of the Lessor Entities, including, without limitation, leases, promissory notes and guaranties, but excluding this Lease and all other Transaction Documents.

“*Partial Condemnation*” has the meaning set forth in Section 11.03.

“*Permitted Amounts*” shall mean, with respect to any given level of Hazardous Materials or Regulated Substances, that level or quantity of Hazardous Materials or Regulated Substances in any form or combination of forms which does not constitute a violation of any Environmental Laws and is customarily employed in, or associated with, similar businesses located in the state or states where the Properties are located.

“*Permitted Facility*” or “*Permitted Facilities*” means Industrial / Manufacturing facility, all related purposes such as ingress, egress and parking, and uses incidental thereto.

“*Person*” means any individual, partnership, corporation, limited liability company, trust, unincorporated organization, Governmental Authority or any other form of entity.

“*Personalty*” means any and all “goods” (excluding “inventory,” and including, without limitation, all “equipment,” “fixtures,” appliances and furniture (as “goods,” “inventory,” “equipment” and “fixtures” are defined in the applicable Uniform Commercial Code then in effect in the applicable jurisdiction)) from time to time situated on or used in connection with any of the Properties, whether now owned or held or hereafter arising or acquired, together with all replacements and substitutions therefore and all cash and non-cash proceeds (including insurance proceeds and any title and UCC insurance proceeds) and products thereof, and, in the case of tangible collateral, together with all additions, attachments, accessions, parts, equipment and repairs now or hereafter attached or affixed thereto or used in connection therewith.

“*Price Index*” means the Consumer Price Index which is designated for the applicable month of determination as the United States City Average for All Urban Consumers, All Items, Not Seasonally Adjusted, with a base period equaling 100 in 1982 - 1984, as published by the United States Department of Labor’s Bureau of Labor Statistics or any successor agency. In the event that the Price Index ceases to be published, its successor index measuring cost of living as published by the same Governmental Authority which published the Price Index shall be substituted and any necessary reasonable adjustments shall be made by Lessor and Lessee in order to carry out the intent of Section 4.02. In the event there is no successor index measuring cost of living, Lessor shall reasonably select an alternative price index measuring cost of living that will constitute a reasonable substitute for the Price Index.

“*Property*” or “*Properties*” means those parcels of real estate legally described on Exhibit B attached hereto, all rights, privileges, and appurtenances associated therewith, and all buildings, fixtures and other improvements now or hereafter located on such real estate (whether or not affixed to such real estate).

“*Purchase Option Area*” has the meaning set forth in Section 17.01.

“*Real Estate Taxes*” has the meaning set forth in Section 6.04.

“*Regulated Substances*” means “petroleum” and “petroleum-based substances” or any similar terms described or defined in any of the Environmental Laws and any applicable federal, state, county or local Laws applicable to or regulating USTs.

“*REIT*” means a real estate investment trust as defined under Section 856 of the Code.

“*Release*” means any presence, release, deposit, discharge, emission, leaking, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing or other movement of Hazardous Materials, Regulated Substances or USTs.

“*Remediation*” means any response, remedial, removal, or corrective action, any activity to cleanup, detoxify, decontaminate, contain or otherwise remediate any Hazardous Materials, Regulated Substances or USTs, any actions to prevent, cure or mitigate any Release, any action to comply with any Environmental Laws or with any permits issued pursuant thereto, any inspection, investigation, study, monitoring, assessment, audit, sampling and testing, laboratory or other analysis, or any evaluation relating to any Hazardous Materials, Regulated Substances or USTs.

“*Rental*” means, collectively, the Base Annual Rental and the Additional Rental.

“*Rental Adjustment*” means an amount equal to the lesser of (a) 2% of the Base Annual Rental in effect immediately prior to the applicable Adjustment Date, or (b) 1.25 multiplied by the product of (i) the percentage change between the Price Index for the month which is two months prior to the Price Index used for the immediately preceding Adjustment Date and the Price Index for the month which is two months prior to the applicable Adjustment Date; and (ii) the then current Base Annual Rental.

“*Requisition*” means any temporary requisition or confiscation of the use or occupancy of any of the Properties by any Governmental Authority, civil or military, whether pursuant to an agreement with such Governmental Authority in settlement of or under

threat of any such requisition or confiscation, or otherwise.

“*Reserve*” has the meaning in Section 6.04.

“*Securities*” has the meaning set forth in Section 18.10.

“*Securities Act*” means of the Securities Act of 1933, as amended.

“*Securitization*” has the meaning set forth in Section 18.10.

“*Sublease*” has the meaning set forth in Section 14.04.

“*Successor Lessor*” has the meaning set forth in Section 13.03.

“*Taking*” means (a) any taking or damaging of all or a portion of the Properties (i) in or by condemnation or other eminent domain proceedings pursuant to any Law, general or special; or (ii) by reason of any agreement with any Governmental Authority condemnor in settlement of or under threat of any such condemnation or other eminent domain proceeding; or (b) any de facto condemnation. The Taking shall be considered to have taken place as of the later of the date actual physical possession is taken by the condemnor, or the date on which the right to compensation and damages accrues under the Law applicable to the Properties.

“*Temporary Taking*” has the meaning set forth in Section 11.04.

“*Threatened Release*” means a substantial likelihood of a Release which requires action to prevent or mitigate damage to the soil, surface waters, groundwaters, land, stream sediments, surface or subsurface strata, ambient air or any other environmental medium comprising or surrounding any Property which may result from such Release.

“*Total Condemnation*” has the meaning set forth in Section 11.02.

“*Transaction*” has the meaning set forth in Section 14.01.

“*Transaction Documents*” means this Lease, and all documents related thereto.

“*U.S. Publicly Traded Entity*” means an entity whose securities are listed on a national securities exchange or quoted on an automated quotation system in the United States or a wholly-owned subsidiary of such an entity.

“*USTs*” means any one or combination of tanks and associated product piping systems used in connection with storage, dispensing and general use of Regulated Substances.

EXHIBIT B

LEGAL DESCRIPTIONS AND STREET ADDRESSES OF THE PROPERTIES

Street Addresses:

390 Bristol Metals Rd, Bristol, TN 37620

3830/3838 Majestic St., Houston, TX 77026

3600 Union St., Mineral Ridge, OH 44440

1701 N. US Highway 385, Andrews, TX 79714

4325/4285 Old Tasso Rd, Cleveland, TN 37312

300 International Blvd, Fountain Inn, SC 29644

100 E. Waterfront Drive, Munhall, PA 15120

Legal Descriptions:

Address: 390 Bristol Metals Road, Bristol, Tennessee 37620

Legal Description:

LAND IN SULLIVAN COUNTY, TENNESSEE, DESCRIBED AS FOLLOWS:

TRACT 1:

PARCEL 1: [WELDING ADDITION]

BEING A TRACT OF GROUND APPROXIMATELY 75 FEET BY 216 FEET (16,200 SQUARE FEET, MORE OR LESS) WHICH IS ADJACENT TO THE MAIN MANUFACTURING PLAT OF BRISTOL METALS, LLC UPON WHICH IS TO BE CONSTRUCTED A BUILDING OR ADDITION TO BE KNOWN AS THE WELDING ADDITION.

PARCEL 2: [HYDRO-TEST ADDITION]

BEING A TRACT OF GROUND APPROXIMATELY 62 FEET AND 9 INCHES BY 75 FEET AND 1 INCH (4,711 SQUARE FEET, MORE OR LESS) WHICH IS ADJACENT TO THE MAIN MANUFACTURING PLANT OF BRISTOL METALS, LLC UPON WHICH IS TO BE CONSTRUCTED A BUILDING OR ADDITION TO BE KNOWN AS THE HYDRO-TEST ADDITION.

PARCEL 3: [X-RAY ADDITION]

BEING A TRACT OF GROUND APPROXIMATELY 32 FEET BY 97.5 FEET (3,120 SQUARE FEET, MORE OR LESS) WHICH IS NEAR THE MAIN MANUFACTURING PLANT OF BRISTOL METALS, LLC UPON WHICH IS TO BE CONSTRUCTED A BUILDING OR ADDITION TO BE KNOWN AS THE X-RAY ADDITION.

PARCEL 4: [FURNACE ADDITION]

BEING A TRACT OF GROUND APPROXIMATELY 63 FEET BY 75 FEET (4,725 SQUARE FEET, MORE OR LESS) WHICH IS ADJACENT TO THE MANUFACTURING PLANT OF BRISTOL METALS, LLC UPON WHICH IS CONSTRUCTED AN ADDITION TO BE KNOWN AS THE FURNACE ADDITION.

PARCEL 5: [REPAIR BUILDING]

BEING A TRACT OF GROUND APPROXIMATELY 65 FEET BY 150 FEET (9,750 SQUARE FEET, MORE OR LESS) WHICH IS ADJACENT TO THE QUALITY CONTROL BUILDING NEAR THE MAIN MANUFACTURING PLANT OF BRISTOL METALS, LLC UPON WHICH IS TO BE CONSTRUCTED A BUILDING OR ADDITION TO BE KNOWN AS THE REPAIR BUILDING.

BEING THE SAME PROPERTY CONVEYED TO BRISTOL METALS, LLC BY QUITCLAIM DEED FROM THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF BRISTOL TENNESSEE OF RECORD IN BOOK 3019, PAGE 2483, REGISTER'S OFFICE FOR SULLIVAN COUNTY, TENNESSEE.

TRACT 2:

PARCEL 1:

BEGINNING AT AN IRON AT THE POINT OF INTERSECTION OF THE NORTH LINE OF A 20-FOOT LANE WITH THE EAST LINE OF A 15-FOOT LANE, SAID LANES BEING THE PROPERTY OF GUSSIE M. RADER; THENCE WITH THE EAST LINE OF GUSSIE M. RADER'S 15-FOOT LANE (PARALLEL TO AND 42 FEET EASTERLY FROM THE CENTER OF THE SOUTHERN RAILWAY COMPANY MAIN LINE TRACT) N 44°30'30" E 793.83 FEET TO A POINT IN THE LINE AT THE POINT OF INTERSECTION OF THE SOUTH LINE OF A PROPOSED 50-FOOT ROAD, SAID POINT BEING THE END OF POINT OF THE PROPOSED ROAD; THENCE WITH THE SOUTH LINE OF THE PROPOSED 50-FOOT ROAD, S 65° 42' 30" E 1062.64 FEET TO A POINT IN THE LINE; THENCE BY A NEW LINE S 23°44' W 765.25 FEET TO AN IRON IN THE LINE OF GUSSIE H. RADER; THENCE WITH GUSSIE M. RADER'S LINE, N 65°42'30" W 301.64 FEET TO AN IRON, CORNER TO GUSSIE M. RADER AND FRANK SHARRETT, BEING ALSO THE EAST END OF THE SOUTH LINE OF THE 20- FOOT LANE OF GUSSIE M. RADER; THENCE CROSSING THE END OF GUSSIE M. RADER'S LANE, N 24°17'30" E 20.00 FEET TO AN IRON, THE EAST END OF THE NORTH LINE OF THE LANE; THENCE WITH THE NORTH LINE OF THE LANE, N 65°42'30" 1042.72 FEET TO THE POINT OF BEGINNING, AND CONTAINING 20.721 ACRES, MORE OR LESS, AS IS MORE PARTICULARLY SHOWN BY MAP OF CHARLES D. CLARK, CIVIL ENGINEER OF BRISTOL, VIRGINIA, DATED FEBRUARY 12, 1980, TO WHICH REFERENCE IS HERE MADE, AND WHICH IS MADE A PART HEREOF.

PARCEL 2:

BEGINNING AT AN IRON PIN LOCATED ON THE PROPERTY LINE OF GUSSIE M. RADER, WHICH POINT IS THE NORTHEAST CORNER OF THE PROPERTY HEREBY CONVEYED; THENCE WITH THE RADER PROPERTY LINE S 20° 44' 50" W 766.68 FEET TO A PLANTED ROCK; THENCE WITH THE SAID RADER PROPERTY LINE N 65° 42' 30" W 260 FEET TO A POINT, CORNER TO OTHER PROPERTY OF BRISTOL METALS, INC; THENCE WITH THE PROPERTY LINE OF BRISTOL METALS, INC., N 24°00' E 480 FEET TO A POINT;

THENCE WITH THE SAME S 66°00' E 182.56 FEET TO A POINT; AND N 20°44'50"E 284.84 FEET TO A POINT LOCATED ON THE SOUTHERLY SIDE OF A 50-FOOT ROAD RIGHT-OF-WAY; THENCE WITH THE SOUTHERLY SIDE OF SAID RIGHT-OF-WAY, S 65° 42'30" E 50.10 FEET TO THE POINT OF BEGINNING; CONTAINING 3.05 ACRES, AND BEING SHOWN AS TRACT 5A ON THE PLAT PREPARED BY CLARK & ASSOCIATES, DATED JANUARY 27, 1982.

BEING THE SAME PROPERTY CONVEYED TO BRISTOL METALS, L.P. BY QUITCLAIM DEED FROM SYNALLOY CORPORATION OF RECORD IN BOOK 682, PAGE 142, REGISTER'S OFFICE FOR SULLIVAN COUNTY, TENNESSEE. THE SAID BRISTOL METALS, L.P. IS NOW KNOWN AS BRISTOL METALS, LLC.

TRACT 3:

PARCEL 1:

BEGINNING AT AN IRON PIN AT A LANE IN THE CHARTERED RAIL-ROAD RIGHT-OF-WAY; THENCE WITH THE LANE, S 41 DEGREES 07 MINUTES 56 SECONDS W A DISTANCE OF 254.68 FEET TO AN IRON PIN WITH CAP; THENCE LEAVING THE 200 FOOT CHARTERED RAIL-ROAD RIGHT-OF-WAY, S 68 DEGREE 58 MINUTES 38 SECONDS E A DISTANCE OF 1139.07 FEET TO AN IRON PIN WITH CAP; THENCE N 18 DEGREE 45 MINUTES 02 SECONDS E A DISTANCE OF 220.96 FEET TO AN IRON PIN WITH CAP; THENCE N 21 DEGREE 04 MINUTES 03 SECONDS E A DISTANCE OF 20.00 FEET TO AN IRON PIN; THENCE N 69 DEGREE 04 MINUTES 01 SECONDS W A DISTANCE OF 1042.77 FEET TO AN IRON PIN; WHICH IS THE POINT OF BEGINNING, HAVING AN AREA OF 261,665 SQUARE FEET, 6.007 ACRES, AND SHOWN AS PART OF PARCEL 1 ON MAP OF RECORD IN THE REGISTER'S OFFICE FOR SULLIVAN COUNTY AT BLOUNTVILLE, TENNESSEE, IN PLAT BOOK 9, PAGE 167; AND BEING PART OF THE PROPERTY CONVEYED TO SULLIVAN COUNTY ECONOMIC DEVELOPMENT PARTNERSHIP BY DEED OF RECORD IN SAID REGISTER'S OFFICE IN DEED BOOK 702, PAGE 536. (PART OF MAP 053, PARCEL 092.00)

PARCEL 2:

BEGINNING AT AN IRON PIN WITH CAP ON THE NEW BRISTOL METALS, L.P. AND SULLIVAN COUNTY ECONOMIC DEVELOPMENT PARTNERSHIP LINE; THENCE WITH THE AFORE MENTIONED NEW LINE THE FOLLOWING CALLS: THENCE N51 DEGREES 27 MINUTES 42 SECONDS E A DISTANCE OF 89.72 FEET TO AN IRON PIN WITH CAP; THENCE WITH A CURVE TURNING TO THE LEFT WITH AN ARC LENGTH OF 229.80 FEET, WITH A RADIUS OF 470.00 FEET, WITH A CHORD BEARING OF N 37 DEGREES 27 MINUTES 16 SECONDS E, WITH A CHORD LENGTH OF 227.52 FEET TO AN IRON PIN WITH CAP; THENCE N23 DEGREE 26 MINUTES 50 SECONDS E A DISTANCE OF 713.11 FEET TO AN IRON PIN WITH CAP; THENCE WITH A CURVE TURNING TO THE RIGHT WITH AN ARC LENGTH OF 318.96 FEET, WITH A RADIUS OF 746.20 FEET, WITH A CHORD BEARING OF N 35 DEGREES 41 MINUTES 34 SECONDS E, WITH CHORD LENGTH OF 316.54 FEET TO A NEW CORNER, THENCE WITH THE OLD LINE OF SULLIVAN COUNTY ECONOMIC DEVELOPMENT PARTNERSHIP TO BRISTOL METALS, L.P., N64 DEGREES 35 MINUTES 09 SECONDS W A DISTANCE OF 7.92 FEET TO AN IRON REFERENCE PIN WITH CAP ON THE OLD LINE; THENCE FROM THE AFOREMENTIONED NEW CORNER, N 64 DEGREES 35 MINUTES 09 SECONDS W A DISTANCE OF 422.98 FEET TO A 1/2" IRON REBAR AT A PLANTED STONE; THENCE S 17 DEGREES 25 MINUTES 48 SECONDS W A DISTANCE OF 1126.28 FEET TO THE OLD CORNER OF BRISTOL METALS, L.P. AND SULLIVAN COUNTY ECONOMIC DEVELOPMENT PARTNERSHIP; THENCE N 69 DEGREES 04 MINUTES 44 SECONDS W A DISTANCE OF 1021.09 FEET TO AN IRON PIN WITH CAP; THENCE S 18 DEGREES 45 MINUTES 02 SECONDS W A DISTANCE OF 220.96 FEET TO AN IRON PIN WITH THE CAP; THENCE WITH THE NEW LINE OF SULLIVAN COUNTY ECONOMIC DEVELOPMENT PARTNERSHIP TO BRISTOL METALS, L.P., S 68 DEGREES 58 MINUTES 38 SECONDS E A DISTANCE OF 1143.34 FEET TO AN IRON PIN WITH CAP; WHICH IS THE POINT OF BEGINNING, HAVING AN AREA OF 603,156 SQUARE FEET, 13.847 ACRES, AND SHOWN AS PART OF PARCEL 4 AS SHOWN ON MAP OF RECORD IN THE REGISTER'S OFFICE FOR SULLIVAN COUNTY AT BLOUNTVILLE, TENNESSEE, IN PLAT BOOK 9, PAGE 167; AND BEING PART OF THE PROPERTY CONVEYED TO SULLIVAN COUNTY ECONOMIC DEVELOPMENT PARTNERSHIP BY DEED OF RECORD IN SAID REGISTER'S OFFICE IN DEED BOOK 669, PAGE 457. (PART OF MAP 054, PARCEL 007.10)

BEING THE SAME PROPERTY CONVEYED TO BRISTOL METALS, LLC BY WARRANTY DEED FROM SULLIVAN COUNTY ECONOMIC DEVELOPMENT PARTNERSHIP OF RECORD IN BOOK 753, PAGE 101, REGISTER'S OFFICE FOR SULLIVAN COUNTY, TENNESSEE.

