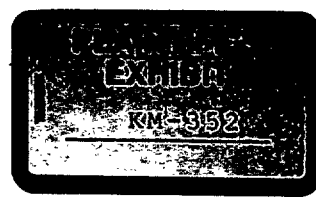


A G R E E M E N T



THIS AGREEMENT made at San Carlos, California, by and between PACO TEXTURES CORPORATION, a California corporation, hereinafter referred to as PACO, and CLIFFORD P. WOODLAND, hereinafter referred to as WOODLAND:

1. WOODLAND has recently retired as an employee and officer of PACO, a wholly owned subsidiary of KELLY-MOORE PAINT COMPANY, INC., a California corporation.

2. WOODLAND desired to retain some business activity in the fields of endeavor of PACO wherein he is most familiar and has heretofore offered to act as an independent Manufacturers' Sales Representative for PACO starting January 1, 1966.

3. PACO is desirous of assisting WOODLAND in his desire to not become completely inactive and to have WOODLAND serve as an independent Manufacturers' Sales Representative for PACO effective January 1 1966.

4. The parties have accordingly entered into such an oral arrangement and this written Agreement sets out and confirms the terms of the oral agreement heretofore made between the parties as follows:

A. Effective January 1, 1966, WOODLAND will establish an independent Manufacturers' Sales Representative business, in which business he may represent such other and as many other companies as he may choose or may represent only PACO, as he sees fit.

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B. Insofar as WOODLAND's representations for PACO are concerned, however, he shall represent and sell PACO products in the Rocky Mountain states, being Montana, Wyoming, Colorado, New Mexico, Utah and Idaho, in the Pacific Northwest states, being Washington and Oregon, and in the states of Hawaii and Alaska. In the event PACO should at some future date enter said areas with either direct sales efforts, local branches or otherwise, upon written notice from PACO to WOODLAND as hereinafter provided, this Agreement shall terminate and PACO shall have all rights to take over the sales efforts in said territories.

C. WOODLAND shall in all respects operate as an independent Manufacturers' Representative and not as an agent nor employee of PACO in any way whatsoever. PACO shall have no responsibility to direct nor control WOODLAND's sales activity except insofar as any specific activity may be detrimental to PACO's business and reputation, and all sales made by WOODLAND shall be for his own account or the account of others and not for the account of PACO, WOODLAND in no way being an employee of PACO hereby.

D. PACO will supply WOODLAND with a price list which will be WOODLAND's cost F.O.B. San Carlos, California and WOODLAND will receive as a commission upon sales the net difference between said cost and the sales price less discounts allowed, returned merchandise, sales and use taxes. WOODLAND will establish his own sales prices and PACO will bill WOODLAND's customers direct at prices indicated by WOODLAND, provided, however, WOODLAND will be responsible for all credit and customer

adjustments other than adjustments due specifically to defective material and WOODLAND will hold PACO harmless from such credit and customer adjustments. PACO will allow thirty (30) days credit, maximum, from the end of the month in which sales are invoiced, and WOODLAND will be responsible to reimburse PACO for all amounts due on any accounts that have not paid within said thirty (30) days. PACO will furnish WOODLAND with a monthly listing of WOODLAND's customers' accounts indicating the past due portion thereof. WOODLAND will reimburse PACO for the past due portion of these accounts by the tenth (10th) day of the month of receipt of the aforesaid accounting showing the past due accounts. In the event PACO thereafter receives payment on any of these accounts, said amounts will be remitted or credited to WOODLAND. The accounts paid by WOODLAND to PACO as aforesaid will be directly transferred and assigned to WOODLAND for his own account. WOODLAND will purchase the bad debt accounts from PACO at the full invoice price thereof less the commission which he would otherwise have been paid with regard thereto, or if he has already been paid such commission, then at the full invoice price including commission.

E. The initial term of this Agreement shall be for a period of six (6) months ending June 30, 1966. During said six (6) months period PACO will advance WOODLAND \$600.00 per month against commissions, payable \$300.00 on the 15th day and on the 1st day of each month commencing January 15, 1966 and ending July 1, 1966. If during this initial period of

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the Agreement, WOODLAND should die, become disabled or choose to terminate this Agreement, as hereinafter provided, no further monthly advance will be due and owing to WOODLAND from PACO from and after the date notice is given of the intent to terminate the Agreement, and WOODLAND will thereafter be under no obligation whatsoever to return any of such advanced monies to PACO. If, at the end of the first six (6) month period hereof, the parties continue this Agreement in full force and effect, then said total advanced monies shall be deducted to the extent of the total monthly commissions due from the first commissions coming due until such time as PACO shall have been reimbursed in full the total sums so advanced. After PACO has been so reimbursed, WOODLAND shall thereafter receive in full monthly by the 15th day of the second month following the date in which sales are made all commissions which have been earned by WOODLAND during the second preceding month.

F. PACO will provide WOODLAND with at least thirty (30) days notice on any changes in the cost to WOODLAND for PACO products. WOODLAND will pay PACO \$4.00 for each Dun & Bradstreet or other credit report he orders through PACO.

In the event the parties mutually determine to do so, the terms of this Manufacturers' Representation Agreement may be extended to product lines of KELLY-MOORE PAINT COMPANY, INC. and/or any of its other subsidiary companies in addition to PACO. Except for price structures and computation of commissions with regard to such enlarged product lines, all of the other terms and conditions hereof will remain the same.

In the event the parties determine to change any of the terms and conditions hereof regarding prices or commissions, such differences shall be reflected by appropriate rewritings referring to this Agreement.

II. During the initial six (6) month period hereof, WOODLAND may, and during any extended term after the initial six (6) month period hereof, either party may, terminate this Agreement upon ^{thirty (30)} ~~thirty (30)~~ days written notice to the other, notice to be given by WOODLAND to PACO at 1015 Commercial Street, San Carlos, California, and notice to be given by PACO to WOODLAND to 1449 Murwood Drive, Walnut Creek, California.

WITNESS OUR HANDS this Feb 11 day of 1966,
1966 at the place first above written.

PACO TEXTURES CORPORATION

By [Signature]
President

[Signature]
Clifford P. Woodland

GUARANTEE

I, FRANCES D. WOODLAND, wife of CLIFFORD P. WOODLAND, in the event of death, disability or incapacity of CLIFFORD P. WOODLAND, or in the event of termination of this Agreement for any reason whatsoever, do hereby guarantee the payment to PACO TEXTURES CORPORATION of all sums which may hereafter become due to PACO from WOODLAND pursuant to the terms of the foregoing Manufacturers' Sales Representative Agreement.

DATED: Feb 11 1966

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[Signature]
Frances D. Woodland