



APPROVAL AGREEMENT

The Agreement is made by and between Factory Mutual Research Corporation, (herein called FMRC),
and Cla-Val Company, Newport Beach, CA, 92659
(herein called the Client). The Client is making a product or providing a service known and described as:

WATER PRESSURE RELIEF VALVES
ROLL SEAL CATALOG NO. 750B-4KG1
SIZES 3 AND 4 INCH NPS

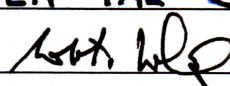
This product or service has been examined by FMRC as described in the report bearing
Job Identification 3002192 , dated October 22, 1999

In consideration of FMRC Approval of the product or service the Client is authorized to indicate such approval, as stated by the above report, and agrees to the following and terms stated on the reverse side of this Agreement:

1. The Client shall place a unique identification mark (i.e. model or type number) on the product as stated in the above report and shall not place this mark on any other product unless covered by separate agreement with FMRC.
2. The Client shall use the FMRC Approval mark on the product, but shall not use this mark on any other product unless such other product is covered by separate agreement with FMRC.
3. The client shall not use, reproduce or distribute the above referenced report by FMRC except in its entirety without any change, deletion or addition thereto. The Client agrees that FMRC may distribute the referenced report and related information within the Factory Mutual System.

(See Over)

CLA-VAL Co

Client


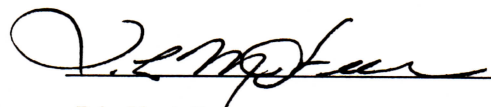
Signature
Robert Folk

Name
Engineering Manager

Title
1701 Placentia Ave

Address
Costa Mesa, Ca 92627
11-16-99

Date

FACTORY MUTUAL RESEARCH CORPORATION


Signature
R.L. Martell

Name
Asst. V.P. – Approvals Division

Title
November 4, 1999

Date

4. The Client shall assume full responsibility for the design, material, workmanship and operation of the product or the quality of the service rendered and agrees to hold harmless and indemnify FMRC from any claims and liability to the Client or others for any kind or type of injury or damage, including without limitation, loss of earnings or profits, caused by or in any way connected with any of the services rendered by FMRC, or arising out of any defect, accident, damage or injury related to the product or service referenced herein.

5. The Client shall manufacture the product or provide the service as approved by FMRC and no changes of any nature shall be made in the product or service unless notice of the proposed change has been given and written authorization obtained from FMRC. Client agrees to make full and immediate disclosure to FMRC of all information concerning any defect in or potential hazard of the product or service referenced herein. Failure to provide such notification of changes or defects may result in suspension or withdrawal of FMRC Approval.

6. The Client shall (1) provide the user with adequate instructions for the proper installation, maintenance, and operation of the product; (2) provide adequate facilities for repair of the product and supply parts; (3) provide services to ensure proper installation, inspection or maintenance for products of such nature that it would not be reasonable to expect the average user to be able to provide such installation, inspection or maintenance.

7. The Client shall permit periodic unannounced audits of the manufacturing facilities and quality control procedures for the approved product or unannounced audits of the service locations by FMRC or its representative and shall furnish samples of the approved product for re-examination on request.

8. The Client shall manufacture the product or provide the service only at locations audited by FMRC or its representative and manufacture of products bearing the FMRC Approval mark shall not be done at any other locations without prior written authorization by FMRC.

9. The Client shall pay within thirty (30) days after date of invoice the costs of Approval, audit, and subsequent re-inspection re-examination and listing as a condition of continued Approval.

10. FMRC Approval does not imply or express any warranty of any kind with respect to the Client's product or service, and FMRC assumes no responsibility for defects, failure in service or patent infringement.

11. FMRC reserves the right in its sole judgment to change or revise its standards, criteria, methods or procedures.

12. Approval may be withdrawn by FMRC due to unsatisfactory performance, unsatisfactory results in meeting requirements of reexamination, unsatisfactory quality control, or for violation of or non-compliance with any part of this Agreement. The Client may at any time withdraw from the terms of this Agreement by so notifying FMRC in writing. Regardless of whether withdrawal is made by FMRC or the Client, all activities that would indicate or imply Approval shall be immediately discontinued by the Client unless otherwise agreed to in writing by FMRC. FMRC reserves the right to notify the public in general and/or appropriate party if in its sole judgment the product or service is found to present an unusual danger or hazard.

13. This Agreement is not transferable to another party without prior written authorization by FMRC.