TRACT 4:

BEING A CERTAIN PARCEL OF LAND, CONSISTING OF APPROXIMATELY 49.31 ACRES WHICH IS DESIGNATED AND SHOWN AS PARCEL 13.00 ON TAX MAP 54 IN THE OFFICE OF THE PROPERTY ASSESSOR FOR SULLIVAN COUNTY AT BLOUNTVILLE, TENNESSEE, AND BEING ALL OF THE REMAINING PROPERTY OWNED BY GRANTOR WHICH WAS CONVEYED BY DEEDS WHICH ARE RECORDED IN THE REGISTER'S OFFICE FOR SULLIVAN COUNTY AT BRISTOL, TENNESSEE IN DEED BOOK 126, PAGE 107, AND IN DEED BOOK 126, PAGE 183.

BEING THE SAME PROPERTY CONVEYED TO BRISTOL METALS, L.P. BY QUITCLAIM FROM BRISTOL METALS, INC. OF RECORD IN BOOK 383, PAGE 114, REGISTER'S OFFICE FOR SULLIVAN COUNTY, TENNESSEE. THE SAID BRISTOL METALS, L.P. IS NOW KNOWN AS BRISTOL METALS, LLC.

THE ABOVE FEE TRACTS BEING THE SAME AS THAT PROPERTY AS SHOWN ON ALTA/NSPS LAND TITLE SURVEY PREPARED BY BRYAN SHIRLEY UNDER SUPERVISION OF AMERICAN NATIONAL, DATED SEPTEMBER 26, 2016, JOB NO. 201608751-1, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIN WITH CAP ON THE BRISTOL METALS, L.P. AND SULLIVAN COUNTY ECONOMIC DEVELOPMENT PARTNERSHIP LINE; THENCE WITH THE SULLIVAN COUNTY ECONOMIC DEVELOPMENT PARTNERSHIP TO BRISTOL METALS, L.P. LINE N68°55'46"W 2282.54' TO AN IRON PIN AT A LANE IN THE CHARTERED RAIL-ROAD RIGHT OF WAY; THENCE WITH THE LANE N41°10'48"E 254.68' TO AN IRON PIN WITH CAP; THENCE CONTINUE ALONG SAID LANE N41°11'52"E 794.14' TO THE SOUTH LINE OF A 50' RIGHT OF WAY; THENCE RUN ALONG SAID RIGHT OF WAY THE FOLLOWING COURSES AND DISTANCES: S69°01'09"E 1062.64', THENCE S69°02'43"E 629.92', THENCE S68°58'40"E 50.10' TO THE BOUNDARY OF TAX MAP ID 054-013.00 AS SHOWN ON PLAT OF SURVEY BY TONY F. HOLBROOK FILED FOR RECORD JULY 27 2009 IN BOOK 0012, PAGE 0046 IN THE REGISTER OF DEEDS FOR SULLIVAN COUNTY, THENCE RUN ALONG THE BOUNDARY OF SAID TAX MAP ID NO. THE FOLLOWING COURSES AND DISTANCES: N17°28'40"E 48.90', THENCE N68°55'46"W 1225.19' TO THE VARIABLE RIGHT OF WAY OF BRISTOL METALS ROAD; THENCE CONTINUING ALONG THE BOUNDARY OF SAID TAX MAP ID NO. RUNNING ALONG SAID RIGHT OF WAY THE FOLLOWING COURSES AND DISTANCES: N09°32'34"E 70.00', THENCE WITH A CURVE TURNING TO THE

RIGHT HAVING A RADIUS OF 506.83', AND AN ARC LENGTH OF 379.87', WITH A CHORD BEARING OF N 51°31'23" E, AND A CHORD LENGTH OF 371.04', THENCE N73°01'14"E 326.90', THENCE WITH A CURVE TURNING TO THE RIGHT HAVING A RADIUS OF 256.48', AND AN ARC LENGTH OF 119.46', WITH A CHORD BEARING OF S78°08'01"E, AND A CHORD LENGTH OF 118.38', THENCE S64°47'25"E 917.25', THENCE WITH A CURVE TURNING TO THE RIGHT HAVING A RADIUS OF 328.10', AND AN ARC LENGTH OF 153.54', WITH A CHORD BEARING OF S51°23'04"E, AND A CHORD LENGTH OF 152.14', THENCE S37°58'41"E 107.18' TO THE WEST RIGHT OF WAY OF PARTNERSHIP PARK ROAD; THENCE CONTINUING ALONG THE BOUNDARY OF SAID TAX MAP ID NO. RUNNING ALONG SAID RIGHT OF WAY THE FOLLOWING COURSES AND DISTANCES: S07°01'19"W 28.28', THENCE S52°01'19"W 105.58', THENCE WITH A CURVE TURNING TO THE LEFT HAVING A RADIUS OF 746.20', AND AN ARC LENGTH OF 52.56', WITH A CHORD BEARING OF S50°00'15"W, AND A CHORD LENGTH OF 52.55',

THENCE WITH A COMPOUND CURVE TURNING TO THE LEFT HAVING A RADIUS OF 746.20', AND AN ARC LENGTH OF 318.96', WITH A CHORD BEARING OF S35°44'26"W, AND A CHORD LENGTH OF 316.54',

THENCE S23°29'42"W 713.11' TO THE TERMINUS OF THE RIGHT OF WAY OF SAID RIGHT OF WAY; THENCE CONTINUING ALONG THE BOUNDARY OF SAID TAX MAP ID NO. RUNNING WITH A CURVE TURNING TO THE RIGHT HAVING A RADIUS OF 470.00', WITH AN ARC LENGTH OF 229.80', WITH A CHORD BEARING OF S37°30'08"W, AND A CHORD LENGTH OF 227.52', THENCE S51°26'22"W 89.65' TO THE POINT OF BEGINNING, AND CONTAINING 70.05 ACRES, MORE OR LESS.

INCLUDED IN THE FOREGOING DESCRIPTION, BUT EXPRESSLY EXCLUDED THEREFROM, IS PROPERTY CONVEYED TO THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF BRISTOL, TENNESSEE, BY DEED OF RECORD IN BOOK 747, PAGE 180, SAID REGISTER'S OFFICE.

TRACT 5:

Easement for ingress and egress as granted in document of record in Book 193, Page 668, in the Register's Office of Sullivan County, Tennessee.

TRACT 6:

Right of way easement as granted in document of record in Book 208, Page 74, Register's Office of Sullivan County, Tennessee.

Address: 3830/3838 Majestic Street, Houston, Texas 77026

Legal Description:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF Harris, STATE OF TX, AND IS DESCRIBED AS FOLLOWS:

9.9666 ACRES OF LAND, LYING AND BEING SITUATED IN THE HARRIS AND WILSON TWO LEAGUE GRANT, ABSTRACT 92, HARRIS COUNTY, TEXAS AND BEING THE SAME PROPERTY DESCRIBED IN DEED RECORDED IN VOLUME 5999, PAGE 513, DEED RECORDS OF HARRIS COUNTY, TEXAS; SAID 9.9666 ACRES OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 5/8" IRON ROD IN THE EASTERLY LINE OF MAJESTIC BOULEVARD, BASED ON 100 FEET IN WIDTH, SAME MARKING THE SOUTHWESTERLY CORNER OF BLOCK 10 OF LIBERTY GARDENS SUBDIVISION ACCORDING TO PLAT THEREOF RECORDED IN VOLUME 1163, PAGE 39, DEED RECORDS OF HARRIS COUNTY, TEXAS;

THENCE N 89°16' E, ALONG THE SOUTHERLY LINE OF THE SAID BLOCK 10, A DISTANCE OF 169.11 FEET TO A 5/8" IRON ROD FOR ITS SOUTHEASTERLY CORNER;

THENCE N 0°16' E, ALONG THE EASTERLY LINE OF THE SAID BLOCK 10, A DISTANCE OF 253.52 FEET TO A 5/8" IRON ROD FOR CORNER;

THENCE N 89° 37' E, A DISTANCE OF 435.60 FEET TO A 2" STEEL FENCE CORNER POST FOR CORNER;

THENCE S 0° 07' E, A DISTANCE OF 610.70 FEET TO A 3/4" IRON ROD IN THE NORTHERLY LINE OF THE T. & N. O. RAILROAD RIGHT OF WAY;

THENCE S 64° 08' W, ALONG SAID RAILROAD RIGHT OF WAY, 474.80 FEET TO A 3/4" IRON ROD FOR CORNER;

THENCE, IN A SOUTHWESTERLY DIRECTION ALONG A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 12° 27' 59" AND A RADIUS OF 458.37 FEET FOR A DISTANCE OF 99.73 FEET, THE LONG CHORD OF SAID CURVE BEARING S 23° 14' W 99.45 FEET TO A 3/4" IRON ROD;

THENCE IN A SOUTHWESTERLY DIRECTION, ALONG A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 25° 03' 54" AND A RADIUS OF 458.37 FEET FOR A DISTANCE OF 200.52 FEET TO THE LONG CHORD OF SAID CURVE BEARING S 18° 09' W, 199.10 FEET TO A 3/4" IRON ROD FOR CORNER;

THENCE N 89° 29' W, 60.55 FEET TO A 3/4" IRON ROD IN THE AFORE-MENTIONED EASTERLY LINE OF MAJESTIC BOULEVARD;

THENCE N 1° 14' W, ALONG THE EASTERLY LINE OF MAJESTIC BOULEVARD 839.50 FEET TO THE POINT OR PLACE OF BEGINNING AND CONTAINING AS AFORESAID 9.9666 ACRES OF LAND.

SAVE AND EXCEPT THAT TRACT OR PARCEL OF LAND CONVEYED TO FRIEDMAN INDUSTRIES, INCORPORATED, A TEXAS CORPORATION BY WARRANTY DEED FILE FOR RECORD JUNE 13, 1989 UNDER COUNTY CLERK'S FILE NUMBER M195697, OFFICIAL RECORDS, HARRIS COUNTY, TEXAS.

BEING ALSO DESCRIBED AS FOLLOWS:

9.8679 ACRES OF LAND, LYING AND BEING SITUATED IN THE HARRIS AND WILSON TWO LEAGUE GRANT, ABSTRACT 92, HARRIS COUNTY, TEXAS AND BEING THE SAME PROPERTY DESCRIBED IN DEED RECORDED IN VOLUME 5999, PAGE 513, DEED RECORDS OF HARRIS COUNTY, TEXAS, SAVE AND EXCEPT THAT TRACT OR PARCEL OF LAND CONVEYED TO FRIEDMAN INDUSTRIES, INCORPORATED, A TEXAS CORPORATION BY WARRANTY DEED FILE FOR RECORD JUNE 13, 1989 UNDER COUNTY CLERK'S FILE NUMBER M195697, OFFICIAL RECORDS, HARRIS COUNTY, TEXAS; SAID 9.8679 ACRES OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 3/8" IRON ROD IN THE EASTERLY LINE OF MAJESTIC BOULEVARD, BASED ON 100 FEET IN WIDTH, SAME MARKING THE SOUTHWESTERLY CORNER OF BLOCK 10 OF LIBERTY GARDENS SUBDIVISION ACCORDING TO PLAT THEREOF RECORDED IN VOLUME 1163, PAGE 39, DEED RECORDS OF HARRIS COUNTY, TEXAS;

THENCE N 89°26'14" E, ALONG THE SOUTHERLY LINE OF THE SAID BLOCK 10, A DISTANCE OF 169.11 FEET TO A POINT FOR CORNER WITH A FENCE POST FOR REFERENCE BEARING N 64°24'46"E, 2.14 FEET;

THENCE N 00°26'14" E , ALONG THE EASTERLY LINE OF THE SAID BLOCK 10, A DISTANCE OF 253.52 FEET TO A 1/2" IRON ROD FOUND FOR CORNER;

THENCE N 89°47'14" E, A DISTANCE OF 434.58 FEET TO A POINT FOR CORNER WITH A FENCE POST FOR REFERENCE BEARING N 17°48'22"W, 4.21 FEET;

THENCE S 00°00'12" W, A DISTANCE OF 570.68 FEET TO A POINT FOR CORNER WITH A 5/8" IRON ROD FOUND FOR REFERENCE BEARING S 00°00'12" W, 3.17 FEET;

THENCE S 49°13'11" W, ALONG THE NORTHERLY LINE OF SAID SAVE AND EXCEPT TRACT, A DISTANCE OF 128.86 FEET TO A POINT FOR CORNER IN THE NORTHERLY LINE OF THE T. & N. O. RAILROAD RIGHT OF WAY WITH A FENCE POST FOUND FOR REFERENCE BEARING S 47°32'07" W, 0.22' FEET;

THENCE S 64°09'43" W, ALONG SAID RAILROAD RIGHT OF WAY, 364.02 FEET TO A 3/4" IRON ROD FOR CORNER;

THENCE, IN A SOUTHWESTERLY DIRECTION ALONG A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 12°27'18" AND A RADIUS OF 458.37 FEET FOR A DISTANCE OF 99.64 FEET, THE LONG CHORD OF SAID CURVE BEARING S 23°16'12" W, A DISTANCE OF 99.44 FEET TO A 3/4" IRON ROD;

THENCE IN A SOUTHWESTERLY DIRECTION, ALONG A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 25°03'33" AND A RADIUS OF 458.37 FEET FOR A DISTANCE OF 200.47 FEET, THE LONG CHORD OF SAID CURVE BEARING S 18°10'22" W, 198.88 FEET TO A 3/4" IRON ROD FOR CORNER;

THENCE N 89°34'36" W, 61.05 FEET TO A 3/4" IRON ROD IN THE AFORE-MENTIONED EASTERLY LINE OF MAJESTIC BOULEVARD;

THENCE N 1°14'00" W, ALONG THE EASTERLY LINE OF MAJESTIC BOULEVARD 836.77 FEET TO THE POINT OR PLACE OF BEGINNING AND CONTAINING AS AFORESAID 9.8679 ACRES OF LAND.

Address: 3600 Union Street, Mineral Ridge, Ohio 44440

Legal Description:

Situated in the Township of Weathersfield, County of Trumbull and State of Ohio, and known as being Lot No. 2 in the James R. Sabatine Plat No. 1, a subdivision of part of the Original Mineral Ridge Out Lot No. 103, as recorded in Volume 50, Page 63 of Trumbull County Record of Maps.

Parcel No : 21-901103

Commonly known as: Union Street, Mineral Ridge, Ohio 44440

TOGETHER WITH easements for ingress/egress, access and storm sewer as granted and more fully set forth in Easement Agreement recorded June 25, 2001 in Instrument #200106250023338, Trumbull County Records.

Address: 1701 North US 385, Andrews, Texas 79714

Legal Description:

Tracts 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13, Andrews Industrial Subdivision, a subdivision out of the E/2 of Section 16, Block A-45, P.S.L., Andrews County, Texas according to the map or plat thereof recorded in Volume 3, Page 36, Plat Records of Andrews County, Texas.

Address: 4325/4285 Old Tasso Road NE, Cleveland, Tennessee 37312

Legal Description:

TRACT I
LAND IN THE FOURTH CIVIL DISTRICT OF BRADLEY COUNTY, CITY OF CLEVELAND, TENNESSEE, DESCRIBED AS FOLLOWS:

BEING LOT TWO (2), HABITAT TASSO, AS SHOWN BY PLAT OF RECORD IN PLAT BOOK 29, PAGE 55, REGISTER'S OFFICE FOR BRADLEY COUNTY, TENNESSEE, TO WHICH PLAT REFERENCE IS MADE FOR A MORE DETAILED DESCRIPTION OF SAID LOT.

BEING THE SAME PROPERTY CONVEYED TO MANUFACTURERS CHEMICALS, LLC, A TENNESSEE LIMITED LIABILITY COMPANY FROM LYNN JONES BY WARRANTY DEED OF RECORD IN BOOK 2338, PAGE 483, IN THE REGISTER'S OFFICE FOR BRADLEY COUNTY, TENNESSEE.

TOGETHER WITH THE EASEMENT FOR RIGHT-OR-WAY FOR ACCESS TO PROPERTY of record in Book 2394, Page 897, in the Register's Office for Bradley County, Tennessee.

TRACT II

INTENTIONALLY DELETED

TRACT III

LAND IN BRADLEY COUNTY TENNESSEE AND BEING KNOWN AS LOT 1 ON THE FINAL PLAT OF OLD TASSO ROAD PROPERTIES OF RECORD IN PLAT BOOK 25, PAGE 122, IN THE REGISTER'S OFFICE FOR BRADLEY COUNTY, TO WHICH PLAT REFERENCE IS HEREBY MADE FOR A MORE COMPLETE AND ACCURATE DESCRIPTION.

