

This Master Agreement (the "Agreement") is effective as of the first day of March, 2014 by and between Leland M Thompson, Inc. DBA: Southwest Contract, a Texas corporation with offices located at 17 Professional Drive, Temple, Texas 76504 (hereinafter referenced as the "Supplier"), and Educational and Institutional Cooperative Service, Inc. a New York not for Profit Corporation with offices located at 2 Jericho Plaza, Suite 309, Jericho, NY 11753 (hereinafter referenced as "E&I").

This agreement has been established based on the RFP 683194 for Residence Life/Student Apartment Furnishings with Removal/Installation and Related Services all terms, conditions and priority order of all addenda, clarifications, negotiations and supplier response are part of this Master Agreement.

I. Scope

This National agreement shall apply to all E&I Member Institutions, their divisions, subsidiaries and affiliates. In addition, if E&I or any of its affiliates elect to participate in the Agreement, they shall be considered Member Institutions.

This Agreement does not constitute a purchase order or a commitment to purchase products and/or services by E&I or its Member Institutions. Any purchases made under this Agreement shall be made by the individual participating Member Institutions and any resulting contract shall be between the Member Institutions and the Supplier.

II. Term of Agreement

The Agreement term will be for five (5) years, effective 03/01/2014 through 02/28/2019, with the option of one (1), five (5) year renewal. Prior to the end of the initial five (5) year term, and for the successive term, the program will be evaluated in overall context and performance. Exercise of the renewal will require formal written notification to E&I from Supplier at least one (1) year prior to Agreement expiration.

III. Pricing

The pricing/discount percentage for the goods and/or services as listed in Exhibit A shall be applicable to all purchases made under this Agreement. Price changes are allowed one time each year by the anniversary date of this Agreement. Supplier shall provide no less than 60 days prior written notice of any price increases. Price decreases are allowed at any time

IV. Report of Sales

The Supplier will be required to file a monthly report of sales (in U.S. Dollars) to E&I by Member institution (the "Report of Sales"). The Report of Sales shall include the information contained in the E&I Vendor Report File (VRF). The VRF includes but is not be limited to; date of sale, member name, city, state, zip code, amount of sale and Contract Administrative Fee to be paid to E&I. The Report of Sales shall include all invoices from the prior month that have been paid by the Member. Some sales activity may fall in the month following the actual sale date due to this method of invoicing. The Report of Sales is due no later than fifteen (15) business days following the end of the month. See the chart below Section V for a visual representation of the due dates for the Report of Sales. Failure to report monthly sales may be grounds for termination of contract. All reports shall be sent to E&I in Microsoft Excel format by the due date to the following email address vrf@eandi.org.

A sample Report of Sales shall be provided to E&I to assure that the Supplier can meet the reporting requirement of the Cooperative. The E&I Accounting Department will determine if the report submitted meets the E&I requirement and if so the Supplier shall report sales according to this Master Agreement. If the sample report is deficient, The E&I Accounting Department will notify the Supplier of the deficiencies and the Supplier shall remedy the deficiencies within 10 working days until the report is acceptable to E&I Accounting.

V. Contract Administrative Fee (CAF)

The Supplier will provide to E&I a Contract Administrative Fee (CAF) of 2.00% of total invoice Price for all contract orders placed by E&I Members. Supplier further agrees to pay a CAF of 0.75% on all non-contract purchases. The CAF shall be calculated monthly and include all orders shipped during the prior month. The CAF should be paid by check or transmitted via EFT to E&I on a monthly basis no later than fifteen (15) days following the end of the month. See the chart below for a visual representation of the due dates for the CAF. Failure to submit the CAF and supporting Report of Sales as specified shall incur an interest charge of 1½% per month until amount is paid in full.

