FILE NAME: Saberhagen (SBH)

DATE: 0000

DOC#: SBH022

DOCUMENT DESCRIPTION: Legal - Exhibit 'B' [Contract Terms]

# EXHIBIT "B"

(Clause numbered IV)

## TERRITORY

Exclusive "applied contract" and "material only" sales rights as follows:

**Oregon** — Entire state

**Washington** — Following counties only:

| | |
|---|---|
| Pacific | Skamania |
| Wahkiakum | Klickitat |
| Cowlitz | Clarke |

**Exceptions:**

1. Factory reserves exclusive "material only" sales rights with respect to United States Government business, bid and awarded at Washington, D.C., regardless of point of delivery.

2. Factory reserves exclusive "material only" sales rights with respect to (a) Railroads
   (b) Export Business
   (c) Equipment Accounts

3. The word "exclusive" as used above is subject to Factory's right to work and sell anywhere in the interest of the Pabco Engineering Service Unit in whose territory the application and/or delivery is made, or delegate such right to an accredited representative of any Pabco Engineering Service Unit.

   Specifically, this exception strengthens and implements the principle that the location of application and/or delivery is the controlling factor of Pabco Engineering Service Units' sales rights, thus insuring practical protection.

   The Factory will not violate the principles of Pabco Engineering Service Unit Agreements, but by this exception reserves the right to control and, direct or by delegation, to cooperatively do sales or engineering work anywhere in the interest of the Pabco Engineering Service Unit in whose territory the application and/or delivery may occur.

# EXHIBIT "B"

(Clause numbered IV)



## TERRITORY

**Exceptions** (cont.)

This all ties in with the constructive basic principle covered by Clause IV, Paragraph 2, of this agreement. Since Factory's authority to grant "permissions" under Clause IV is designed solely to control remote cases of possible inter-territory conflict between Pabco Engineering Service Units, the Factory herewith agrees:

(a) that if provided permission to sell and/or deliver is first obtained by the Service Unit from the Pabco Engineering Service Unit in whose territory the Service Unit desires to sell and/or deliver, then such permission will be considered by Factory as having been obtained from Factory, but

(b) if such permission is not reasonably obtainable by the Service Unit from the applicable Pabco Engineering Service Unit, then the Service Unit may make his request directly to Factory as provided in subject agreement, however,

(c) if the Service Unit's request applies to territory in which Factory has appointed no Pabco Engineering Service Unit, then such requests must come directly to Factory.