BEING PROPERTY CONVEYED TO MANUFACTURER'S SOAP & CHEMICAL COMPANY, A TENNESSEE CORPORATION BY DEEDS OF RECORD IN DEED BOOK 331, PAGE 20, DEED BOOK 352, PAGE 696, RECORD BOOK 2054, PAGE 96 AND RECORD BOOK 2056, PAGE 82, IN THE REGISTER'S OFFICE FOR BRADLEY COUNTY, TENNESSEE.

Address: 300 International Boulevard, Fountain Inn, South Carolina 29644

Legal Description:

ALL THAT CERTAIN PIECE, PARCEL OR TRACT OF LAND, CONTAINING 16.93 ACRES, MORE OR LESS, SITUATE, LYING AND BEING ON THE WESTERN SIDE OF INTERNATIONAL BOULEVARD, IN THE COUNTY OF LAURENS, STATE OF SOUTH CAROLINA, AS SHOWN ON A PLAT ENTITLED "BOUNDARY SURVEY FOR LPC OF S.C., INC.", PREPARED BY THOMAS P. DOWLING, RLS, DATED OCTOBER 10, 1996, LAST REVISED DECEMBER 12, 1996, AND RECORDED IN THE ROD OFFICE FOR LAURENS COUNTY, SOUTH CAROLINA, IN PLAT BOOK A-152 AT PAGES 7 AND 8, REFERENCE TO WHICH IS HEREBY CRAVED FOR A METES AND BOUNDS DESCRIPTION THEREOF.

Address: 100 E. Waterfront Drive, Munhall, PA 15120

Legal Description:

ALL THOSE CERTAIN lots or parcels of land situate in the Borough of Munhall, Allegheny County, Pennsylvania being more particularly designated as Parcels "D" and "D-1, on the Homestead Works Plan No. 1 recorded in Plan Book Volume 196, Pages 26-39 and being more particularly bounded and described as follows:

BEGINNING at a point, said point being located distant the 2 following lines from the Northeasterly corner of Parcel No. 2 (Deed Book Volume 7754, Page 292), also being at the intersection of the United States Harbor Line with the Easterly line of Parcel No. 2; (1) along the Northerly line of Parcel No. 2 and the U.S. Harbor Line North 57° 03' 50" West a distance of 33.23 feet; (2) by an arc of a circle curving to the right having a radius of 3,600.00 feet an arc distance of 749.13 feet subtended by a chord North 51° 06' 09" West a distance of 747.78 feet to a point; thence leaving the Northerly line of Parcel No. 2 and the U.S. Harbor Line by a line through the lands of the grantor South 44° 51' 32" West a distance of 58.17 feet to a point on the Northerly right of way line of East Drive 60 feet R/W; thence along the

Northerly right of way line of East Drive by the following 7 lines: (1) by an arc of a circle (non-tangent) curving to the left having a radius of 193.70 feet an arc distance of 216.06 feet subtended by a chord North 78° 25' 28" West a distance of 205.03 feet; (2) South 69° 37' 13" West a distance of 341.60 feet; (3) by an arc of a circle curving to the right having a radius of 242.84 feet an arc distance of 177.62 feet subtended by a chord North 89° 25' 32" West a distance of 173.69 feet; North 68° 28' 17" West a distance of 526.17 feet; (4) by an arc of a circle curving to the right having a radius of 542.96 feet an arc distance of 689.84 feet subtended by a chord North 32° 04' 25" West a distance of 644.37; (5) North 04° 19' 26" East a distance of 513.20 feet; (6) by an arc of a circle curving to the left having a radius of 302.84 feet an arc distance of 163.18 feet subtended by a chord North 11° 06' 46" West a distance of 161.22 feet; (7) North 26° 32' 59" West a distance of 19.77 feet to a point; thence leaving the right of way line of East Drive, 60 feet R/W by a line through the lands of the grantor North 63° 27' 01" East a distance of 290.00 feet to a point on the former United States Harbor Line; thence along the former United States Harbor Line by the following 3 lines: (1) by an arc of a circle curving to the right having a radius of 6,600.00 feet an arc distance of 1,101.52 feet subtended by a chord South 43° 45' 42" East a distance of 1,100.21 feet; (2) South 38° 58' 50" East a distance of 459.43 feet; (3) by an arc of a circle curving to the left having a radius of 3,600.00 feet an arc distance of 387.08 feet subtended by a chord South 42° 03' 39" East a distance of 386.90 feet to a point being at the true place of BEGINNING.

ALSO all that parcel of ground, beginning at a point, said point being at the Southerly corner of Parcel 'D1' as shown on the Homestead Works Plan No. 1, being recorded in Plan Book Volume 196, Pages 26-39 in the Recorder of Deeds Office of Allegheny County, Pennsylvania; thence along the 3 following lines dividing Parcel 'D' and Parcel 'D-1' in said plan; (1) by an arc of a circle curving to the right having a radius of 3,600.00 feet an arc distance of 387.08 feet subtended by a chord North 42° 03' 39" West a distance of 386.90 feet; (2) North 38° 58' 50" West a distance of 459.43 feet; (3) by an arc of a circle curving to the left having a radius of 6,600.00 feet an arc distance of 1101.52 feet subtended by a chord North 43° 45' 42" West a distance of 1,100.21 feet to a point being the Westerly corner of Parcel 'D-1'; thence by a line along the line dividing Parcel 'D-1' and Parcel 'C-1' North 63° 27' 01" East a distance of 16 feet more or less to a point on the ordinary low water line of the Monongahela River; thence along the ordinary low water line of the Monongahela River in a Southeasterly direction 1640 feet more or less to a point being the Easterly corner of Parcel 'D-1'; thence along the line dividing Parcel 'D-1' and Parcel 'E-1' South 44° 51' 32" West a distance of 54.5 feet more or less to a point being the place of BEGINNING.

BEING PARCEL NO. 179-A-1, 179-E-25

BEING the same premises which Pittsburgh Economic and Industrial Development Corporation, a Non-Profit industrial development agency, by Deed dated 04/15/1999 and recorded 05/26/1999 in The Department of Real Estate Office of Allegheny County at Deed Book Volume 10486 Page 637, granted and conveyed unto Damascus-Bishop Tube Company, a Pennsylvania corporation, in fee.

EXHIBIT C

FORM OF AUTHORIZATION AGREEMENT – PRE-ARRANGED PAYMENTS

PRE-ARRANGED PAYMENTS

Reference Number __
I (We) (Tenant) authorize / _____ \, (Servicer) to initiate entries identified below as required. Tenant further authorizes the bank below to post such entries to the identified checking account beginning with the payment draft date of ____ / ____ / ____ . A minimum of thirty (30) days advance notice is required to process first payment by ACH.
Bank Name _____ Branch _____
City _____ State _____ Zip _____

*****Transit - ABA Account Number Information**

ACCOUNT TYPE*** Please specify checking or savings account (C/S) _____
PLEASE FILL IN BANK INFORMATION CAREFULLY
ATTACH VOIDED CHECK FOR ACCOUNT VERIFICATION

Automatic debits will be made on the payment due date established by the relevant lease documents, or the next subsequent business day if such date is not a business day. This authority may be terminated upon thirty days prior written notification from the Tenant to the servicer. Tenant has the right to stop payment of any entry by notification to the bank prior to the scheduled debit date. If an erroneous entry is initiated by the servicer to the Tenant's account, Tenant shall have the right to have the amount of such entry reversed by the bank. To initiate a reversal, the Tenant must notify the bank in writing that an error has occurred and request a reversal. Such notice must be within 15 calendar days after the Tenant receives the statement of account or other written notice from the bank identifying the error. Tenant hereby authorizes the servicer to impose a \$60.00 returned item processing fee, subject to change, via ACH debit against the above-referenced account of the Tenant if a non-sufficient funds or stop payment item is charged against the servicer's account.

Tenant Tax Identification

Name(s) _____ Number _____

Date _____

Print Authorized Name _____

Authorized Signature _____

Print Authorized Name _____

Authorized Signature _____

Contact Phone Number _____ Fax Number _____

Email Address: _____

Return Original to: / _____ \
Attn: / _____ \
/ _____ \
/ _____ \
Fax
Number: / _____ \
/ _____ \
/ _____ \

EXHIBIT D

STATE-SPECIFIC PROVISIONS

OHIO:

Upon receipt of Lessor's invoice, Lessee shall pay its *pro rata* share of the installment of taxes for which Lessee is responsible pursuant to Section 6.01(a) (Taxes) which were a lien during the Lease Term but are due and payable following the expiration of this Lease.

Notwithstanding Section 7.02 (Alterations and Improvements), prior to commencing any alterations to the Properties, Lessee shall prepare, record, serve and post a Notice of Commencement in compliance with Ohio Revised Code Section 1311.04. Upon completion of such improvements, Lessee shall prepare and record a termination of the Notice of Commencement. Copies of all Notices of Commencement and terminations shall be delivered to Lessor within seven (7) days of recording.

TEXAS:

1. Lessor and Lessee are knowledgeable and experienced in commercial transactions and agree that the provisions of this Lease for determining charges, amounts and additional rent payable by Lessee are commercially reasonable and valid even though such methods may not state a precise mathematical formula for determining such charges. **ACCORDINGLY, LESSEE VOLUNTARILY AND KNOWINGLY WAIVES ALL RIGHTS AND BENEFITS OF LESSEE UNDER SECTION 93.012 OF THE TEXAS PROPERTY CODE.**

2. To the extent not prohibited by applicable Law, Lessee hereby waives any statutory lien it may have against Lessor or its assets, including without limitation, the Properties and any Personalty.

3. Lessee hereby waives, for itself and all persons or entities claiming by, through, and under Lessee, including creditors of all kinds, (a) any right and privilege which Lessee has under any present or future constitution, statute, or rule of law to redeem the Properties or to have a continuance of this Lease for the Lease Term after termination of Lessee's right of occupancy by order or judgment of any court or by any legal process or writ, or under the terms of this Lease; (b) the benefits of any present or future constitution, statute or rule of law that exempts property from liability for debt or for distress for rent; (c) any provision of law relating to notice or delay in levy of execution in case of eviction of a Lessee for nonpayment of rent; and (d) any benefits and lien rights which may arise pursuant to Section 91.004 of the Texas Property Code. In any event, Lessor and Lessee hereby acknowledge and agree that no lien or set-off rights of Lessee shall arise or attach under any circumstances until Lessee shall have obtained a final, binding and nonappealable judgment in its favor from a court of competent jurisdiction.

PENNSYLVANIA:

Lessor and Lessee agree as follows:

1. The second full paragraph on page 1 of the Lease is revised to read:

"In consideration of the mutual covenants and agreements contained in this Lease, intending to be legally bound, Lessor and Lessee covenant and agree as follows:"

2. The following is added as a new Section 12.05 to the Lease:

12.05 Proceedings. In any action of ejectment and/or for Rental, Lessor shall first cause to be filed in such action an affidavit made by it or someone acting for it, setting forth the facts necessary to authorize the entry of judgment, and, if a true copy of this Lease (and of the truth of the copy such affidavit shall be sufficient evidence) be filed in such action, it shall not be necessary to file the original as a warrant of attorney, any rule of Court, custom or practice to the contrary notwithstanding.

3. The following is added as a new Section 12.06 to the Lease:

12.06 Waiver of Notice to Quit. Lessee agrees to give up certain legal rights as provided by the Landlord and Tenant Act of 1951, as amended, 68 P.S. § 250.101, *et seq.*, including, but not limited to the ten (10) or thirty (30) day notice period which is contained in § 501 thereof, or any other notice period established by applicable law. No notice will be required to be given by Lessor to Lessee to leave and give up the Properties. Lessee will be asked to leave the Properties without notice under any of the following conditions:

(a) Lessee does not leave any Property at the end of the Lease Term.

- (b) Lessee breaks any of the terms or conditions of this Lease.
- (c) Lessee fails, upon demand, to make all Rental payments and other payments when due.

4. THIS LEASE AND ALL THE OTHER DOCUMENTS EXECUTED IN CONNECTION HERewith EMBODY THE FINAL, ENTIRE AGREEMENT OF LESSOR AND LESSEE AND SUPERSEDE ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF AND THEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF LESSOR AND LESSEE. THERE ARE NO ORAL AGREEMENTS BETWEEN LESSOR AND LESSEE.

SCHEDULE 9.03

SUPPLEMENTAL FINANCIAL INFORMATION

Lessee shall deliver the following information in connection with delivery of the corporate financial statements required in Section 9.03 of the Lease.

Corporate Financial Reporting Certificate

Company:

For the Qtr or FYE ending _____

of months represented _____

Number of units operating at the end of reporting period _____

EBITDAR Calculation:

Net Income _____

Plus: Interest Expense _____

Plus: Taxes _____

Plus: Depreciation & Amortization _____

Plus: Operating Lease Expense _____

Plus: Any non-recurring expenses (please clarify below) _____

Plus: Any other non-cash expenses (please clarify below) _____

EBITDAR _____

Items required to be broken out of Balance Sheet:

Current Portion of Long-Term Debt _____

Current Portion of any Capital Leases _____

Senior Third-Party Debt Balances _____

Subordinate/Related Party Debt Balances _____

Explanations of non-recurring and non-cash items:

Lessee shall deliver the following information in connection with delivery of the unit-level financial statements required in Section 9.03 of the Lease.

STORE Capital Unit-Level Financial Reporting Certificate

Unit ID: 1 2 3

For the Qtr or FYE ending _____

4849-3174-9992.2
STORE/Synalloy
A&R Master Lease Agreement
7 Properties in OH, PA, SC, TN and TX
File No. 7210/02-475

BB&T

FIRST AMENDMENT TO THIRD AMENDED AND RESTATED LOAN AGREEMENT

9520406872
Account Number

This First Amendment to Third Amended and Restated Loan Agreement (this “*Amendment*”) is made as of June 29, 2018 by and among **BRANCH BANKING AND TRUST COMPANY**, a North Carolina banking corporation (“*Bank*”) and **Synalloy Corporation**, a Delaware corporation, **Synalloy Fabrication, LLC**, a South Carolina limited liability company, **Synalloy Metals, Inc.**, a Tennessee corporation, **Bristol Metals, LLC**, a Tennessee limited liability company, **Manufacturers Soap & Chemical Company**, a Tennessee corporation, **Manufacturers Chemicals, LLC**, a Tennessee limited liability company, **Palmer of Texas Tanks, Inc.**, a Texas corporation, **CRI Tolling, LLC**, a South Carolina limited liability company, and **Specialty Pipe & Tube, Inc.**, a Delaware corporation (sometimes individually a “*Borrower*” and collectively, the “*Borrowers*”) for purposes of amending (without novation, accord nor satisfaction) certain aspects and provisions of the following (all of the following sequentially, cumulatively and collectively, the “*Loan Agreement*”): the Third Amended and Restated Loan Agreement dated as of October 30, 2017, together with Schedules DD and EE of the same.

Agreement

1. Defined Terms from Loan Agreement

Capitalized terms used in this Amendment without definition retain (except, to the extent applicable, as amended hereby) the meanings respectfully assigned to such terms in the Loan Agreement.

2. Recitals and Loan Agreement Incorporated Herein by Reference

Each and all of opening paragraphs, statements, information and other provisions of this Amendment above constitute an integral part of this Amendment among the parties and are to be considered binding upon the parties. In addition, the statements, recitals, terms, conditions and agreements of and in the Loan Agreement are hereby incorporated herein by this reference thereto as if set forth herein in full.

3. Line of Credit

The fourth grammatical paragraph on the first page of the Loan Agreement beginning with “Line of Credit” is hereby deleted and replaced with the following:

Line of Credit (“Line of Credit”) in the maximum principal amount not to exceed **\$80,000,000.00** at any one time outstanding for the purpose of working capital which shall be evidenced by the Borrowers’ Promissory Note dated October 30, 2017, as amended by that certain Note Modification Agreement dated June 29, 2018 which shall bear interest at the rate set forth in such note, the terms of which are incorporated herein by reference (the “*Line Note*”). The Line of Credit shall mature on **October 30, 2020** when the entire unpaid principal balance then outstanding plus accrued interest thereon shall be paid in full. Prior to maturity or the occurrence of any Event of Default hereunder and subject to Availability, as applicable, the Borrowers may borrow, repay, and reborrow under the Line of Credit through the Maturity Date. The principal balance from time to time outstanding under the Line of Credit shall bear interest at the rate set forth in the Line Note. Bank shall make advances under the Line of Credit into the Borrowers’ designated operating account or other designated deposit account maintained with Bank upon receipt of the written or oral request (hereafter confirmed in writing) of Borrowers provided that Bank shall not be required to make any advance which would cause Borrowers to exceed Availability (as defined in section 10 hereof), if applicable. If at any time the aggregate principal balance outstanding under the Line of Credit shall exceed Availability, Borrowers shall immediately upon demand pay the amount necessary to bring the outstanding balance thereunder within Availability. **Unused Line Fee:** Borrowers shall pay Bank, **quarterly** in arrears on the last day of each calendar quarter, an unused fee equal to **0.15% per annum** on the average daily unused amount of the Line of Credit for such calendar quarter calculated on the basis of a year of 360 days for the actual number of days elapsed.

4. Conditions to Effectiveness of Amendment.

The Amendments set forth in Section 3 hereof shall become effective on the date of or after the date hereof on which the following conditions have been satisfied:

Note Modification Agreement: Receipt of the Note Modification Agreement duly executed by Borrowers.

First Amendment to Amended and Restated Security Agreement: Receipt of the First Amendment to Amended and Restated Security Agreement duly executed by Borrowers.