Report of Sales and CAF Payment Monthly Schedule						
	2014	2015	2016	2017	2018	2019
January		01/15/2015	01/15/2016	01/17/2017	01/16/2018	01/15/2019
February		02/17/2015	02/16/2016	02/15/2017	02/15/2018	02/15/2019
March		03/16/2015	03/15/2016	03/15/2017	03/15/2018	03/15/2019
April		04/15/2015	04/15/2016	04/17/2017	04/16/2018	04/15/2019
May	05/16/2014	05/15/2015	05/16/2016	05/15/2017	05/15/2018	05/15/2019
June	06/16/2014	06/15/2015	06/15/2016	06/15/2017	06/15/2018	06/17/2019
July	07/15/2014	07/15/2015	07/15/2016	07/17/2017	07/16/2018	07/15/2019
August	08/15/2014	08/17/2015	08/15/2016	08/15/2017	08/15/2018	08/15/2019
September	09/15/2014	09/15/2015	09/15/2016	09/15/2017	09/17/2018	09/17/2019
October	10/15/2014	10/15/2015	10/17/2016	10/16/2017	10/15/2018	10/15/2019
November	11/17/2014	11/16/2015	11/15/2016	11/15/2017	11/15/2018	11/15/2019
December	12/15/2014	12/15/2015	12/15/2016	12/15/2017	12/17/2018	12/16/2019

VI. Agreement Audit

E&I may, at any time during the Term of the Agreement and for a period of three (3) years after the receipt of the last Report of Sales and payment of CAF covering the period through the date of termination, audit the Supplier's records pertaining to its compliance with the terms of this Agreement. An audit may be scheduled or announced by providing the Supplier a minimum of five (5) business days advance written notice. Every effort will be made to arrange a mutually convenient time for the audit but in no event shall an audit be delayed more than twenty (20) business days from the date of notice, unless agreed to by E&I in its sole discretion. The audit will be conducted by E&I and/or its designee. Supplier will provide E&I with access to records, sufficient workspace and staff support to facilitate an audit. Our audit may include, but is not limited to, product compliance, Member pricing, order processing, order fulfillment, delivery terms and conditions, invoicing, rebate calculations where applicable, accuracy and timeliness of submitted Reports of Sales and the related CAF and any other reports or payments required under the terms of this Agreement. Any deficiencies or errors shall be corrected within ten (10) business days of E&I notification to the Supplier. If the discrepancy is greater than 5% from amounts reported, the cost of the audit shall be paid by the Supplier.

VII. Terms and Conditions

Unless otherwise superseded by the terms and conditions of the contracting Member Institution, the terms and conditions contained in the RFP, and the negotiated changes as identified (Attachment B) shall apply to all purchases made under this Agreement. Any terms and conditions of any Supplier invoice or acknowledgment form which are inconsistent with the terms and conditions of this Agreement shall have no effect. See Attachment C for E&I's General Terms and Conditions.

VIII. Member List

The Official list of E&I Member institutions will be sent to the Supplier via an electronic file from E&I Member Relations once this Agreement is signed.

IX. Signatures

In witness whereof, the parties have executed this Agreement and do hereby warrant and represent that their respective signatories whose signatures appear below have been and are on the date of this Agreement duly authorized to execute this Agreement.

Leland M Thompson, Inc. DBA: Southwest Contract
Supplier

Signature

Leland M Thompson
Printed Name

President/Founder
Title

Date

2/28/14

E&I Cooperative Service, Inc

Signature

Gary D. Link, C.P.M.
Printed Name

Sr. Vice-President, Contracts & Enterprise Solutions
Group Consulting Services
Title

Date

3/3/14

Attachment A

Category	Installed %	Drop Shipped %
Beds-Loft beds, bed frames, platform beds, twin, full, queen and king	53%	55%
Beds – spare parts	Negotiated	50%
Chest with Lock Option - Three drawer chest with other sizes available in the category at the same discount	54%	56%
Chest – spare parts	Negotiated	50%
Desk - Single pedestal desk with lock option with other models available in the category at the same discount	52%	54%
Desk – spare parts	Negotiated	50%
Bookcase - Three shelf bookcase with other models available in the category at the same discount	53%	57%
Bookcase – spare parts	Negotiated	50%
Storage Cabinet and Wardrobes - 36" x 60" with other models available in the category at the same price	48%	52%
Storage Cabinet- spare parts	Negotiated	50%
Discount from the entire product line - All items in the category that fall outside the above categories	47%	49%

