



Request for Contract Update

Pursuant to the terms of contract number R142213 for Furniture & Installation. Contractor must notify and receive approval from Region 4 ESC when there is an update in the contract. No request will be officially approved without the prior authorization of Region 4 ESC. Region 4 ESC reserves the right to accept or reject any request.

OFS Brands Holdings Inc.

(Contractor)

hereby provides notice of the following update on

this date November 20, 2018.

Instructions: Contractor must check all that may apply and shall provide supporting documentation. Requests received without supporting documentation will be returned. This form is not intended for use if there is a material change in operations, such as assignment, bankruptcy, change of ownership, merger, etc. Material changes must be submitted on a "Notice of Material Change to Vendor Contract" form.



Authorized Distributors/Dealers

x

Addition

 Deletion

 Supporting Documentation



Products/Services

 New Addition

 Update Only

 Supporting Documentation



States/Territories

 Supporting Documentation



Price Update

x

Supporting Documentation



Discontinued Products/Services

 Supporting Documentation



Other

 Supporting Documentation

Notes: Contractor may include other notes regarding the contract update here: (attach another page if necessary).

Dealer updates: Removed Associates Purchasing since acquired by Western Office. Added Aegis, Crest Office and CSI Fullmer,

Office Design Group and Office & Ergonomic Solutions, Tangram Interiors in California. Added General Office Supply and

ML Bath Business Services in Louisiana.

New address for Florida Business Interiors in FL

Submitted By: Anna McClelland

Title: National Account Director

Email Address: amcclelland@ofs.com



Approved by Email: Date 11/26/2018 3:11:55 PM CST



Denied by Email: Date

DocuSigned by:

Region 4 ESC:

Robert Zingelmann

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November 20, 2018

Robert Zingelmann
Chief Financial Officer
Region 4 Education Service Center
7145 West Tidwell Road
Houston TX 77092

Regarding: OFS Brands Price Increase – Contract #R142213

Dear Mr. Zingelmann:

OFS Brands Inc. is requesting a price increase under our Region 4 Office Furniture Contract.

We understand that our industry has implemented several price adjustments and surcharges in the last 12 months. Although we have been absorbing the impact of the US imposed 10% tariff in late September and supplier hedging, we feel one simple price adjustment in early 2019 will provide the best opportunity for your members to plan accordingly without navigating a complex matrix of additional surcharges, what's included and not included lists, and a myriad of effective dates.

With over 98% of our products being made-to-order and a global supply chain strategy that sources by optimal partners and not just price, we're able to mitigate some of the tariff impact on our OFS and Carolina portfolios. However, heightened inflation and rising commodities were already driving significant cost increases across the business and along with tariff pressure, the following price adjustment will be implemented. Effective Monday, February 4, 2019:

7% list price adjustment across OFS and Carolina product portfolio
Excluded from this price adjustment are the recent Carolina introductions: Lasata, Neom, Maren, Evergreen and Stray

We would greatly appreciate your approval of this request. Please contact me with any questions.

Sincerely,

Anna McClelland
National Accounts Director, Public Agency & Higher Education





Discounts and rates

Brands/product lines	List price tiers	Client discount drop ship %* (OFS or dealer invoiced)	Client non union delivered & installed% ** (dealer invoiced only)	Client union/prevaling wage delivered & installed% ** (dealer invoiced only)
OFS & Carolina (may be combined to reach next tier. Excludes open plan)	\$0 - 100,000	58.0%	51.0%	47.0%
	\$100,001 - 1,000,000	60.0%	53.0%	49.0%
Open plan products (from open plan price list)	\$0 - 69,444	62.0%	55.0%	51.0%
	\$69,445 - 1,000,000	65.0%	58.0%	54.0%

Labor category	Non-union	Union/prevaling wage (not to exceed)
Design	\$76.50	\$76.50
Installation	\$63.00	\$163.00
Reconfiguration	\$63.00	\$163.00
Project management	\$76.50	\$163.00
Asset management	\$76.50	\$163.00
Re-upholstery	\$66.50	\$163.00
Storage per square foot	\$1.50	\$163.00

Notes:

OFS invoiced = Orders addressed to and invoiced by OFS

Dealer invoiced = Orders addressed to and invoiced by dealer

Discounts from current commercial price lists Small order fee does not apply

*Drop ship rates include freight via tractor trailer to a dock. Unloading of product not included in price. Dealers may receive and unload product at dealer or client dock but labor to do so not included in "drop ship" price. Services are available at or below the listed contract hourly rates.

**Delivery and installation rate includes delivery, installation and punch list completion during normal business hours and conditions. This service requires access to dock and elevator and free and clear access to space. Electricity, heat and air conditioning are to be provided by client at no charge. Additional services such as design, asset or project management, storage, etc. may incur hourly rates per contract rate schedule. Any work requiring installation of data/ telecommunications or a licensed electrician is the responsibility of the client.

**A service fee may apply to projects below \$5,000.00 list or beyond 50 miles from authorized dealer.



Addressing orders

When purchase order is addressed to dealer:

- A. Provide dealer with agency purchase order which states: ***Per region 4 ESC contract #R142213***
 - B. Payment terms: net 30 days; FOB destination
 - C. May be used for drop ship or delivered/installed option
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When order is addressed to OFS:

- A. Client purchase orders must state: ***Per region 4 ESC contract #R142213.***
- B. List dealer services such as design and installation as separate line items from product and include/attach detailed specification
- C. Terms: Net 30 days; FOB destination
- D. Inclusive delivered & installed % option not available if addressing orders directly to OFS

Order address — all brands (send all orders to this address)

OFS Brands Holdings Inc.
c/o Participating Dealer
1204 E 6th Street
Huntingburg, IN 47542
order_entry@ofs.com

Payment address

OFS Brands Holdings Inc.
c/o Wells Fargo Bank
PO Box 204688
Dallas, TX 75320-4688



Awardee: OFS Brands Holding Inc.

Furniture & installation contract: Competitively bid and awarded by Region 4 Education Service Center. Contract #R142213 made available through National IPA.

Contract term: May 1, 2015 through April 30, 2020

Contract due diligence documents are available online at nationalipa.org, search for OFS Brands or at www.ofs.com/contracts/nationalipa

Products: All products are included, including Quickship

Price list: Current

Terms: net 30 days: FOB destination

Eligible agencies include:

- States
- Counties
- Cities / municipalities
- Special districts
- Authorities
- K-12 schools (public, private and charter)
- State colleges and universities
- Private colleges and universities

Contacts:

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Non profits include:

- Charitable organizations
- Religious organizations
- Foundations
- Museums
- Credit unions
- Associations
- Electric cooperatives