First Amendment to Amended and Restated Stock and LLC Pledge Agreement: Receipt of the First Amendment to Amended and Restated Stock and LLC Interest Pledge Agreement.

UCC Financing Statements: Copies of any UCC Financing Statements or UCC Financing Statement Amendments duly filed in Borrowers’ state of incorporation, organization or residence, and in all jurisdictions necessary, or in the opinion of Bank desirable, to perfect or continue perfection of the security interests granted in the Security Agreement, and certified copies of Information Requests identifying all previous financing statements on record

for Borrowers, as appropriate from all jurisdictions indicating that no security interest has previously been granted in any of the collateral described in the Security Agreement, unless prior approval has been given by Bank.

Commitment Fee and Certain Other Fees: A commitment fee of \$37,500.00 payable to Bank on the date of execution of this Amendment. Without limiting any obligation set forth elsewhere for the Borrowers to pay any fees, expenses or the like of the Bank, Borrowers shall pay the expenses of the Bank and the expenses and reasonable professional fees and costs of legal counsel to the Bank in connection with the negotiation, preparation and closing of this Amendment and the other documents and instruments being delivered in connection herewith.

Corporate Resolution: A Corporate Resolution signed by the corporate secretary or certified officer containing resolutions duly adopted by the Board of Directors of all Borrowers incorporated as corporations authorizing the execution, delivery, and performance of this Amendment, the Note and on or in a form provided by or acceptable to Bank.

Declaration of Limited Liability Company: A declaration, consent or resolution from all Borrowers organized as a limited liability company authorizing the execution, delivery, and performance of this Amendment, the Note, and any other documents required by Bank on a form provided by or acceptable to Bank.

Certificate of Incumbency: A certificate of the Secretary or Member or other certified officer of Borrowers certifying the names and true signatures of the officers each of the Borrowers authorized to sign this Amendment, the Note and any other documents required by Bank.

Certificate of Existence: A certification of the Secretary of State (or other government authority) of the state/commonwealth of each Borrowers' incorporation or organization as to the existence or good standing of each of the Borrowers and its charter documents on file.

Opinion of Counsel: An opinion of counsel satisfactory to Bank and Bank's counsel.

Additional Documents: Receipt by Bank of other approvals, opinions, or documents as Bank may reasonably request.

5. Bringdown of Representations and Warranties

Borrowers represent and warrant to Bank the continued accuracy and completeness, as of the date hereof, of all representations made in the Loan Documents taking into account this Amendment constituting one of the Loan Documents.

6. Security

For the avoidance of doubt, all of the obligations of the Borrowers, whether of payment or performance, under the Line of Credit shall be and continue following the effectiveness of this Amendment to be (along with the other obligations referenced therein), secured by and enjoying the benefits of the pledges, collateral and other matters and security set forth in the Loan Documents.

7. Miscellaneous

Matters as to Amendment. This Amendment constitutes an amendment to the Loan Agreement (and, to the extent applicable, all other Loan Documents) and except for the effect of any matters expressly set forth in this Amendment, this Amendment, the Loan Agreement as previously amended, and each of the Loan Documents is, and shall continue to be following the effectiveness of this Amendment, in full force and effect in accordance with the terms thereof, and nothing in this Amendment shall otherwise be deemed to amend or modify any provision of the Loan Agreement, as previously amended, or the other Loan Documents, each of which shall remain in full force and effect except as otherwise expressly provided herein or therein. This Amendment is not intended to be, nor shall it be construed to create, a novation or accord and satisfaction. This Amendment does not affect the release of any collateral, does not disturb the perfection or priority of any existing liens, and does not affect the release of any obligor, guarantor or other party from its obligations.

WAIVER OF JURY TRIAL. UNLESS EXPRESSLY PROHIBITED BY APPLICABLE LAW, THE UNDERSIGNED HEREBY WAIVE THE RIGHT TO TRIAL BY JURY OF ANY MATTERS OR CLAIMS ARISING OUT OF THIS AMENDMENT OR ANY OF THE LOAN DOCUMENTS EXECUTED IN CONNECTION HEREWITH OR OUT OF THE CONDUCT OF THE RELATIONSHIP BETWEEN THE UNDERSIGNED AND BANK. THIS PROVISION IS A MATERIAL INDUCEMENT FOR BANK TO MAKE THE LOAN AND ENTER INTO THIS AMENDMENT. FURTHER, THE UNDERSIGNED HEREBY CERTIFY THAT NO REPRESENTATIVE OR AGENT OF BANK, NOR BANK'S COUNSEL, HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT BANK WOULD NOT SEEK TO ENFORCE THIS WAIVER OR RIGHT TO JURY TRIAL PROVISION. NO REPRESENTATIVE OR AGENT OF BANK, NOR BANK'S COUNSEL, HAS THE AUTHORITY TO WAIVE, CONDITION OR MODIFY THIS PROVISION.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment under seal as of the date first written above.

Witness:

**SYNALLOY CORPORATION
SYNALLOY FABRICATION, LLC
SYNALLOY METALS, INC.
BRISTOL METALS, LLC
MANUFACTURERS SOAP & CHEMICAL
COMPANY
MANUFACTURERS CHEMICALS, LLC
PALMER OF TEXAS TANKS, INC.
CRI TOLLING, LLC
SPECIALTY PIPE & TUBE, INC.**

By: _____(SEAL)

Dennis M. Loughran
Senior Vice President and CFO or Senior Vice President, Finance *of and
on behalf of each of the above-named entities*

BRANCH BANKING AND TRUST COMPANY

Witness:

By: _____

Stan W. Parker
Senior Vice President

ASSET PURCHASE AGREEMENT

BY AND BETWEEN

BRISTOL METALS, LLC

AND

MARCEGAGLIA USA, INC.

DATED AS OF JUNE 29, 2018

ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT (“Agreement”), dated as of June 29, 2018, by and between Bristol Metals, LLC, a Tennessee limited liability company (the “Buyer”), and Marcegaglia USA, Inc., a Pennsylvania corporation (the “Seller”). Seller and Buyer may each be referred to herein individually as a “Party” and together as the “Parties”.

WHEREAS, Seller is in the business in North America of manufacturing and selling galvanized pipe and tube and stainless steel squares, rectangles and rounds tubes for ornamental applications (collectively, the “Business”).

WHEREAS, Buyer is in the business of manufacturing and selling welded stainless steel pipe and tube in North America.

WHEREAS, Buyer desires to purchase and assume, and Seller desires to sell and assign, or cause to be sold and assigned, the Specified Assets (as defined herein) and the Specified Liabilities (as defined herein), upon the terms and conditions hereinafter set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements hereinafter set forth herein, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties hereto agree as follows:

SECTION 1. DEFINED TERMS

Certain defined terms used in this Agreement and not specifically defined in context shall have their respective meanings contained in Exhibit 1 attached hereto, the provisions of which are hereby incorporated into and made a part of this Agreement by reference.

SECTION 2. THE TRANSACTION

2.1 Sale and Purchase of Specified Assets. On the Closing Date, effective to the fullest extent possible at 12:01 a.m. Eastern Time, subject to the other terms and conditions of this Agreement, Seller shall sell, transfer, assign and convey to Buyer, and Buyer shall purchase, all right, title and interest in and to all of the Specified Assets free and clear of any Encumbrances.

2.1.1 Specified Assets. The “Specified Assets” means substantially all of the assets owned or held by Seller and used in the Business, including but not limited to those assets set forth below, but excluding the Excluded Assets:

2.1.1.1 All of Seller’s usable and saleable raw, work in progress, finished goods and supplies inventory owned by Seller on Closing Date listed on Schedule 2.1.1.1, which schedule shall be agreed upon and delivered at Closing by and between the Parties pursuant to a joint physical count of the Inventory, and shall not be subject to post-Closing adjustment pursuant to Section 3.3 of this Agreement (collectively, the “Inventory”).

2.1.1.2 All of Seller’s fixed assets, equipment, computers, fixtures and furniture including, but not limited to, the items listed on Schedule 2.1.1.2 hereto (the “Equipment”);

2.1.1.3 All of Seller’s trade accounts receivable listed on Schedule 2.1.1.3 (the “Trade Accounts Receivable”) and all vendor and similar rebates;

2.1.1.4 All of Seller’s rights and interests in the customer purchase orders reviewed and agreed to by Buyer as listed on Schedule 2.1.1.4 (the “Purchase Orders”).

2.1.1.5 All of Seller’s current, former and prospective customer lists and customer sales files relating to the Business as listed on Schedule 2.1.1.5 (the “Customer Lists”).

2.1.1.6 Copies of all of Seller’s employment and personnel records relating to Transferred Employees, and all books and records relating or pertaining to the Business, including all sales records and similar data, to the extent transferrable by law (collectively, the “Records”).

2.1.1.7 The Intellectual Property held, used or owned by Seller, other than that listed under Section 2.1.2.2.

2.1.1.8 All licenses and permits, to the extent transferrable, used by Seller and necessary to conduct the Business as it is currently being conducted, including any Environmental Permits and those listed on Schedule 2.1.1.8 (the “Licenses and Permits”).

2.1.1.9 All of Seller’s prepaid costs and expenses, customer prepaids and customer deposits.

2.1.1.10 All of Seller’s books and records relating to the Specified Assets.

2.1.1.11 All other tangible and intangible properties which historically have been used or held for use in connection with the Business including, without limitation, all goodwill related to the Business, but excluding (i) assets sold or disposed of in the ordinary course of business prior to Closing and (ii) assets which are included in the Excluded Assets.

2.1.2 Excluded Assets. Notwithstanding any provision to the contrary in this Agreement, nothing in this Agreement shall constitute or be construed as requiring Seller to sell, assign, convey, transfer or deliver, and Buyer shall not be entitled to purchase, assume or acquire, any right, title or interest in, to or under any property, asset, business, operation or division of Seller, or any Affiliate thereof, not set forth in Section 2.1.1, including the following assets and properties which are hereby excluded from the definition of Specified Assets (collectively, the “Excluded Assets”):

2.1.2.1 All cash, cash equivalents, bank deposits, including such as relate to any Excluded Assets or the operation of the Specified Assets prior to the Closing Date, and any income, sales, payroll or other Tax receivables with respect to periods prior to the Closing Date (in each case, whether held by Seller or any third party).

2.1.2.2 All of Seller’s intellectual property rights and interests associated with its name, “Marcegaglia USA, Inc.”, and any derivations thereof using the name “Marcegaglia”.

2.1.2.3 All Tax refunds or credits, which refunds or credits are with respect to periods prior to the Closing Date, whether directly or indirectly, regardless of when actually paid.

2.1.2.4 The minute books, stock transfer books, corporate seal, Tax Returns and other corporate records of Seller and its respective successors and assigns.

2.1.2.5 All real estate owned by Seller, including, but not limited to, the Property, which the Parties acknowledge and agree is being sold to a third party, and subsequently leased back by Buyer, on or about the Closing Date.

2.1.2.6 All of Seller’s scrap or obsolete raw, work in progress, finished goods and supplies inventory as of the Closing Date.

2.1.3 Specified Liabilities. At the Closing, Buyer will not assume any of the liabilities, obligations or debt of Seller except the following explicitly listed liabilities and then only to the extent solely related to the Specified Assets (the “Specified Liabilities”):

2.1.3.1 The Transferred Employees’ accrued vacation and sick leave accrued through the Closing Date listed on Schedule 2.1.3.1.

2.1.3.2 The Purchase Orders.

2.1.3.3 The trade accounts payable listed on Schedule 2.1.3.3 (the “Trade Accounts Payable”), which shall include, but not be limited to, raw materials and utilities at the Seller’s facility.

2.1.3.4 The operating leases, building maintenance contracts, and other vendor agreements listed on Schedule 2.1.3.4 (collectively, the “Vendor Contracts”).

2.1.4 No Other Liabilities. Except as otherwise set forth in this Agreement, Buyer shall not assume or be obligated to pay, perform or otherwise discharge any liabilities of Seller other than as specifically included in the Specified Liabilities. All such liabilities not being assumed by Buyer pursuant to Section 2.1.3 are referred to herein as the “Excluded Liabilities.”

SECTION 3. PURCHASE PRICE, ALLOCATION AND EARN OUT

3.1 Purchase Price.

3.1.1 Purchase Price. Subject to the terms of this Section 3, the aggregate purchase price for the Specified Assets (the “Purchase Price”) shall be equal to (i) TEN MILLION AND 00/100 DOLLARS (\$10,000,000).

3.1.2 Closing Payment.

3.1.2.1 Not less than two (2) Business Days prior to the Closing Date, Seller shall have delivered to Buyer an estimated statement of Closing Date Working Capital (“Estimated Closing Date Working Capital”), which shall be subject to Buyer’s reasonable review and approval.

3.1.2.2 At the Closing, Buyer shall deliver as payment on account of the Purchase Price an amount (the “Closing Payment”) in cash equal to (i) TEN MILLION AND 00/100 DOLLARS (\$10,000,000), (ii) *plus* the amount, if any, by which Estimated Closing Date Working Capital exceeds Target Closing Date Working Capital, (iii) *minus* the amount, if any, by which Target Closing Date Working Capital exceeds Estimated Closing Date Working Capital.

3.2 Payment of Adjusted Purchase Price.

3.2.1 If the amount representing the Closing Date Working Capital as finally determined in accordance with Section 3.3 differs from the Estimated Closing Date Working Capital, the Purchase Price shall be adjusted upward or downward, as applicable, on a dollar-for-dollar basis by the cumulative amount of such difference.

3.2.2 If the adjustment, if any, under Section 3.3 results in an aggregate reduction in the Purchase Price, then within three Business Days after the final determination of the adjustment, Seller shall pay the amount of such reduction to Buyer by wire transfer of immediately available funds to an account designated by Buyer.

3.2.3 If the adjustment, if any, under Section 3.3 results in an aggregate increase in the Purchase Price, then within three Business Days after the final determination of the adjustment, Buyer shall pay to Seller the amount of such aggregate increase in the Purchase Price by wire transfer of immediately available funds to an account designated by Seller.

3.3 Adjustment Procedure.

3.3.1 Within ninety (90) days after the Closing Date, Buyer shall prepare and deliver to Seller a statement of the Closing Date Working Capital (the “Statement of Closing Date Working Capital”). The Statement of Closing Date Working Capital shall not include any change to the Inventory as provided by Section 2.1.1.1, which financial evaluation shall be agreed upon between Seller and Buyer at or prior to Closing and shall not be subject to post-Closing adjustment pursuant to this Section 3.3. The Statement of Closing Date Working Capital shall be based upon the books and records of the Seller and shall be prepared in accordance with GAAP and consistent with the past practices of the Seller in the preparation of the Financial Statements.

3.3.2 Seller shall, during reasonable business hours, be given reasonable access to (and copies of) all of Buyer’s books, records, and other documents, including work papers, worksheets, notes, and schedules, used in preparation of the Statement of Closing Date Working Capital, for the purpose of reviewing the Statement of Closing Date Working Capital.

3.3.3 If within thirty (30) days following delivery of the Statement of Closing Date Working Capital to Seller, Seller has not given Buyer notice an objection as to any amounts set forth on the Statement of Closing Date Working Capital (which notice shall state in reasonable detail the basis of Seller’s objections and Seller’s proposed adjustments) (the “Objection Notice”), the Statement of Closing Date Working Capital as prepared by Buyer will be final, binding, and conclusive on the parties.

3.3.4 If Seller timely gives Buyer an Objection Notice and if Seller and Buyer fail to resolve the issues raised in the Objection Notice within thirty (30) days after delivery of the Objection Notice, Seller and Buyer shall submit the issues remaining in dispute for resolution to a recognized national or regional independent accounting firm mutually acceptable to Buyer and Seller (the “Independent Accountants”). If the Buyer and Seller cannot agree on the Independent Accountants to serve, each of them shall appoint a recognized national or regional independent accounting firm and the two firms shall appoint a recognized national or regional accounting firm to serve as the Independent Accountants.

3.3.5 The Independent Accountants shall be directed to resolve only those issues in dispute and render a written report on their resolution of disputed issues with respect to the Statement of Closing Date Working Capital as promptly as practicable, but no later than thirty (30) days after the date on which the Independent Accountants are engaged. The determination by the Independent Accountants will be based solely on written submissions of Buyer, on the one hand, and Seller, on the other hand, and will not involve independent review. Any determination with respect to the Statement of Closing Date Working Capital by the Independent Accountants will not be outside the range established by the amounts in (i) the Statement of Closing Date Working Capital, and (ii) Seller's proposed adjustments thereto. Such determination will be final, binding, and conclusive on the parties as of the date of the determination notice sent by the Independent Accountants.

3.3.6 If issues are submitted to the Independent Accountants for resolution:

3.3.6.1 In the absence of mutual agreement of Seller and Buyer, or unless otherwise expressly provided for in this Agreement, the Independent Accountants shall determine the process to be followed in resolving the disputed matters, provided such process is consistent with this Agreement;

3.3.6.2 Seller and Buyer shall execute any agreement required by the Independent Accountants to accept their engagement pursuant to Section 3.3.4;

3.3.6.3 Seller and Buyer shall promptly furnish or cause to be furnished to the Independent Accountants such work papers and other documents and information relating to the disputed issues as the Independent Accountants may request and are available to that party or its accountants, and shall be afforded the opportunity to present to the Independent Accountants, with a copy to the other party, any other written material relating to the disputed issues;

3.3.6.4 The determination by the Independent Accountants, as set forth in a report to be delivered by the Independent Accountants to both Seller and Buyer, will include the Statement of Closing Date Working Capital that were revised, reflecting the changes required as a result of the determination made by the Independent Accountants; and

3.3.6.5 The fees and expenses of the Independent Accountants shall be paid by Seller, on the one hand, and Buyer, on the other hand, based upon the percentage that the amount actually contested but not awarded to Seller or Buyer, respectively, bears to the aggregate amount actually contested by Seller and Buyer.