Volume Discounts will be applied on the net price after the base percentage discount (as listed above) is applied in a tiered structure as follows:

Tiered Discounts*:

Tier I: > \$150K - <\$250K	3%
Tier II :> \$250K - <\$500K	7%
Tier III:> \$500K - <\$750K	11%
Tier IV: >\$750K - <\$1M	Negotiated discount starting at 13%
Tier V:>\$1M	Negotiated discount starting at 15%

* Tiered Discounts for both delivered and installed or Drop shipped with no installation - Applies to base categories and entire catalog. Volume discounts applied on the net price after the base percentage discount is applied

Performance and payment Bonds - Performance and payment bonds if required shall be provided at 1.35% on the total dollar amount of the purchase order. Bonds under \$500,000 may require a negotiated amount as smaller bonds are more expensive to secure.

Removal of furniture - This must be a negotiated amount once the scope of the removal is detailed along with the disposition of the removed items. We have removed free standing items and built-in items so the scope is critical before providing a cost of removal.

Mattress Recycling - This must be a negotiated amount once the scope of the removal and quantity to be recycled are known on the project.

Furniture Disposal - We have sources that will take the old furniture but it depends on the region of the country and the condition of items wanting to be disposed.

Leasing/Financing - We suggest, recommend, and assist with the coordination of leasing and financing with a third party. Please contact First Financial Capital, Ms. Laura Campbell, 949.614-1635 for more information.

Construction Projects - If a member institution is the end-user, we extend the contract discounts to the GC or Contractor.

Other Relevant Terms:

Freight Terms – FOB Destination prepaid and allowed

Delivery Terms - 45-60 days except for our in-stock program. In-stock items ship in 72 hours

Warranty - All beds, desks, chests, bookcases, wardrobes, storage cabinets, nightstands and other Casegoods carry a 25 year warranty against manufacturing defects. Seating, lounge items, occasional tables and other related items carry a 10 year warranty.

Should it prove that there is a defect in our product, such defect will be cured by prepaid shipment of the part or entire product, as the case may be, at no cost to the customer. This guarantee excludes abnormal or abusive use of the furniture. It also excludes foam and fabric. Other exclusions include wood parts subjected to extreme temperature or environmental changes.

Payment Terms - Net 30, unless superseded by State Statute

Returns – Custom Manufactured products, returns not allowed

Attachment B

Negotiated changes to the Terms and Conditions

Southwest Contract and E&I desire to offer the opportunity to procure products and services from Southwest Contract prior approved, certified historically underutilized (HUB) partners, subject to the terms and conditions set forth in the Agreement, and by separate agreement between the purchasing Member and such HUB Partner.

E&I Members may purchase residential life furniture and for services under the same terms and conditions as contained in the Agreement and such additional terms and conditions as mutually agreed upon between the Member and HUB partner.

Southwest Contract is not obligated by these terms to work with any minority supply vendor, including Minority Partners, except upon the mutual agreement and understanding of all parties. Each Member participating in such opportunity shall be identified by written notice by E&I and Southwest.

The total dollar amount of E&I member purchases for the purpose of calculating the administrative fee referenced in the Supplier Agreement shall include purchases from such prior approved HUB Partner. Southwest will include the total dollar purchases on such sales in its monthly/quarterly report of Sales to E&I.

Attachment C

E&I General Terms and Conditions

1. Interpretation, Enforcement and Forum of Laws

For disputes between the Member and Supplier, this Agreement shall be governed by, construed, interpreted, and enforced solely in accordance with the laws of the state in which the Member resides and the venue of any action shall lie in such state.

For disputes between E&I and Supplier, this Agreement shall be governed by, construed, interpreted, and enforced solely in accordance with the laws and within the Courts of the State of New York.

2. Compliance with Law

Supplier warrants and certifies that in the performance of this Agreement, it has complied with or will comply with all applicable statutes, rules, regulations and orders of the United States, and any state or political subdivision thereof, including but not limited to, laws and regulations pertaining to labor, wages, hours and other conditions of employment.

