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LICENSE OR PERMIT BOND

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2005 003806

2005 JAN 20 AM 9:44

Bond No. CMS210333

LICENSE OR PERMIT BOND

MICHAEL A. NANCOS
RECORDER

KNOW ALL BY THESE PRESENTS, That we, Flowserve US Inc., 2100 State Rd., #149, Chesterton, IN 46304

as Principal, and the RLI Insurance Company, a Illinois corporation,
as Surety, are held and firmly bound unto Lake County, Indiana and all Cities, Towns and Municipalities therein

in the sum of Five Thousand and 00/100 Dollars (\$ 5,000.00)

for which sum, well and truly to be paid, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

Signed and sealed this 21st day of December, 2004.

THE CONDITION OF THIS OBLIGATION IS SUCH, That WHEREAS, the Principal has been or is about to be granted a license or permit to do business as Piping Contractor by the Obligee.

NOW, Therefore, if the Principal well and truly comply with applicable local ordinances, and conduct business in conformity therewith, then this obligation to be void; otherwise to remain in full force and effect.

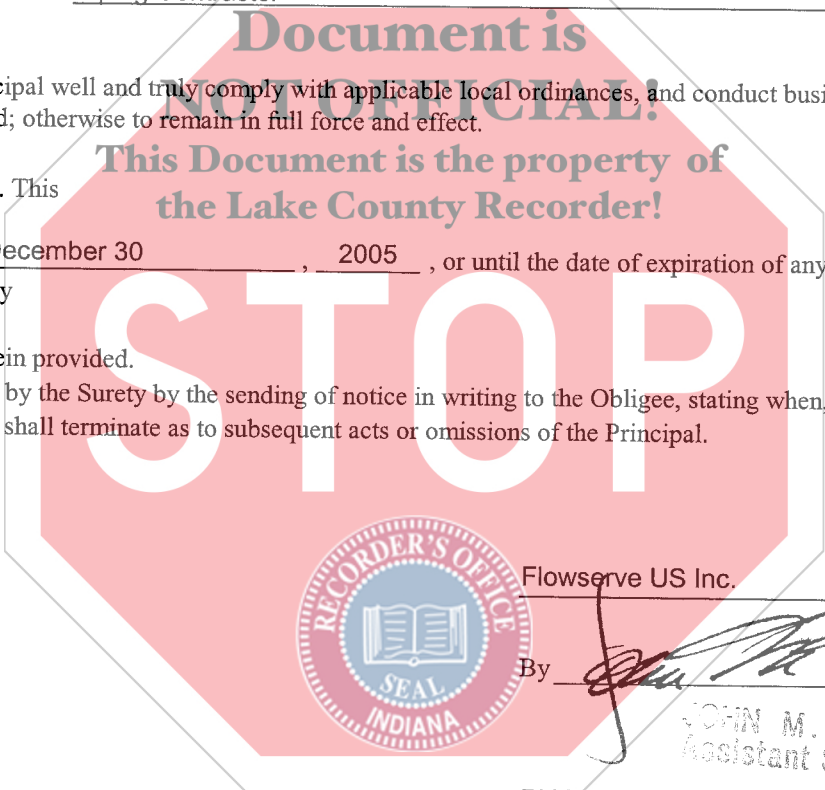
PROVIDED, HOWEVER; 1. This bond shall continue in force:

Until December 30, 2005, or until the date of expiration of any Continuation Certificate executed by the Surety

OR

Until canceled as herein provided.

2 This bond may be canceled by the Surety by the sending of notice in writing to the Obligee, stating when, not less than thirty days thereafter, liability hereunder shall terminate as to subsequent acts or omissions of the Principal.



Flowserve US Inc.

Principal

By

[Handwritten Signature]

JOHN M. NANCOS
Assistant Secretary

RLI Insurance Company

By

Carmen Mims

Attorney-in-Fact

[Handwritten Signature]

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PM



POWER OF ATTORNEY
RLI Insurance Company

RLI Surety
A Division of RLI Insurance Company
P.O. Box 3967 Peoria, IL 61612-3967
Phone: 309-692-1000 Fax: 309-692-8637

Know All Men by These Presents:

That this Power of Attorney is not valid or in effect unless attached to the bond which it authorizes executed, but may be detached by the approving officer if desired.

That RLI Insurance Company, an Illinois corporation, does hereby make, constitute and appoint:
BRIAN M LEBOW, CARMEN MIMS, ALLYSON DEAN, DEBORAH GRIFFITH

in the City of Dallas, State of Texas its true and lawful Agent and Attorney in Fact, with full power and authority hereby conferred, to sign, execute, acknowledge and deliver for and on its behalf as Surety, the following described bond.

Any and all bonds provided the bond penalty does not exceed Ten Million Dollars (\$10,000,000).

The acknowledgment and execution of such bond by the said Attorney in Fact shall be as binding upon this Company as if such bond had been executed and acknowledged by the regularly elected officers of this Company.

All authority hereby conferred shall expire and terminate, without notice, unless used before midnight of January 9, 2006, but until such time shall be irrevocable and in full force and effect.

The RLI Insurance Company further certifies that the following is a true and exact copy of the Resolution adopted by the Board of Directors of RLI Insurance Company, and now in force to-wit:

"All bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or Agents who shall have authority to issue bonds, policies or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile."

IN WITNESS WHEREOF, the RLI Insurance Company has caused these presents to be executed by its President with its corporate seal affixed this 9th day of January, 2004.

State of Illinois }
County of Peoria } SS

RLI Insurance Company

By: Jonathan E. Michael
Jonathan E. Michael President



CERTIFICATE

On this 9th day of January, 2004, before me, a Notary Public, personally appeared Jonathan E. Michael, who being by me duly sworn, acknowledged that he signed the above Power of Attorney as the aforesaid officer of the RLI Insurance Company and acknowledged said instrument to be the voluntary act and deed of said corporation.

I, the undersigned officer of RLI Insurance Company, a stock corporation of the State of Illinois, do hereby certify that the attached Power of Attorney is in full force and effect and is irrevocable; and furthermore, that the Resolution of the Company as set forth in the Power of Attorney, is now in force. In testimony whereof, I have hereunto set my hand and the seal of the RLI Insurance Company this 21st day of December, 2004.

By: Jacqueline M. Bockler
Jacqueline M. Bockler Notary Public

RLI Insurance Company

By: Jonathan E. Michael
Jonathan E. Michael President