3.3.7 Any payments made pursuant to Section 3.3 shall be treated as an adjustment to the Purchase Price by the parties for Tax purposes, unless otherwise required by Law.

3.4 Allocation of Purchase Price. Buyer and Seller agree that the Purchase Price will be allocated to the Specified Assets and the restrictive covenants for all purposes (including Tax and financial accounting purposes) as set forth on Schedule 3.4, which schedule shall be agreed upon and delivered at Closing by and between the Parties. The allocation of the Purchase Price is intended to comply with the requirements of Section 1060 of the Internal Revenue Code. Buyer and Seller shall file Internal Revenue Service Form 8594, Asset Acquisition Statement under Section 1060 of the Internal Revenue Code, with their respective income tax returns (including amended returns and claims for refund) for the taxable year that includes the date of Closing and information reports in a manner consistent with such allocation. Buyer and Seller agree to satisfy all of the reporting requirements of Section 1060 of the Internal Revenue Code.

3.5 Earn Out Payments.

3.5.1 As additional consideration for the Specified Assets, Buyer shall pay to Seller with respect to each Calculation Period within the Earn Out Period an amount (each, an "Earn Out Payment") equal to: three percent (3%) of all Revenue generated by Buyer from the sale of galvanized steel pipe and tube; provided that, the Parties shall review the Earn Out Payments annually (each fourth Calculation Period during the Earn Out Period), and if necessary, adjust up or down the final quarterly Earn Out Payment for each year during the Earn Out Period to make certain the aggregate of the Earn Out Payments for each year during the Earn Out Period is equal to three percent (3%) of all Revenue generated by Buyer from the sale of galvanized steel pipe and tube. The Parties agree to address their agreement with respect to earn out payments associated with Buyer's revenue generated from the sale of stainless steel squares, rectangles and rounds tubes for ornamental applications after Closing pursuant to the Amendment No. 2 to Stainless Asset Purchase Agreement, as discussed in Section 7.12 hereof.

3.5.2 Procedures Applicable to Determination of the Earn Out Payments.

3.5.2.1 On or before the date which is twenty (20) days after the last day of each Calculation Period (each such date, an "Earn Out Calculation Delivery Date"), Buyer shall prepare and deliver to Seller a written statement (in each case, an "Earn Out Calculation Statement") setting forth in reasonable detail its determination of Revenue for the applicable Calculation Period and its calculation of the resulting Earn Out Payment (in each case, an "Earn Out Calculation").

3.5.2.2 Seller shall have twenty (20) days after receipt of the Earn Out Calculation Statement for each Calculation Period (in each case, the "Review Period") to review the Earn Out Calculation Statement and the Earn Out Calculation set forth therein. During the Review Period, Seller and its Representatives shall have the right to inspect the Company's books and records during normal business hours at the Company's offices, upon reasonable prior notice and solely for purposes reasonably related to the determinations of Revenue and the resulting Earn Out Payment. Prior to the expiration of the Review Period, Seller may object to the Earn Out Calculation set forth in the Earn Out Calculation Statement for the applicable Calculation Period by delivering a written notice of objection (an "Earn Out Calculation Objection Notice") to Buyer. Any Earn Out Calculation Objection Notice shall specify the items in the applicable Earn Out

Calculation disputed by Seller and shall describe in reasonable detail the basis for such objection, as well as the amount in dispute. If Seller fails to deliver an Earn Out Calculation Objection Notice to Buyer prior to the expiration of the Review Period, then the Earn Out Calculation set forth in the Earn Out Calculation Statement shall be final and binding on the parties hereto, and the Earn Out Payment shall be immediately due and payable. If Seller timely delivers an Earn Out Calculation Objection Notice, Buyer and Seller shall negotiate in good faith to resolve the disputed items and agree upon the resulting amount of the Revenue and the Earn Out Payment for the applicable Calculation Period. If Buyer and Seller are unable to reach agreement within thirty (30) days after such an Earn Out Calculation Objection Notice has been given, all unresolved disputed items shall be promptly referred to the Independent Accountants. The Independent Accountants shall be directed to render a written report on the unresolved disputed items with respect to the applicable Earn Out Calculation as promptly as practicable, but in no event greater than thirty (30) days after such submission to the Independent Accountants, and to resolve only those unresolved disputed items set forth in the Earn Out Calculation Objection Notice. Any determination with respect to Earn Out Calculation by the Independent Accountants will not be outside the range established by the amounts in any of (i) the Earn Out Calculation Statement, and (ii) Seller's proposed adjustments thereto. If unresolved disputed items are submitted to the Independent Accountants, Buyer and Seller shall each furnish to the Independent Accountants such work papers, schedules and other documents and information relating to the unresolved disputed items as the Independent Accountants may reasonably request. The Independent Accountants shall resolve the disputed items based solely on the applicable definitions and other terms in this Agreement and the presentations by Buyer and Seller, and not by independent review. The resolution of the dispute and the calculation of Revenue that is the subject of the applicable Earn Out Calculation Objection Notice by the Independent Accountants shall be final and binding on the parties hereto. The fees and expenses of the Independent Accountants shall be borne by Seller and Buyer in proportion to the amounts by which their respective calculations of Revenue differ from Revenue as finally determined by the Independent Accountants.

3.5.3 Independence of Earn Out Payments. Except as otherwise stated herein, Buyer's obligation to pay each of the Earn Out Payments to Seller in accordance with Section 3.5 is an independent obligation of Buyer and is not otherwise conditioned or contingent upon the satisfaction of any conditions precedent to any preceding or subsequent Earn Out Payment and the obligation to pay an Earn Out Payment to Seller shall not obligate Buyer to pay any preceding or subsequent Earn Out Payment. For the avoidance of doubt and by way of example, if the conditions precedent to the payment of the Earn Out Payment for the first Calculation Period are not satisfied, but the conditions precedent to the payment of the Earn Out Payment for the second Calculation Period are satisfied, then Buyer would be obligated to pay such Earn Out Payment for the second Calculation Period for which the corresponding conditions precedent have been satisfied, and not the Earn Out Payment for the first Calculation Period.

3.5.4 Timing of Payment of Earn Out Payments. Subject to Section 3.5.2, any Earn Out Payment that Buyer is required to pay pursuant to Section 3.5.1 hereof shall be paid in full no later than five (5) Business Days following the date upon which the determination of Revenue for the applicable Calculation Period becomes final and binding upon the Parties (including any final resolution of any dispute raised by Seller in an Earn Out Calculation Objection Notice). Buyer shall pay to Seller the applicable Earn Out Payment in cash by wire transfer of immediately available funds.

3.5.5 Post-closing Operation of the Business. Subject to the terms of this Agreement and the other Transaction Documents, subsequent to the Closing, Buyer shall have sole discretion with regard to all matters relating to the operation of the Business; *provided, that* Buyer shall not, directly or indirectly, take any actions in bad faith that would have the purpose of avoiding or reducing any of the Earn Out Payments hereunder.

3.5.6 Right of Set-off. Buyer shall NOT be entitled to withhold and/or set off against any amount otherwise due to be paid pursuant to this Section 3.5 the amount of any Losses to which any Buyer Indemnified Party may be entitled under Section 8 of this Agreement.

3.5.7 No Security. The Parties hereto understand and agree that (i) the contingent rights to receive any Earn Out Payment shall not be represented by any form of certificate or other instrument, are not transferable, except by operation of Laws relating to descent and distribution, divorce and community property, and do not constitute an equity or ownership interest in Buyer or any of its affiliates, (ii) Seller shall not have any rights as a security holder of Buyer or any of its affiliates as a result of Seller's contingent right to receive any Earn Out Payment hereunder, and (iii) no interest is payable with respect to any Earn Out Payment.

SECTION 4. CLOSING

4.1 Closing /Closing Date. The closing (the "Closing") shall take place at the offices of LeClairRyan, A Professional Corporation, 919 E. Main Street, 24th Floor, Richmond, Virginia 23219 at 9:00 a.m. (local time) simultaneously with the execution of this Agreement, and, the transfer of the Specified Assets shall be effective as of 12:01 A.M. (local time) on July 1, 2018 (the "Closing Date"). In lieu of an in-person Closing, if the parties agree, they may close by e-mail (pdf)/mail/overnight delivery. Although the Closing will take place at the location set forth above, Buyer shall take possession of the Specified Assets at the Property. The Parties hereto acknowledge and agree that all proceedings to be taken and all documents to be executed and delivered by all parties at the Closing shall be deemed to have been taken and executed simultaneously, and no proceedings shall be deemed taken nor any documents executed or delivered until all have been taken, executed and delivered.

4.2 Deliveries of Seller. At the Closing, Seller shall execute and/or deliver the following items:

4.2.1 A Bill of Sale in a form agreed to by the Parties;

4.2.2 An Assignment and Assumption Agreement in a form agreed to by the Parties;

4.2.3 A copy of the resolutions of the Board of Directors and the shareholder(s) of Seller authorizing the execution, delivery and performance of this Agreement and the transactions contemplated hereunder;

4.2.4 Copies of the Consents and approvals of all Persons which Seller is required to obtain in order to transfer the Specified Assets to Buyer and to consummate the transactions contemplated by this Agreement;

4.2.5 Evidence, in substance and form reasonably satisfactory to Buyer, that the Specified Assets are being transferred to Buyer free and clear of Encumbrances;

4.2.6 The Facility Lease Termination Agreement;

4.2.7 The Services Agreement Termination Agreement;

4.2.8 The Amendment No. 2 to Stainless Asset Purchase Agreement;

4.2.9 The Settlement Agreement;

4.2.10 The statement of Estimated Closing Date Working Capital; and

4.2.11 Such additional documents as Buyer may reasonably request.

4.3 Deliveries of Buyer. At the Closing, Buyer shall execute and/or deliver the following items:

4.3.1 The Closing Payment by wire transfer of immediately available funds pursuant to the wire direction letter provided by Seller to Buyer;

4.3.2 An Assignment and Assumption Agreement in a form agreed to by the Parties;

4.3.3 A copy of the resolutions of the Board of Directors of Buyer authorizing the execution, delivery and performance of this Agreement and the transactions contemplated hereunder;

4.3.4 The Facility Lease Termination Agreement;

4.3.5 The Services Agreement Termination Agreement;

4.3.6 The Amendment No. 2 to Stainless Asset Purchase Agreement;

4.3.7 The Settlement Agreement; and

4.3.8 Such additional documents as Seller may reasonably request.

SECTION 5. REPRESENTATIONS AND WARRANTIES OF THE SELLER

Seller represents and warrants to Buyer and covenants with Buyer, as set forth below in this Section 5.

5.1 Organization. Seller is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of its incorporation. Seller possesses the full corporate power and authority to enter into and perform its obligations under this Agreement and to consummate the transactions contemplated hereby. Seller is qualified or registered in all jurisdictions in which property owned, leased or operated by it or the nature of the business conducted by it makes such qualification necessary.

5.2 Authority; Non-Contravention.

5.2.1 Seller has the right, power and authority to enter into and to perform its obligations under this Agreement, and the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby by Seller has been duly authorized by all necessary corporate action on the part of Seller. This Agreement constitutes a legal, valid and binding agreement of Seller and is enforceable against Seller in accordance with its terms, subject as to enforceability, to bankruptcy, insolvency, fraudulent transfer, moratorium, reorganization and other similar laws affecting creditors' rights generally.

5.2.2 Except as set forth on Schedule 5.2.2, neither the execution, delivery and performance of this Agreement nor the consummation or performance of any of the transactions contemplated hereby by Seller will directly or indirectly (with or without notice or lapse of time):

5.2.2.1 contravene, conflict with or result in a violation of (a) any of the provisions of the articles or certificates of formation, bylaws, shareholders agreements, or other organizational documents of Seller or (b) any resolution adopted by the Board of Directors of Seller;

5.2.2.2 contravene, conflict with or result in a violation or breach of, or result in a material default under, any provision

of, any agreement, contract or other instrument of which Seller is a party or by which the Specified Assets are bound or subject;

5.2.2.3 violate any Law or regulation, or any Judgment, order or decree of any court, Governmental Body, commission, agency or arbitrator, applicable to Seller, any of the Specified Assets or the Business; or,

5.2.2.4 result in the creation of any Encumbrance on the Specified Assets.

5.2.3 Except as set forth on Schedule 5.2.3, Seller neither is nor will be required to make any filing with or give any notice to, or obtain any Consent from, any Person in connection with the execution and delivery of this Agreement, or the consummation or performance of any of the transactions contemplated hereby.

5.3 Title to Specified Assets. Seller has good and valid title to all of the Specified Assets and has the right to transfer all rights, title and interest in such Specified Assets, free and clear of any Encumbrance.

5.4 Legal Proceedings. Except as set forth on Schedule 5.4, there are no Proceedings pending or, to the Knowledge of Seller, threatened, in each case, that relate to the Specified Assets or the Business or that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. Seller is not subject to any outstanding order, decree or ruling issued by any Governmental Body that relates to the Specified Assets.

5.5 Brokerage Fees. No broker, finder or investment banker is entitled to any fee or commission from Seller for services rendered on behalf of Seller in connection with the transactions contemplated by this Agreement.

5.6 Compliance with Laws. Seller has operated and is operating the Business in material compliance with all Laws and regulations, federal, state, provincial or local, domestic or foreign applicable to Seller, the Specified Assets or the Business.

5.7 Assumed Purchase Orders, Trade Accounts Payable and Vendor Contracts. Each purchase order, contract and lease (the “Assumed Contracts”) listed on Schedules 2.1.1.4, 2.1.3.3 or 2.1.3.4 is valid and in full force and effect and, to the Knowledge of the Seller, there is no basis on which an Assumed Contract will cease to be in full force and effect. Seller has complied in all material respects with its obligations under all of the Assumed Contracts and no event has occurred or condition exists which constitutes or can reasonably be expected to constitute a material breach of any such Assumed Contract by the Seller or any other party thereto.

5.8 Intellectual Property. Seller owns, or has the right to use, all of its Intellectual Property. No consents of any Person are required for Buyer to use the Intellectual Property which Seller does not own but has the right to use immediately after the Closing. There is no claim pending or, to the Knowledge of Seller, threatened against Seller alleging that its use of any Intellectual Property infringes upon the rights of any Person and, to the Knowledge of Seller, no Person is infringing upon the rights of Seller in its Intellectual Property. Complete copies of all documents pursuant to which Seller has acquired the right to use its Intellectual Property, or has licensed or otherwise permitted any other Person to use any of such Intellectual Property, have been delivered to Buyer.

5.9 Tax Matters.

5.9.1 Except as set forth in Schedule 5.9, Seller has properly prepared and filed, in a timely manner, all Tax Returns, reports, related information and declarations (collectively, “Returns”) related to the Business and required of Seller by applicable Law and has paid or made provision for the payment of all Taxes related to the Business which have or may become due and no extension of time for filing any Return is presently in effect. Seller has not received any assessment for unpaid Taxes, with respect to the Business, nor has agreed to any extension of time for the assessment of any federal, state, local, provincial, municipal or foreign Taxes related to the Business for any period. Adequate provisions have been made for the payment of all current Taxes related to the Business. There are no liens on the Specified Assets as a result of any Tax liabilities, except for Taxes not yet due and payable.

5.9.2 Seller is not a party to any Proceeding by any Taxing Authority. There are no pending or threatened Proceedings by any Taxing Authority. Seller is not a “foreign person” as that term is used in the Treasury Regulations Section 1.1445-2.

5.10 Product Warranty. Each product sold or delivered by the Business before Closing and has been sold and delivered in conformity with all applicable contractual commitments, Laws and all express warranties, and, Seller has no liability for replacement or repair thereof or other damages in connection therewith. No product sold or delivered by the Business is subject to any guaranty, warranty or other indemnity beyond Seller’s applicable standard terms and conditions of sale, a copy of which has been provided to Buyer before Closing.

5.11 Product Liability. To the Knowledge of Seller, Seller has no liability arising out of any injury to individuals or property as a result of the ownership, possession or use of any product sold or delivered by the Business prior to the Closing.

5.12 Labor and Employment Matters. Schedule 5.12 sets forth a complete and correct list of each employment agreement, severance agreement, deferred compensation agreement or similar arrangements to which Seller is a party or by which it is obligated. Seller has not agreed to pay any of its employees other than Andrew Sorg, which bonus payment is set forth on Schedule 5.12, any bonus consideration based on the successful closing of the transactions contemplated under this Agreement. Except as set forth on Schedule 5.12, Seller is not a party to, bound by, or negotiating any collective bargaining agreement or similar arrangement with a labor organization, union or work council representing any of its employees. Seller is and has been in full compliance with the terms of all agreements listed on Schedule 5.12. There is

not, and has not been for the past twelve (12) months, any union, works council or labor organization (collectively, “Union”) representing or purporting to represent any employee of Seller, and, to Seller’s Knowledge, no Union or group of employees is seeking or has sought to organize employees for the purpose of collective bargaining. Seller has no duty to bargain with any Union. Except as set forth on Schedule 5.12, since January 1, 2014 there has not been, nor, to Seller’s Knowledge, has there been any threat of, any strike, slowdown, work stoppage, lockout, concerted refusal to work overtime or other similar labor activity or dispute affecting the Seller or the Business. There are no material controversies, claims or grievances pending, or, to the Knowledge of Seller, threatened between Seller and any of its employees. All individuals characterized and treated by Seller as consultants or independent contractors of the Business are properly treated as independent contractors under all applicable Laws. To Seller’s Knowledge, all employees of the Business classified as exempt under the Fair Labor Standards Act and state and local wage and hour laws are properly classified. Seller is in compliance with and has complied with all immigration laws, including Form I-9 requirements and any applicable mandatory E-Verify obligations. Seller is and has been in compliance with all applicable Laws pertaining to employment and employment practices, including all Laws relating to labor relations, equal employment opportunities, fair employment practices, employment discrimination, harassment, retaliation, reasonable accommodation, disability rights or benefits, immigration, wages, hours, overtime compensation, child labor, hiring, promotion and termination of employees, working conditions, meal and break periods, privacy, health and safety, workers’ compensation, leaves of absence and unemployment insurance. Except as set forth on Schedule 5.12, there are no claims against Seller pending, or to Seller’s Knowledge, threatened to be brought or filed, by or with any Governmental Body or arbitrator in connection with the employment of any current or former applicant, employee, consultant, volunteer, intern or independent contractor of Seller, including, without limitation, any claim relating to unfair labor practices, employment discrimination, harassment, retaliation, equal pay, wage and hours or any other employment related matter arising under applicable Laws. Seller has not taken any action prior to the date hereof that would trigger the WARN Act with respect to Seller.