3. Funding Provided by Federal Contracts or Grants

Where Federal Contracts or Grants provide funding to Members, it is the responsibility of the Supplier and the Member to comply with all FAR (Federal Acquisition Regulations) applicable laws and regulations by completing any certifications and disclosures and any other requirements. When Federal Contract or Grant funds are used on participating Member purchases under this Agreement, which exceed \$25,000, certification must be provided in writing that the Supplier is not debarred, suspended, or proposed for debarment by the Federal Government.

4. Insolvency

In the event of any proceedings in bankruptcy or insolvency by or against Supplier, or in the event of the appointment (with or without its consent) of an assignee for the benefit of creditors, or a receiver, E&I may cancel this Agreement without prior notice and without incurring any liability whatsoever to Supplier.

5. Assignments

Supplier shall not assign this agreement or any of Supplier's rights or obligations hereunder, without E&I's prior written consent. Any purported assignment made without E&I's prior written consent shall be void and of no effect.

6. Patent Trademark and Copyright Infringement

The Supplier warrants that the products/services hereby sold, either alone or in combination with other materials, do not infringe upon or violate any patent, copyright, trademark, trade secret, application or any other proprietary right of any third party existing under laws of the United States or any foreign country. The Supplier agrees, at its own expense, to defend any and all actions or suits alleging such infringements and will hold E&I, its officers, agents, servants, employees and Members harmless from any and all losses, expenses, claims, (including reasonable attorney's fees), or judgments arising out of cases of such infringement.

7. Use of Name, Logos, etc. in Advertising

Supplier agrees not to make reference to this Agreement or use the logo of E&I or any of its Members in any advertising material of any kind without the expressed written permission of the party involved. E&I agrees not to make reference to this Agreement or use the logo of Supplier in any advertising and marketing materials of any kind without the expressed written permission of the Supplier.

8. Transactions between Supplier and E&I Member

The purchase of products and/or services by a Member from Supplier is a transaction solely between Member and Supplier. It is understood and agreed that if any litigation arises between Supplier and any E&I Member, Supplier shall not make E&I a party to that litigation. A violation of this provision shall be deemed a material breach of this Agreement warranting termination by E&I, and Supplier agrees to indemnify E&I against and hold it harmless from all costs associated with such litigation, including reasonable attorney's fees.

9. Indemnification of E&I and Member

Supplier agrees to indemnify and hold harmless E&I and its Members from and against all liability, losses, damages, claims, liens, and expenses (including reasonable legal fees) arising out of or connected with the products purchased, work or services performed, or resulting from damages or injuries incurred by or to the Member by reason of any defect in manufacture, construction, inspection, delivery, material, workmanship, and/or design of any goods and services furnished hereunder, excepting only such liability as may result solely from the acts of negligence of the Member, E&I or its employees. Supplier, at the request of the Member and E&I shall undertake to defend any and all suits and to investigate and defend any and all claims whether justified or not, if such claim or suit is commenced against Member or E&I, or their respective officers, agents, servants, and employees.

10. Insurance

If fabrication, construction, installation, service or other work is specified to be conducted on Member's premises, Supplier shall maintain in force during the period of such work the following coverage's: (a) worker's compensation, as required by the laws of the State of Member; (b) commercial general liability for bodily injury and/or property damage in an amount of not less than \$1,000,000 single limit, per occurrence; (c) automobile liability for bodily injury and/or property damage in an amount of not less than \$1,000,000 single limit, per occurrence. Supplier shall provide a certificate of insurance naming E&I and Member as additional insured. Supplier shall furnish to E&I satisfactory proof of such insurance coverage included with Supplier's proposal.

Individual Members may require coverage in addition to the above limits. If the need for additional coverage develops, it will be the responsibility of the Member to arrange for such coverage with the Supplier. Supplier shall furnish to Member satisfactory proof of such insurance coverage prior to commencement of the work.

11. Licenses/Permits/Taxes and Tax Exempt Status

Supplier shall be responsible for obtaining all permits, licenses and bonding, to comply with the rules and regulations of any state, federal, municipal or county laws or any city government, bureau or department applicable and assume all liability for all applicable taxes.