5.13 Licenses and Permits. Schedule 2.1.1.8 lists all Licenses and Permits required to conduct the Business as it is presently being conducted. All such Licenses and Permits are in full force and effect and, except as set forth on Schedule 2.1.1.8, all of which are assignable. Seller has operated the Business in compliance in all material respects with all of the terms and conditions set forth in such Licenses and Permits. No notice of any violation of any such License or Permit has been received by Seller since January 1, 2016, or, to the Knowledge of Seller, recorded or published, and no proceeding is pending, or, to the Knowledge of Seller, threatened, to revoke any of them. No approval of or filing with a Governmental Body is required in order to consummate the transactions hereunder.

5.14 Financial Statements. Seller has delivered, or as of the Closing Date will have delivered, to Buyer the following financial statements and notes, true and correct copies of which are attached as Schedule 5.14 to this Agreement (collectively, the “Financial Statements”): (a) balance sheets of Seller as of each of December 31, 2016 and December 31, 2017, and the corresponding profit and loss statements of Seller for each of the calendar years ending December 31, 2016 and December 31, 2017; and (b) the balance sheet of Seller as of March 31, 2017, and the corresponding profit and loss statement of Seller as of March 31, 2017. The Financial Statements have been prepared on a consistent basis throughout the period involved, are based on the books and records of the Business, and fairly present in all material respects the financial condition of the Business as of the respective dates they were prepared and the results of the operations of the Business for the periods indicated.

5.15 Employee Benefit Plans. Except as set forth in Schedule 5.15, Seller maintains no Employee Plans. All Employee Plans listed in Schedule 5.15 are in compliance in all material respects with the requirements prescribed by applicable statutes, orders, governmental rules and regulations, and Seller has complied in all material respects with all applicable laws and regulations in the establishment and administration of the Employee Plans. Seller has performed all obligations required to be performed by it under the Employee Plans, and Seller is not in any respect in material violation of, any of the Employee Plans. All payments which are due for each Employee Plan have been timely paid, and all payments for any period ending on or before the Closing Date which are not yet due have been timely paid or accrued. No action, suit, proceeding, hearing or investigation (other than routine claims for benefits) is pending or threatened with respect to any Employee Plan.

5.16 Environmental Matters.

5.16.1 The operation of the Business and the Specified Assets have been and currently are in compliance in all material respects with the Environmental Permits and Environmental Laws. To the Knowledge of the Seller, there has been no Release or threat of Release of any Hazardous Substances (requiring investigation, assessment, remediation or monitoring under any Environmental Laws) in, on, under, or from any real property owned, leased or used in connection with the ownership or operation of the Business or the Specified Assets. Seller has not received any written or, to Seller’s Knowledge oral, notice from any governmental authority or any third party alleging any non-compliance with or any potential liability under any Environmental Law or Environmental Permit relating to the Business or the Specified Assets. Seller has not retained or assumed, by contract or operation of Law, any liabilities or obligations of third parties under Environmental Law.

5.16.2 To the Knowledge of the Seller, no underground storage tanks are located in, on or under any real property owned, leased or used in connection with the ownership or operation of the Business or the Specified Assets. Any aboveground storage tanks used to store Hazardous Substances in or on any real property owned, leased or used in connection with the ownership or operation of the Business or the Specified Assets are in compliance in all material respects with all Environmental Laws.

5.16.3 To the Knowledge of Seller, there is not currently and never has been any material mold, fungal or other microbial growth in or on any of the real property owned, leased or used in connection with the ownership or operation of the Business, or conditions that could reasonably be expected to result in material mold, fungal or microbial growth (e.g. material problems with the heating, ventilation and air conditioning system, water leaks or building materials known to be conducive to material mold, fungal or microbial growth), that could reasonably be expected to result in material liability or material costs or expenses to remediate the mold, fungal or microbial growth or to remedy the conditions that could reasonably be expected to result in such material growth.

5.17 Full Disclosure. None of the representations and warranties made in this Section 5 contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

SECTION 6. REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller and covenants with Seller, as set forth below in this Section 6.

6.1 Organization. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of its jurisdiction of organization. Buyer possesses the full limited liability company power and authority to enter into and perform its obligations under this Agreement and to consummate the transactions contemplated hereby.

6.2 Authority: Non-Contravention. Buyer has the right, power and authority to enter into and to perform its obligations under this Agreement, and the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby by Buyer has been duly authorized by all necessary corporate action by its board of directors. Buyer's execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby: (a) does not constitute a violation of or default under its charter or bylaws; (b) does not constitute a default or breach (immediately or after the giving of notice, passage of time or both) under any contract to which Buyer is a party or by which Buyer is bound; (c) do not constitute a violation of any Law or Judgment that is applicable to it or to its businesses or assets, or to the transactions contemplated by this Agreement; and (d) do not require the Consent of any Person. This Agreement constitutes a legal, valid and binding agreement of Buyer and is enforceable against Buyer in accordance with its terms, subject as to enforceability, to bankruptcy, insolvency, fraudulent transfer, moratorium, reorganization and other similar laws affecting creditors' rights generally.

6.3 Brokerage Fees. No broker, finder or investment banker is entitled to any fee or commission from Buyer for services rendered on behalf of Buyer in connection with the transactions contemplated by this Agreement.

6.4 Solvency. At and immediately after the Closing, the Buyer will be solvent and capable of meeting its obligations as they become due, and will have assets exceeding its liabilities and a reasonable amount of capital for the conduct of its business.

6.5 Full Disclosure. None of the representations and warranties made in this Section 6 contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

SECTION 7. POST-CLOSING COVENANTS

7.1 Post-Closing Cooperation of the Parties; Further Assurances. From and after the Closing Date: (a) Seller shall cooperate with Buyer to transfer to Buyer the full title, control and enjoyment of the Specified Assets; (b) Seller shall promptly deliver to Buyer all correspondence, papers, documents and other items and materials received by it or found to be in its possession which pertain to the Specified Assets; and (c) Seller shall cooperate with Buyer and its auditors with respect to requests for financial information relating to the Business prior to Closing, which financial information may be required to be reviewed, audited and publicly reported, pursuant to GAAP and/or applicable Law. In furtherance of the foregoing, Buyer shall promptly take all actions and do all things necessary in order for Buyer to take physical possession of the Specified Assets which constitute tangible personal property. Seller shall provide Buyer with access, upon reasonable prior notice from Buyer, to the Specified Assets to permit Buyer to comply with its obligations hereunder. At any time and from time to time after the Closing Date, at Buyer's request and without further consideration, Seller shall execute and deliver all such further agreements, certificates, instruments and documents and perform such further actions as Buyer may reasonably request, in order to fully consummate the transactions contemplated by this Agreement and fully carry out the purposes and intent of this Agreement.

7.2 Employees.

7.2.1 Employees Generally. Schedule 7.2.1 contains a list of all employees of Seller ("Seller's Employees") employed in the Business and sets forth for each the following: (i) name, (ii) title or position, (iii) hire date, (iv) current annual compensation, (v) commission, bonus or incentive based compensation, (vi) accrued vacation and sick leave, and (vii) general description of Seller's fringe benefits and accrued vacation and sick leave policies. None of such employees are represented by a Union. At Closing, the employment by Seller of all such employees shall be terminated. Buyer shall offer employment to all employees of the Business upon such terms and with any such employee benefit plan (collectively, "Buyer Benefit Plans") as Buyer determines and in accordance with Buyer's general hiring practices; provided the offered compensation for each such employee will be comparable to those they currently receive from Seller. The employees who elect to become employees of Buyer are referred to as "Transferred Employees." Unless otherwise required by applicable Law or otherwise prohibited by the Buyer Benefit Plans, Transferred Employees shall be eligible for Buyer Benefit Plans effective as of the commencement date of each employee's employment with Buyer and, unless otherwise required by applicable Law or otherwise prohibited by such Buyer Benefit Plan, Buyer shall recognize all service of the Transferred Employees with Seller, as if such service were with Buyer, for vesting, eligibility and accrual purposes. Additionally, Buyer shall assume liability for the Transferred Employees' vacation and sick leave accrued by Seller prior to Closing listed on Schedule 7.2.1. Buyer agrees and acknowledges that it will be responsible for providing or continuing group health plan continuation coverage under Section 4980B of the Internal Revenue Code and Sections 601 through 609 of ERISA ("COBRA") to all "M&A qualified beneficiaries" as required by COBRA and Treasury Regulation Section 54.4980B-9.

7.3 Union Employees. For the avoidance of doubt, Buyer shall not assume any liability with respect to Seller's union employees' pension liability.

7.4 Non-Competition, Non-Solicitation Confidentiality Covenants of Seller.

7.4.1 Confidentiality.

7.4.1.1 Seller has had access to, and familiarity with, the Proprietary and Confidential Information, which is known only to the shareholders, officers, directors of the Seller or other employees, former employees, consultants or others in a confidential information relationship with the Seller. Without the prior written consent of Buyer, Seller hereby covenants and agrees that from and after the date hereof, Seller shall not disclose to any other Person or use in any manner any Proprietary and Confidential Information; provided, however, that Seller may disclose or use any such Proprietary and Confidential Information (i) as it becomes generally available to the public other than through a breach of this Agreement by Seller or any of its Affiliates and representatives, (ii) as it becomes available to Seller on a non-confidential basis from a source other than any other party hereto or such other party's Affiliates or representatives, provided that such source is not bound by a confidentiality agreement or other obligations of secrecy, (iii) as may be required in any report, statement or testimony required to be submitted to any Governmental Body having or claiming to have jurisdiction over Seller, or as may be otherwise required by applicable Law, or as may be required in response to any summons or subpoena or in connection with any litigation, (iv) as may be required to obtain any governmental approval or consent required in order to consummate the transactions contemplated by this Agreement, (v) as may be necessary to establish Seller's rights under this Agreement, (vi) as may be consented to in writing by Buyer or as may be necessary in Seller's performance of duties on behalf of Buyer following the date hereof, or (vii) as may be necessary for the purposes of allowing Seller or any of its Affiliates to prepare financial statements on a consolidated or unconsolidated basis; provided, further that in the case of clauses (iii) and (iv) above, Seller will promptly notify Buyer and, to the extent practicable, provide Buyer a reasonable opportunity to prevent public disclosure of such Proprietary and Confidential Information prior to use or disclosure thereof. Seller acknowledges responsibility for disclosures caused by Seller and any of its respective Affiliates and representatives.

7.4.1.2 For purposes of this Agreement, "Proprietary and Confidential Information" means any information of the Business that is not generally known to the public or to the Seller's competitors in the industry, is used in the Business, and gives the Business an advantage over businesses that do not know the information. "Proprietary and Confidential Information" includes know-how, trade secrets, client lists, supplier lists, referral source lists, computer software or data of any sort developed or compiled by the Seller, algorithms, source or other computer code, requirements and specifications, procedures, security practices, regulatory compliance information, personnel matters, drawings, specifications, instructions, methods, processes, techniques, formulae, costs, profits or margin information, markets, sales, pricing policies, operational methods, plans for future development, data drawings, samples, processes, products, the financial condition, results of operations, business, properties, assets, liabilities, or future prospects of the Seller with respect to the Business.

7.4.2 Non-competition and Non-solicitation Covenants. In consideration of the purchase by Buyer of the Specified Assets, Seller shall not, and shall cause its Affiliates, directors, officers, employees, agents and shareholders not to, during the Non-Compete Period and within the Territory, in any manner, directly or indirectly or by assisting any other Person, (i) own, control, manage, engage in, fund, finance or be a consultant for any business competitive with the Business, except that the ownership of Seller of not more than three percent of the shares of stock of any corporation having a class of equity securities actively traded on a national securities exchange or on NASDAQ shall not be deemed to violate the prohibitions of this paragraph, (ii) knowingly sell or distribute in the Territory galvanized pipe and tube and stainless steel squares, rectangles and rounds tubes for ornamental applications, regardless of where the pipe and tube is manufactured, except as a partner of Buyer or one of its Affiliates, (iii) recruit, solicit, induce or hire (except as a result of a general advertisement), or attempt to recruit, solicit, induce or hire, any of the Transferred Employees or employees of Buyer (or any of its Affiliates) to terminate their employment with, or otherwise cease their relationship with, Buyer (or any of its Affiliates), or (iv) solicit, divert, reduce or otherwise modify or attempt to solicit, divert, reduce or otherwise modify, the business of the clients, suppliers, licensors, licensees, franchisees, customers, accounts or business relations, or prospective clients, suppliers, licensors, licensees, franchisees, customers, accounts or business relations, of the Business. Notwithstanding the foregoing, Seller shall be permitted to sell galvanized and stainless ornamental pipes and tubes to customers outside the Territory even in the case that Seller knows such customers intend to subsequently export or resell such products into the Territory. Additionally, Seller shall be permitted to sell and distribute galvanized pipe and tube to Greif in the Territory in any amounts over and above Buyer's contractual commitment from Greif, equal to 5,000 tons annually (the "Baseline"). For the time period during the Non-Compete Period past Buyer's initial purchase order contract with Greif, Seller agrees that Buyer shall have the first opportunity to contract with Greif (up to the Baseline) for the North American supply of galvanized pipe and tube without Seller offering a lower price for that tonnage. Seller shall not be subject to any restrictions with respect to selling galvanized pipe and tube to Greif in the Territory in excess of Buyer's Baseline. For purposes of this Section 7.4.2, terms such as "knowingly," "knows," or "know" when used to describe Seller shall be deemed to mean the actual (not constructive) knowledge of any employee of Seller or any of its Affiliates.

7.4.3 In the event a judicial or arbitral determination is made that any provision of this Section 7.4 constitutes an unreasonable or otherwise unenforceable restriction against Seller, provisions of this Section 7.4 shall be rendered void only to the extent that such judicial or arbitral determination finds such provisions to be unreasonable or otherwise unenforceable with respect to Seller. In this regard, any judicial authority construing this Agreement shall be empowered to sever any portion of the Territory, any prohibited business activity or any time period from the coverage of this Section 7.4 and to apply the provisions of this Section 7.4 to the remaining portion of the Territory, the remaining business activities and the remaining time period not so severed by such judicial or arbitral authority. If any restriction set forth in this Section 7.4 is found by any court of competent jurisdiction or arbitration panel to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it is the intent of the Parties hereto that it extends only over the maximum period of time, range of activities or geographic area as to which it may be enforceable.

7.4.4 The restrictions contained in this Section 7.4 are necessary for the protection of the business and goodwill of Buyer and

are considered by Seller to be reasonable for such purpose. Seller expressly acknowledges the value of the consideration received in connection with this Section 7.4, agrees that any breach of this Section 7.4 will cause Buyer substantial and irrevocable damage and therefore, in the event of any such breach, in addition to such other remedies which may be available at law or equity, Buyer shall have the right to seek specific performance and injunctive relief.

7.5 Taxes.

7.5.1 To the extent any sales, use, value-added, gross receipts, excise, registration, stamp duty, transfer or other similar taxes or governmental fees ("Transfer Taxes") are imposed or levied by reason of, in connection with or attributable to this Agreement and the transactions contemplated hereby, such Transfer Taxes shall be borne by Buyer. The Parties shall cooperate with each other to the extent reasonably requested and legally permitted to minimize any such Transfer Taxes. The Party required by law to file a Tax Return, if any, with respect to such Transfer Taxes shall do so within the time period prescribed by law.

7.5.2 Seller and Buyer shall cooperate fully, as and to the extent reasonably requested by the other Party, in connection with any Tax proceeding relating to the Specified Assets or the transactions contemplated by this Agreement. Such cooperation shall include the retention and (upon the other Party's request) the provision of records and information which are reasonably relevant to any Tax audit, litigation or other Proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Seller agrees to retain all books and records with respect to Tax matters pertinent to the Specified Assets relating to any taxable period beginning before the Closing Date until the longer of (x) sixty (60) days after the expiration of the statute of limitations of the respective taxable periods or (y) six years, and to abide by all record retention agreements entered into with any Taxing Authority to the extent related to the Specified Assets or the Business.

7.6 Bulk Sales Law. The Parties hereto waive compliance with the provisions of any "bulk sales laws" or similar Laws of any state or other jurisdiction which may be applicable to the transactions contemplated hereby or that may otherwise be applicable with respect to the sale of any or all of the Specified Assets to Buyer.

7.7 Public Announcements. Shortly after the date of this Agreement, Buyer, or an Affiliate of Buyer, will issue a Form 8-K (including press release), Form 8-K/A and other securities filings (collectively, the "Filings") referencing the execution of this Agreement, the parties hereto and other material terms. Except in such Filings and other subsequent filings that may be required by securities Law or stock exchange requirements, neither Seller nor Buyer shall disclose to any Person, other than an Affiliate of such Party, the financial or other terms of this Agreement without the prior written consent of the other Party, unless required to do so by a Governmental Body or Law or in accordance with the terms hereof. Notwithstanding the foregoing or anything else to the contrary in this Agreement, the Parties hereto (and each employee, representative or other agent of a Party) may disclose to any and all Persons the Tax treatment and Tax structure of the transactions contemplated by this Agreement and all materials of any kind that are provided to the Parties relating to such Tax treatment and Tax structure.

7.8 Assignment of Warranties. At Closing, Seller shall assign all supplier/manufacturer warranties regarding the Specified Assets to Buyer, including, but not limited to, any such warranties on the Equipment and raw material Inventory.

7.9 Real Estate Transaction. Simultaneously with the Closing hereof, Seller and Store Capital Acquisitions, LLC, or one of its affiliates (together, "Store Capital"), shall close upon a transaction whereby Seller shall sell the buildings and land located at 1001 E. Waterfront Drive, Munhall, PA 15120, consisting of approximately 284,000 square feet of buildings and 31 acres of land (collectively, the "Property") to Store Capital. Buyer will subsequently lease back the Property from Store Capital. For a period of five (5) years after Closing, Buyer shall make available to the Seller an office inside the Property with lockable furniture where the Seller shall be entitled to store its corporate books and records, correspondence and other relevant company documents. The Seller, through its representatives or consultants, shall have access, at no cost to Seller, to such office during normal working hours at any time during the five (5) years period after Closing by giving to the Buyer forty-eight (48) hours prior written notice, to inspect such documents.

7.10 Termination of Facility Lease. At Closing, Seller and Buyer shall terminate the Lease Agreement between Seller and Buyer dated March 1, 2017, as amended by that certain First Amendment to Lease Agreement dated November 8, 2017, pursuant to a Facility Lease Termination Agreement, in form and substance reasonably satisfactory to both Parties (the "Facility Lease Termination Agreement").

7.11 Termination of Services Agreement. At Closing, Seller and Buyer shall terminate the Services Agreement between Seller and Buyer dated March 1, 2017, as amended by that certain Amendment No. 1 to Services Agreement dated November 8, 2017, pursuant to the Services Agreement Termination Agreement, in form and substance reasonably satisfactory to both Parties (the "Services Agreement Termination Agreement").

7.12 Amendment No. 2 to Stainless Asset Purchase Agreement. Seller and Buyer are parties to that certain Asset Purchase Agreement dated December 9, 2016, as amended by that certain Amendment No. 1 to Asset Purchase Agreement dated February 28, 2017 (the "Stainless Asset Purchase Agreement"). Seller and Buyer desire to amend the Stainless Asset Purchase Agreement pursuant to the Amendment No. 2 to Stainless Asset Purchase Agreement, in form and substance reasonably satisfactory to both Parties (the "Amendment No. 2 to Stainless Asset Purchase Agreement"). At Closing, Seller and Buyer shall execute the Amendment No. 2 to Stainless Asset Purchase Agreement.

7.13 Settlement of Breach of Stainless Asset Purchase Agreement. At Closing, Buyer shall receive a credit of \$35,000 against the Purchase Price, in exchange for the Parties' settlement and release of claims related to Seller's recent breach of Section 8.3 of the Stainless Asset Purchase Agreement. At Closing, Seller and Buyer shall execute a settlement and release agreement memorializing the settlement of this

breach, in form and substance reasonably satisfactory to both Parties (the “Settlement Agreement”).

7.14 Product Warranty Claims. If, following the Closing, Buyer receives a claim from any of its customers or any of the former customers of Seller that any of the Specified Assets or any other goods manufactured or sold by Seller prior to the Closing contain or suffer from any non-compliance with the terms or specifications of the purchase order or contract or makes any other warranty claim and, that as a result thereof, said customer has elected to either (i) reject the goods manufactured or sold by Seller, or (ii) claim a full or partial credit for the cost of such goods against any amounts owed to Buyer, then Buyer promptly shall notify Seller of such claim. Upon receipt of such notification, Seller shall have ten (10) days in which to determine whether to accept or reject each product warranty claim. If a product warranty claim is rejected by the Seller on commercially reasonable grounds, then Buyer may resolve such product warranty claim in any manner that Buyer deems necessary and appropriate under the circumstances and, to the extent that the relevant customer should obtain a valid and enforceable order from a competent court confirming that the claim is grounded and ordering Buyer to pay the customer to satisfy such product warranty, then Buyer may seek to recover its reasonable costs and expenses from Seller under and pursuant to the terms of Section 8 of this Agreement. If Seller elects to accept any product warranty claims made by customers following the Closing, Seller shall assist Buyer in the resolution of such product warranty claims as more particularly described below. Seller may elect to either (x) pay the customer for the product plus freight in exchange for returned product, if any, or (y) request that Buyer repair, remanufacture or replace the product and reimburse Buyer for Buyer’s actual costs (including depreciation costs, if any, and freight) in remanufacturing, repairing or replacing the product, less a credit for the amount of returned product based upon market value. In such a case, the Parties shall act in good faith to reach an agreement on the amount due by the Seller and the Seller shall make any such agreed reimbursement to Buyer within five (5) business days following the date of the agreement.

7.15 Receivables. From and after the Closing, if Seller or any of its Affiliates receives or collects any funds relating to any Trade Accounts Receivable or any other Specified Asset, Seller or its Affiliate shall remit such funds to Buyer on the next business day after its receipt thereof. Additionally, on every other business day during the ninety (90) day period after Closing or until the Trade Accounts Receivable are collected in full and transferred to Buyer, whichever occurs first, Seller shall provide Buyer (Attention: Susan Osteen (cash@synalloy.com)) with an up-to-date and accurate bank statement for its account at Intesa Sanpaolo S.p.A., New York Branch, which account constitutes, and shall continue to constitute after Closing, the only account and payment address where customers of the Business send funds for the purchase of products of the Business, along with depository reconciliation records that allow the Parties to accurately reconcile funds received and transferred to Buyer to the corresponding Trade Accounts Receivable paid. From and after the Closing, if Buyer or its Affiliate receives or collects any funds relating to any Excluded Asset, Buyer or its Affiliate shall remit any such funds to Seller within two business days Business Days after its receipt thereof.

SECTION 8. INDEMNIFICATION

8.1 Indemnification.

8.1.1 From and after the Closing Date, Seller shall indemnify, defend and hold harmless Buyer and each of its Affiliates and their respective directors, officers, employees, agents and representatives (each a “Buyer Indemnified Party”) from and against any and all claims, demands or suits (by any Person), losses, liabilities, damages, payments, costs and expenses (including, the costs and expenses of any and all actions, suits, Proceedings, assessments, judgments, settlements and compromises relating thereto and reasonable attorneys’ fees and reasonable disbursements in connection therewith) (each, an “Indemnifiable Loss”), asserted against or suffered by any Buyer Indemnified Party relating to, resulting from or arising out of (i) any breach by Seller of any covenant or agreement of Seller contained in this Agreement, (ii) any breach by Seller of any of the representations and warranties contained in Section 5 hereof, (iii) any Excluded Liability, including without limitation, the union’s pension liability, (iv) the operation by Seller of the Business or its ownership, use or operation of the Specified Assets prior to the Closing, and (v) Seller’s Employees.

8.1.2 From and after the Closing Date, Buyer shall indemnify, defend and hold harmless Seller and each of its Affiliates and their respective directors, officers, employees, agents and representatives (each a “Seller Indemnified Party”) from and against any and all Indemnifiable Losses asserted against or suffered by any Seller Indemnified Party relating to, resulting from or arising out of (i) any breach by Buyer of any covenant or agreement of Buyer contained in this Agreement, (ii) any breach by Buyer of any of the representations and warranties contained in Section 6 hereof, (iii) the Specified Liabilities, and (iv) the operation by Buyer of the ownership, use or operation of the Specified Assets after the Closing.

8.1.3 Except for the right to seek specific performance hereof, the rights and remedies of Seller and Buyer under this Section 8 are exclusive and in lieu of any such rights and remedies as Seller and Buyer may have under this Agreement, under applicable Law or in equity or otherwise for any breach of representation, breach of warranty or failure to fulfill any agreement or covenant hereunder on the part of any Party hereto (whether willful, intentional or otherwise).

8.1.4 Notwithstanding anything to the contrary herein, no Person (including an Indemnitee) shall be entitled to recover from any other Person (including any Party required to provide indemnification under this Agreement (an “Indemnifying Party”)) any amount in excess of the actual damages, court costs and reasonable attorneys’ fees and disbursements suffered by such Party. In furtherance of the foregoing, Buyer and Seller hereby irrevocably waive any right to recover punitive, indirect, special, exemplary and consequential damages, including damages for loss of profits, arising in connection with or with respect to this Agreement (other than with respect to indemnification for a Third Party Claim); provided, however, this limitation on damages shall not apply to Buyer’s right to claim compensation of indirect and consequential damages, including damages for loss of profits, (but excluding punitive, special and exemplary damages) as remedies for any breach by Seller or any of its Affiliates of Section 7.4 of this Agreement.

8.1.5 Any indemnity payment under this Agreement will be treated as an adjustment to the Purchase Price, unless otherwise provided by law.

8.1.6 Notwithstanding the foregoing provisions of this Section 8, neither Seller nor Buyer shall be liable under Sections 8.1.1(ii) or 8.1.2(ii) unless and until the aggregate amount of liability thereunder exceeds \$25,000 (the “Basket”), in which event the Indemnitee shall be entitled to indemnification thereunder only for the amount such liability exceeds the Basket, provided, however, that the total amount recoverable pursuant to Sections 8.1.1(ii) or 8.1.2(ii) shall not exceed \$1,500,000 (the “Indemnity Limit”); provided further, however, that the Basket and the Indemnity Limit shall not apply in the event of (i) fraud or intentional misconduct, (ii) a breach by Seller of the representations and warranties set forth in Sections 5.1, 5.2, 5.3, 5.5, 5.9, 5.11, 5.15 and 5.16 or (iii) a breach by Buyer of the representations and warranties set forth in Sections 6.1, 6.2 and 6.3.

8.1.7 All of the representations and warranties contained in this Agreement shall survive the Closing and continue in full force and effect until eighteen (18) months after the Closing Date, except that (i) the representations and warranties contained in Sections 5.1, 5.2, 5.3, 5.5, 5.9, 5.11, 5.15, 5.16, 6.1, 6.2 and 6.3 shall survive until the expiration of the applicable statute of limitations, at which time they shall lapse and (ii) any representation or warranty as to which an Indemnifiable Loss shall have been asserted in writing during the applicable survival period (which writing shall state with reasonable specificity the nature and amount of such Indemnifiable Loss) shall continue in effect with respect to such Indemnifiable Loss until such Indemnifiable Loss shall have been finally resolved or settled, provided that notice of the inaccuracy or breach or potential inaccuracy or breach thereof or other claim giving rise to such right or potential right of indemnity shall have been given to the Party against whom such indemnity may be sought prior to such time. The covenants and agreements contained in this Agreement shall remain in effect until the expiration of such covenants and agreements pursuant to their express terms.

8.1.8 Defense of Claims. If any Indemnitee receives notice of the assertion of any claim or of the commencement of any claim, action, or Proceeding made or brought by any Person who is not a Party to this Agreement or any Affiliate of a Party to this Agreement (a “Third Party Claim”) with respect to which indemnification is to be sought from an Indemnifying Party, the following terms and provisions shall apply:

8.1.8.1 The Indemnitee shall give written notice to the Indemnifying Party of any Third Party Claim which might give rise to a claim for indemnification, which notice shall state the nature and basis of the assertion and the amount thereof, to the extent known, provided, however, that no delay on the part of the Indemnitee in giving notice shall relieve the Indemnifying Party of any obligation to indemnify unless (and then solely to the extent that) the Indemnifying Party is prejudiced by such delay and then only to the extent so prejudiced.

8.1.8.2 If any Third Party Claim is brought against an Indemnitee with respect to which the Indemnifying Party may have an obligation to indemnify, the Third Party Claim shall be defended by the Indemnifying Party and such defense shall include all proceedings and appeals which counsel for the Indemnitee shall deem reasonably appropriate.

8.1.8.3 Notwithstanding the provisions of the previous subsection, until the Indemnifying Party shall have assumed the defense of any such Third Party Claim, the defense shall be handled by the Indemnitee. Furthermore, (i) if the Indemnitee shall have reasonably concluded that there are likely to be defenses available to the Indemnitee that are different from or in addition to those available to the Indemnifying Party; (ii) if the Indemnifying Party fails to provide the Indemnitee with evidence reasonably acceptable to the Indemnitee that the Indemnifying Party has sufficient financial resources to defend and fulfill its indemnification obligation with respect to the Third Party Claims; (iii) if the Third Party Claim involves other than money damages and seeks injunctive or other equitable relief; (iv) the Third Party Claim involves a customer, competitor or a supplier of the Business; or (v) if a judgment against the Indemnitee will, in the good faith opinion of the Indemnitee, establish a custom or precedent which will be adverse to the best interests of its continuing business, the Indemnifying Party shall not be entitled to assume the defense of the Third Party Claim and the defense shall be handled by the Indemnitee. If the defense of the Third Party Claim is handled by the Indemnitee under the provisions of this subsection, the Indemnifying Party shall pay all legal and other expenses reasonably incurred by the Indemnitee in conducting such defense. Notwithstanding the foregoing, any product warranty claims pursuant to Section 7.14 that also trigger indemnification obligations under this Section 8 shall be defended utilizing a joint defense between Seller and Buyer, with Seller, as the Indemnifying Party, paying all costs of such joint defense.

8.1.8.4 In any Third Party Claim defended by the Indemnifying Party (i) the Indemnitee shall have the right to be represented by advisory counsel and accountants, at its own expense, (ii) the Indemnifying Party shall keep the Indemnitee fully informed as to the status of such Third Party Claim at all stages thereof, whether or not the Indemnitee is represented by its own counsel, (iii) the Indemnifying Party shall make available to the Indemnitee, and its attorneys, accountants and other representatives, all books and records of the Indemnifying Party relating to such Third Party Claim and (iv) the parties shall render to each other such assistance as may be reasonably required in order to ensure the proper and adequate defense of the Third Party Claim.

8.1.8.5 In any Third Party Claim, the party defending the same shall not make any settlement of any claim without the prior written consent of the other party, which consent shall not be unreasonably withheld, delayed or conditioned. Without limiting the generality of the foregoing, it shall not be deemed unreasonable to withhold consent to a settlement involving injunctive or other equitable relief against the Indemnitee or its assets, employees or business, or relief which the Indemnitee reasonably believes could establish a custom or precedent which will be adverse to the best interests of its continuing business.

SECTION 9. OTHER PROVISIONS

9.1 Fees and Expenses. Except with respect to indemnification claims which shall be governed by Section 8, Buyer shall pay all of the fees and expenses incurred by Buyer, and Seller shall pay all of the fees and expenses incurred by Seller, in negotiating and preparing this

Agreement (and all other agreements and documents executed in connection herewith or therewith) and in consummating the transactions contemplated hereby.

9.2 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given on the day when delivered personally or by facsimile transmission (with confirmation), on the next Business Day when delivered to a nationally recognized overnight courier or five (5) Business Days after deposited as registered or certified mail (return receipt requested), in each case, postage prepaid, addressed to the recipient Party at its address or facsimile number specified below (or at such other address or facsimile address for a Party as shall be specified by like notice; provided that notices of a change of address or facsimile number shall be effective only upon receipt thereof):

If to Buyer, to:

Bristol Metals, LLC
c/o Synalloy Corporation
4510 Cox Road, Suite 201
Glen Allen, Virginia 23060
Attention: Craig Bram, CEO
Telephone: (804) 822-3261
Facsimile: (804) 822-3270

With copies to:

LeClairRyan, A Professional Corporation
Riverfront Plaza, East Tower
919 East Main Street
Richmond, Virginia 23219
Attention: John C. Selbach, Esq.
Telephone: (804) 343-4388
Facsimile: (804) 916-7288

If to Seller, to:

Marcegaglia USA, Inc.
c/o Marcegaglia Specialties Spa
Via Bresciani, 16
46040 Gazoldo degli Ippoliti, MN - Italy
Attn: Antonio Marcegaglia, Chairman and CEO
Telephone: +39 0376 685430
Fax: +39 0379 657901

With copies to:

Marcegaglia Specialties Spa
Via Bresciani, 16
46040 Gazoldo degli Ippoliti, MN - Italy
Attn: Avv. Elisa Scilhanick, Corporate General Counsel
Telephone: +39 0376 685432
Fax: +39 0379 685656

9.3 Entire Understanding. This Agreement, together with the Exhibits and Schedules hereto, between Buyer and Seller, states the entire understanding between the Parties with respect to the subject matter hereof, and supersedes all prior oral and written communications and agreements, and all contemporaneous oral communications and agreements, with respect to the subject matter hereof. The Agreements and the Exhibits and Schedules hereto may only be amended, modified or supplemented by an agreement in writing signed by each of the Parties.

9.4 Assignment. This Agreement shall bind, benefit, and be enforceable by and against Buyer and the Seller and their respective successors and assigns. No Party shall in any manner assign any of its rights or obligations under this Agreement without the express prior written consent of the other Party.

9.5 Waivers. Except as otherwise expressly provided herein, no waiver with respect to this Agreement shall be enforceable unless in writing and signed by the Party against whom enforcement is sought. Except as otherwise expressly provided herein, no failure to exercise, delay in exercising, or single or partial exercise of any right, power or remedy by any Party, and no course of dealing between or among any of the Parties, shall constitute a waiver of, or shall preclude any other or further exercise of, any right, power or remedy.