E&I is a not-for-profit corporation and is exempt from federal, state and excise and other taxes imposed for services rendered and products, equipment or parts supplied. Members are 501(c) (3) corporations but have varying requirements to either pay or are exempt from state sales tax.

All prices listed and discounts offered are exclusive of all taxes. Supplier has the duty to collect all taxes in connection with the sale, delivery or use of any items, products or services included herein from Member or from E&I (if for the purpose of resale), at the taxable rate in effect at the time of invoicing. Supplier shall comply with the state sales tax requirements of each Member. If sales to Member are exempt from such taxes, Member shall furnish to Supplier a certificate of exemption in form and timeliness acceptable to the applicable taxing authority.

12. Americans With Disabilities Act

Supplier shall comply with all applicable provisions of the Americans with Disabilities Act and applicable federal regulations under the Act.

13. Alcohol, Tobacco & Drug Rules and Regulations

Employees of the Supplier and its subcontractors shall comply with all instructions, pertaining to conduct and building regulations of the Members. The Member reserves the right to request the removal or replacement of any undesirable employee at any time.

All buildings on the Member's grounds are tobacco-free. Use of tobacco products is not permitted in any area inside Member's buildings. The Supplier is expected to respect this tobacco-free policy and fully comply with it. The Supplier agrees that in the performance of this Agreement, neither the Supplier nor any of its employees shall engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance, including alcohol, in conducting any activity covered by this Agreement. The E&I and the Member reserve the right to request a copy of the Drug Free Workplace Policy. The Supplier further agrees to insert a provision similar to this statement in all subcontracts for services required.

14. Equal Opportunity

The provisions of Section 202 of Executive Order 11246.41 C.F.R. Sec. 60-1.1 C.F.R. Sec. 60-250.4 and 41 C.F.R. Sec. 60-741.4 are incorporated herein by reference and shall be applicable to this Agreement unless this Agreement is exempted under the rules, regulations, or orders of the U.S. Secretary of Labor.

15. Non-Discrimination

The parties agree to comply with applicable state and federal rules governing Equal Employment Opportunity and Non-Discrimination.

16. Sexual Harassment

Federal law and the policies of E&I prohibit sexual harassment. Supplier is required to exercise control over its employees so as to prohibit acts of sexual harassment. If a Member in its reasonable judgment determines that any employee of Supplier has committed an act of sexual harassment, Supplier agrees as a term and condition of this Agreement to cause such person to be removed from Member's facility and to take such other action as may be reasonably necessary to cause the sexual harassment to cease.

17. Compliance with Specifications

The Supplier warrants that all goods, services, or work supplied under this Agreement shall conform to specifications, drawings, samples, or other descriptions contained or referenced herein and shall be merchantable, of good quality and workmanship and free from defect. The Supplier also warrants that all goods covered by this Agreement which are the product of the Supplier or are in accordance with its specifications, will be fit and subject to the Member's inspection before acceptance, and also to later rejection if use reveals defects not apparent upon receipt; and if rejected will be held at Supplier's risk and expense for storage and other charges after 60 days of storage, goods may be disposed of without cost to Member. Neither receipt of goods nor payment therefore shall constitute a waiver of this provision.

18. Gratuities

E&I may, by written notice to Supplier, cancel the Agreement if it discovers that gratuities, in the form of entertainment, gifts or the like, were offered or given by Supplier to any officer or employee of E&I or any Member with a view toward securing an agreement or securing favorable treatment with respect to the awarding of this Agreement.

19. Covenant Against Contingency Fees

Supplier certifies that it has neither offered nor paid a contingency fee to any individual, agent, employee of E&I, or employee of any Member to secure or influence the decision to award this Agreement to Supplier.

20. Suspension, Debarment, and Terrorism

Vendors certifies that the vendors and their principals are eligible to participate in this transaction and have not been subjected to suspension, debarment, or similar ineligibility determined by any federal, state or local governmental entity and that Vendors are in compliance with all applicable State statutes and rules relating to procurement and that Vendors are not listed on the federal government's terrorism watch list as described in Executive Order 13224.

21. Conflict of Interest

In order to avoid even the appearance of any conflict of interest, neither E&I nor Supplier shall employ any officer or employee of the other party for a period of one year from the date hereof.

22. Strikes or Lockouts

In the event Supplier should become involved in a labor dispute, strike or lockout, Supplier will be required to make whatever arrangements that may be necessary to insure that the conditions of this Agreement are met in their entirety. Should the Supplier be unable to fulfill its obligations under this Agreement, E&I and/or Member shall have the right to make alternative arrangements to insure the satisfactory performance of the Agreement during the time Supplier is unable to perform the required duties. Any costs incurred by E&I and/or any Member, as a result of such job action, shall be reimbursed by the Supplier.

23. Force Majeure

Neither party shall be held responsible for any losses resulting if the fulfillment of any terms or provisions of this Agreement are delayed or prevented by any cause not within the control of the party whose performance is interfered with, and which by the exercise of reasonable diligence, said party is unable to prevent.

24. Modification of Terms

No waiver or modification of any of the provisions hereof shall be binding unless mutually agreed upon by E&I and the Supplier, in writing, with signatures of authorized representatives of all parties authorizing said modification.

25. Termination for Convenience

Either party may terminate this Agreement for any reason (convenience) by delivering not less than one hundred eighty (180) calendar days prior written notice thereof to the other party.

26. Termination and Termination for Default

E&I will notify the Supplier upon discovery of a breach of this Agreement. E&I may terminate this Agreement immediately upon the breach of this Agreement by Supplier by delivering written notice to Supplier, or if such breach is capable of being cured, E&I shall notify the Supplier in writing of such breach and demand that the same be cured within fourteen (14) calendar days. Should the Supplier fail to cure the same within said period, E&I shall then have the right to terminate this Agreement at the end of the fourteenth (14th) day. A notice will be sent to the Supplier to confirm the termination.

The failure of E&I on behalf of its Members to exercise its rights of termination for cause due to Supplier's failure to perform as required in any instance shall not constitute a waiver of termination rights in any other instance. An order by a member may be cancelled due to non-appropriation of funds. This funding out clause is required by several states and can be for non-appropriation of State and Federal funds.

27. Continuation of Performance Through Termination

Supplier shall continue to perform, in accordance with the requirements of this Agreement, up to the date of termination, as directed in the termination notice.

28. Open Records

E&I considers all information, documentation and other materials requested to be submitted in response to this solicitation to be of a non-confidential and/or non-proprietary nature and therefore shall be subject to public disclosure after an agreement is awarded. Suppliers are hereby notified that E&I will adhere to all statutes, court decisions and the opinions of the member's states regarding the disclosure of proposal information according to E&I's review and advisement by legal counsel.

29. Proprietary/Confidential Information

Supplier must clearly mark "Confidential" on any portion of your response, which you consider to contain confidential or proprietary information. All information, documentation, and other materials submitted by Supplier in response to this solicitation or under any resulting contract may be subject to public disclosure under the Freedom of Information Act and/or Open Records laws of the members.

30. Strict Compliance

The parties may at any time insist upon strict compliance with these terms and conditions, notwithstanding any previous custom, practice or course of dealing to the contrary.

31. Entire Agreement

This Agreement together with the Exhibits annexed hereto constitutes the entire agreement between the parties and supersedes all prior agreements whether written or oral between the parties. Documents subject to Freedom of Information Act will only be released after award.

32. Notices

Any notice to be given by any party hereunder shall be in writing, mailed by certified mail, return receipt requested, or by delivery to a reputable overnight courier and shall be effective the earlier of (a) actual receipt or (b) five days after mailing or one day after delivery to overnight courier and shall be addressed as follows:

If to E&I: Gary D. Link, CPM
Senior Vice President, Consulting Group & Contracts
E&I Cooperative Service Inc.
2 Jericho Plaza, Suite 309
Jericho, NY 11753

If to Supplier: Leland M. Thompson
President/Founder
Leland M Thompson, Inc. DBA: Southwest Contract
17 Professional Drive
Temple, Texas 76504