9.6 Severability. If any provision of this Agreement is construed to be invalid, illegal or unenforceable, then the remaining provisions hereof shall not be affected thereby and shall be enforceable without regard thereto.

9.7 Offset. Neither Party shall have the right of offset under this Agreement.

9.8 Counterparts. This Agreement may be executed in any number of counterparts, including by facsimile, each of which when so executed and delivered shall be an original hereof, and it shall not be necessary in making proof of this Agreement to produce or account for more than one counterpart hereof.

9.9 Section Headings. Section and subsection headings in this Agreement are for convenience of reference only, do not constitute a part of this Agreement, and shall not affect its interpretation.

9.10 References. All words used in this Agreement shall be construed to be of such number and gender as the context requires or permits.

9.11 Controlling Law. THIS AGREEMENT IS MADE UNDER, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED SOLELY THEREIN, WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAW.

9.12 Jurisdiction and Process. In any action between or among any of the Parties arising out of this Agreement, any of the agreements contemplated hereby or otherwise, (a) each of the Parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in the State of Delaware, (b) if any such action is commenced in a state court, then, subject to applicable law, no Party shall object to the removal of such action to any federal court located in the State of Delaware, (c) each of the Parties irrevocably consents to service of process by first class certified mail, return receipt requested, postage prepaid, to the address at which such Party is to receive notice in accordance with Section 9.2, and (d) the substantially prevailing Party shall be entitled to recover their reasonable attorneys' fees, costs, and disbursements from the other Parties (in addition to any other relief which the substantially prevailing Party may be entitled).

9.13 No Third-Party Beneficiaries. No provision of this Agreement is intended to or shall be construed to grant or confer any right to enforce this Agreement, or any remedy for breach of this Agreement, to or upon any Person other than the Parties hereto.

[Signature page follows]

INTENDING TO BE LEGALLY BOUND HEREBY, the Parties have executed or caused to be executed this Asset Purchase Agreement effective as of the day and year first above written.

BRISTOL METALS, LLC

By: _____
Name:
Title:

MARCEGAGLIA USA, INC.

By: _____
Name: Antonio Marcegaglia
Title: Chairman and CEO

The undersigned, Marcegaglia Specialties Spa, a company organized under the laws of Italy, hereby unconditionally guarantees the obligations of Marcegaglia USA, Inc. set forth in Sections 5, 7.4 and 8 of this Agreement, subject to the terms and conditions set forth therein.

MARCEGAGLIA SPECIALTIES SPA

By: _____
Name: Antonio Marcegaglia
Title: Chairman of Board of Directors

By: _____
Name: Emma Marcegaglia
Title: Director

The undersigned, Synalloy Corporation, a Delaware corporation, hereby unconditionally guarantees the obligations of Bristol Metals, LLC set forth in Section 3.2, 3.3 and 3.5 of this Agreement, subject to the terms and conditions set forth therein.

By: _____
Name:
Title:

EXHIBIT 1

DEFINED TERMS

“Affiliate” of a Person means a Person who, directly or indirectly through one or more subsidiaries, controls or is controlled by, or is under common control with, such Person.

“Agreement” shall have the meaning given to such term in the Introduction herein.

“Amendment No. 2 to Stainless Asset Purchase Agreement” shall have the meaning given to such term in Section 7.12 herein.

“Assumed Contracts” shall have the meaning given to such term in Section 5.7 herein.

“Baseline” shall have the meaning given to such term in Section 7.4.2 herein.

“Basket” shall have the meaning given to such term in Section 8.1.6 herein.

“Business” shall have the meaning given to such term in the Recitals herein.

“Buyer” shall have the meaning given to such term in the Introduction herein.

“Buyer Benefit Plans” shall have the meaning given to such term in Section 7.2.1 herein.

“Buyer Indemnified Party” shall have the meaning given to such term in Section 8.1.1 herein.

“Calculation Period” means each successive three month period during the Earn Out Period, beginning with the first three month period following the Closing Date.

“Closing” shall have the meaning given to such term in Section 4.1 herein.

“Closing Date” shall have the meaning given to such term in Section 4.1 herein.

“Closing Date Working Capital” means the Working Capital as of 11:59 p.m., Eastern Time, on the Business Day immediately prior to the Closing Date.

“Closing Payment” shall have the meaning given to such term in Section 3.1.2.2 herein.

“COBRA” shall have the meaning given to such term in Section 7.2 herein.

“Code” means the United States Internal Revenue Code of 1986, as amended.

“Consent” means any consent, approval, order or authorization of, or any declaration, filing or registration with, or any applicable, notice or report to, or any waiver by, or any other action (whether similar or dissimilar to any of the foregoing), of, by or with, any Person, which is necessary in order to take a specified action or actions in a specified manner and/or to achieve a specified result.

“Customer Lists” shall have the meaning given to such term in Section 2.1.1.5 herein.

“Earn Out Calculation” shall have the meaning given to such term in Section 3.5.2.1 herein.

“Earn Out Calculation Delivery Date” shall have the meaning given to such term in Section 3.5.2.1 herein.

“Earn Out Calculation Objection Notice” shall have the meaning given to such term in Section 3.5.2.2 herein.

“Earn Out Calculation Statement” shall have the meaning given to such term in Section 3.5.2.1 herein.

“Earn Out Payment” shall have the meaning given to such term in Section 3.5.1 herein.

“Earn Out Period” means the four year period following the Closing Date.

“Employee Plan” means any employee benefit plan as defined in Section 3(3) of ERISA which is sponsored by the Seller for employees of the Seller.

“Encumbrance” means any liens, superlien, security interest, pledge, right of first refusal, mortgage, easement, covenant, restriction, reservation, conditional sale, prior assignment, hypothecate or other encumbrance, claim, burden or charge of any nature.

“Entity” means any corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, company (including any company limited by shares, limited liability company or joint stock company), firm, society or other enterprise, association, organization or entity.

“Equipment” shall have the meaning given to such term in Section 2.1.1.2 herein.

“Estimated Closing Date Working Capital” shall have the meaning given to such term in Section 3.1.2.1 herein.

“Excluded Assets” shall have the meaning given to such term in Section 2.1.2 herein.

“Excluded Liabilities” shall have the meaning given to such term in Section 2.1.4 herein.

“Facility Lease Termination Agreement” shall have the meaning given to such term in Section 7.10 herein.

“Filings” shall have the meaning given to such term in Section 7.7 herein.

“Financial Statements” shall have the meaning given to such term in Section 5.14 herein.

“GAAP” means generally accepted accounting principles under current United States accounting rules and regulations, consistently applied.

“Governmental Body” means any: (a) nation, principality, republic, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, provincial, municipal, foreign or other government; (c) governmental or quasi-governmental authority of any nature (including any governmental division, subdivision, department, agency, bureau, branch, office, commission, council, board (including any federal, state, provincial or local board(s) of medicine), instrumentality, officer, official, representative, organization, unit, body or Entity and any court or other tribunal); (d) multi-national organization or body; or (e) individual, Entity or body exercising, or entitled to exercise, any executive, legislative, judicial, administrative, regulatory, policy, military or taxing authority or power of any nature.

"including" means including but not limited to.

“Indemnifiable Loss” shall have the meaning given to such term in Section 8.1.1 herein.

“Indemnifying Party” shall have the meaning given to such term in Section 8.1.4 herein.

“Indemnitee” means a Buyer Indemnified Party or a Seller Indemnified Party, as applicable.

“Indemnity Limit” shall have the meaning given to such term in Section 8.1.6 herein.

“Independent Accountants” shall have the meaning given to such term in Section 3.3.4 herein.

“Inventory” shall have the meaning given to such term in Section 2.1.1.1 herein.

“Judgment” means any order, writ, injunction, citation, award, decree, administrative order or agreement or other judgment of any nature of any Governmental Body.

“Knowledge of Seller” and similar phrases means that neither Antonio Marcegaglia, Lorenzo Biagi nor Marco Costi had knowledge that the statement made is incorrect.

“Law” means any provision of any foreign, federal, state, provincial or local law, common law, statute, ordinance, charter, constitution, treaty, code, rule, regulation or guideline.

“Licenses and Permits” shall have the meaning given to such term in Section 2.1.1.8 herein.

“Non-Compete Period” shall mean a period of ten (10) years after the Closing Date.

“Objection Notice” shall have the meaning given to such term in Section 3.3.3 herein.

“Party” and “Parties” shall have the meaning given to such terms in the Introduction herein.

“Person” means any individual, Entity or Governmental Body.

“Proceeding” means any demand, claim, suit, action, litigation, investigation, audit, arbitration, administrative hearing or other proceeding of any nature.

“Property” shall have the meaning given to such term in Section 7.9 herein.

“Proprietary and Confidential Information” shall have the meaning given to such term in Section 7.4.1.2 herein.

“Purchase Orders” shall have the meaning given to such term in Section 2.1.1.4 herein.

“Purchase Price” shall have the meaning given to such term in Section 3.1.1 herein.

“Records” shall have the meaning given to such term in Section 2.1.1.6 herein.

“Returns” shall have the meaning given to such term in Section 5.9.1 herein.

“Revenue” means, with respect to any Calculation Period, gross sales generated by Buyer of galvanized steel pipe and tube determined in accordance with GAAP.

“Review Period” shall have the meaning given to such term in Section 3.5.2.2 herein.

“Seller” shall have the meaning given to such term in the Introduction herein.

“Seller’s Employees” shall have the meaning given to such term in Section 7.2.1 herein.

“Seller Indemnified Party” shall have the meaning given to such term in Section 8.1.2 herein.

“Services Agreement Termination Agreement” shall have the meaning given to such term in Section 7.11 herein.

“Settlement Agreement” shall have the meaning given to such term in Section 7.13 herein.

“Specified Assets” shall have the meaning given to such term in Section 2.1.1 herein.

“Specified Liabilities” shall have the meaning given to such term in Section 2.1.3 herein.

“Stainless Asset Purchase Agreement” shall have the meaning given to such term in Section 7.12 herein.

“Statement of Closing Date Working Capital” shall have the meaning given to such term in Section 3.3.1 herein.

“Store Capital” shall have the meaning given to such term in Section 7.9 herein.

“Target Closing Date Working Capital” means FOUR MILLION AND 00/100 DOLLARS (\$4,000,000).

“Tax” means: (a) any foreign, federal, state, provincial or local income, earnings, profits, gross receipts, franchise, capital stock, net worth, sales, use, value added, occupancy, general property, real property, personal property, intangible property, transfer, fuel, excise, payroll, withholding, unemployment compensation, social security, escheat, unclaimed property, retirement or other tax of any nature; or (b) any deficiency, interest or penalty imposed with respect to any of the foregoing.

“Taxing Authority” shall mean any domestic, foreign, federal, national, state, provincial, county or municipal or other local government, any subdivision, agency, commission or authority thereof, or any quasi-Governmental Body exercising tax regulatory authority.

“Tax Returns” means all federal, state, provincial, local, foreign and other Tax returns and reports, information returns, statements, declarations, estimates, schedules, notices, notifications, forms, elections, certificates or other documents required to be filed or submitted to any Governmental Body with respect to the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of or compliance with any Law relating to any Tax, including any amendments thereto.

“Territory” means the North America.

“Third Party Claim” shall have the meaning given to such term in Section 8.1.8 herein.

“Trade Accounts Payable” shall have the meaning given to such term in Section 2.1.3.3 herein.

“Trade Accounts Receivable” shall have the meaning given to such term in Section 2.1.1.3 herein.

“Transfer Taxes” shall have the meaning given to such term in Section 7.5.1 herein.

“Transferred Employees” shall have the meaning given to such term in Section 7.2.1 herein.

“Vendor Contracts” shall have the meaning given to such term in Section 2.1.3.4 herein.

“Working Capital” means Inventory (at market value, net of reserves), *plus* Trade Accounts Receivable (net of reserves), *less* Trade Accounts Payable.

SCHEDULES

- Schedule 2.1.1.1 - Inventory
- Schedule 2.1.1.2 - Equipment
- Schedule 2.1.1.3 - Trade Accounts Receivable
- Schedule 2.1.1.4 - Purchase Orders
- Schedule 2.1.1.5 - Customer Lists
- Schedule 2.1.1.8 - Licenses and Permits
- Schedule 2.1.3.1 - Transferred Employees Accrued Leave
- Schedule 2.1.3.3 - Assumed Trade Accounts Payable
- Schedule 2.1.3.4 - Vendor Contracts
- Schedule 3.4 - Allocation Statement
- Schedule 5.2.2 - Non-Contravention
- Schedule 5.2.3 - Consents
- Schedule 5.4 - Legal Proceedings
- Schedule 5.9 - Tax Matters
- Schedule 5.12 - Labor and Employment Matters
- Schedule 5.14 - Financial Statements
- Schedule 5.15 - Employee Benefit Plans
- Schedule 7.2.1 - Employees

**AMENDMENT NO. 2
TO
ASSET PURCHASE AGREEMENT**

This Amendment No. 2 to Asset Purchase Agreement (this "Amendment"), effective as of July 1, 2018, is entered into by and between Marcegaglia USA, Inc., a Pennsylvania corporation ("Seller"), and Bristol Metals, LLC, a Tennessee limited liability company ("Buyer"). Seller and Buyer may each be referred to herein individually as a "Party" and together as the "Parties".

WHEREAS, Seller and Buyer entered into an Asset Purchase Agreement dated December 9, 2016, as amended by that certain Amendment No. 1 to Asset Purchase Agreement dated February 28, 2017 (collectively, the "Agreement"); and

WHEREAS, Seller and Buyer now wish to amend the Agreement further as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements hereinafter set forth herein, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties hereto agree as follows:

1. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Agreement.
2. This Amendment shall be effective as of the date first written above.
3. This Amendment is an amendment to the Agreement and confirms additional agreements on the matters set forth below between Seller and Buyer.

4. Section 3.3.1 of the Agreement is hereby deleted in its entirety and replaced with the following:

"3.3.1 As additional consideration for the Specified Assets, Buyer shall pay to Seller with respect to each Calculation Period within the Earn Out Period an amount (each, an "Earn Out Payment") equal to: three percent (3%) of all Revenue generated by Buyer from the amount, if any, of (a) the sale of small diameter stainless steel pipe and tube (outside diameter of ten inches or less) sold in excess of 3.25 million pounds quarterly, excluding sales of Seller's finished goods inventory post-Closing, and (b) the sale of stainless steel squares, rectangles and rounds tubes for ornamental applications; provided that, the Parties shall review the Earn Out Payments annually (each fourth Calculation Period during the Earn Out Period), and if necessary, adjust up or down the final quarterly Earn Out Payment for each year during the Earn Out Period to make certain the aggregate of the Earn Out Payments for each year during the Earn Out Period is equal to three percent (3%) of all Revenue generated by Buyer from the amount, if any, of the sale of small diameter stainless steel pipe and tube (outside diameter of ten inches or less) sold in excess of 13.0 million pounds annually, plus three percent (3%) of all Revenue generated by Buyer from the amount, if any, of the sale of stainless steel squares, rectangles and rounds tubes for ornamental applications. Notwithstanding the foregoing, if at the end of the Earn Out Period, Buyer has paid Seller Earn Out Payments totaling less than \$3,000,000, in the aggregate, then Buyer shall pay Seller a "true-up" payment equal to the difference between \$3,000,000 and the aggregate of the Earn Out Payments previously paid to Seller. For the avoidance of confusion, the inclusion of all Revenue generated by Buyer from the amount, if any, of the sale of stainless steel squares, rectangles and rounds tubes for ornamental applications into the Earn Out Payment calculation begins on July 1, 2018 and continues through the end of the Earn Out Period with no re-calculation of the Earn Out Payments for the time periods during the Earn Out Period prior to July 1, 2018."

5. The definition of "Revenue" in Exhibit 1 (Defined Terms) of the Agreement is hereby deleted in its entirety and replaced with the following:

"Revenue" means, with respect to any Calculation Period, gross sales generated by Buyer of small diameter stainless steel pipe and tube (outside diameter of ten inches or less), or as the case may be, gross sales generated by Buyer of stainless steel squares, rectangles and rounds tubes for ornamental applications, determined in accordance with GAAP."

6. Except as set forth in this Amendment, the Agreement is hereby ratified and confirmed in all respects and shall continue in full force and effect according to its terms.

7. The Agreement and this Amendment constitute the entire agreement of the parties regarding their subject matter and supersede all prior or contemporaneous agreements or understandings regarding such subject matter.

8. This Amendment may be executed in any number of counterparts and by each of the Parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signatures of the Parties transmitted by electronic means shall be deemed to be their original signatures for all purposes.

[SIGNATURES ON THE NEXT PAGE]

INTENDING TO BE LEGALLY BOUND HEREBY, the Parties have executed or caused to be executed this Amendment No. 2 to Asset Purchase Agreement effective as of the day and year first above written.

BRISTOL METALS, LLC

By: _____
Name:
Title:

MARCEGAGLIA USA, INC.

By: _____
Name:
Title:

CERTIFICATIONS

I, Craig C. Bram, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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 officers 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 officers 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: August 7, 2018 /s/ Craig C. Bram
Craig C. Bram
Chief Executive Officer

CERTIFICATIONS

I, Dennis M. Loughran, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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 officers 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 officers 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: August 7, 2018 /s/ Dennis M. Loughran
Dennis M. Loughran
Chief Financial Officer

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-Q 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: August 7, 2018 /s/ Craig C. Bram
Craig C. Bram
Chief Executive Officer

Date: August 7, 2018 /s/ Dennis M. Loughran
Dennis M. Loughran
Chief Financial Officer