

## CORPORATE PURCHASING AGREEMENT

**THIS CORPORATE PURCHASING AGREEMENT** (this "Agreement") is made as of the first day of August, 2012, by and among , The Judicial Council of California/Administrative Office of the Courts (AOC), ("Buyer"), and the Superior Courts of California and/or the Judicial Branch Entities (Courts/JBEs) and The Gunlocke Company L.L.C., an Iowa limited liability company ("Gunlocke").

Buyer wishes to purchase from Gunlocke c/o Authorized Dealer office furniture products manufactured by Gunlocke and its affiliates set forth on Exhibit A attached hereto (the "Products") under the terms and conditions contained in this Agreement.

The parties hereto agree as follows:

1. General Terms.

1.1 All exhibits attached to this Agreement are incorporated herein by reference.

1.2 This Agreement will be available to Buyer and the Superior Courts of California.

1.3 The term of this Agreement (the "Term") is five (5) years, and will begin on August 1, 2012 and end on July 31, 2017 (the "Expiration Date"), subject to the rights of each party to terminate this Agreement as stated below. Buyer or Gunlocke may terminate this Agreement at any time, with or without cause, provided the terminating party gives the other party at least sixty (60) days prior written notice. All orders acknowledged prior to termination of this Agreement will be fulfilled under the terms and conditions and at the prices contained in this Agreement. 60 days is fine.

1.4 The relationship between Gunlocke and Authorized Dealer is governed by the Gunlocke Authorized Dealer Agreement then in effect between Gunlocke and Authorized Dealer. Unless otherwise expressly agreed in writing between Gunlocke and Authorized Dealer, all purchases of Product under this Agreement will be subject to Gunlocke's then-current list prices and standard terms and conditions in effect as of the date the order is acknowledged by Gunlocke.

2. Product Pricing and Shipping Terms.

2.1 The price for each Product is the list price for such Product in effect for the United States at the time the order is acknowledged by Gunlocke (as set forth in Gunlocke's then-current Price and Specification Guide), less the discount for each Product as listed on Exhibit A. If any order requests a delivery date more than 90 days from the date of the purchase order, the list price will be the current list price on the date of shipment.

2.2 Shipments will be F.O.B. Buyer's dock. Buyer will pay Gunlocke's standard freight charges in effect at the time of shipment on all shipments of Product below two-thousand dollars (\$2,000.00) list. For orders greater than two-thousand dollars (\$2,000) list, Gunlocke pays freight to the authorized dealer's warehouse or to the job site if the order is a truckload or more.

3. Order Placement, Changes, Cancellation or Deferral.

3.1 All purchases must be made by written purchase order and signed by an authorized representative of Buyer or Court. All purchase orders must be issued to The Gunlocke Company LLC c/o Authorized Dealer, One Gunlocke Drive, Wayland, NY 14582

3.2 Buyer shall forward all purchase orders to Authorized Dealer.

4. Delivery/Installation/Other Services.

4.1 Authorized Dealer is responsible for coordinating the receiving, delivering and installing the Product purchased by Buyer.

4.2 Authorized Dealer will file claims for damage during transportation of the Product. Product damaged during transportation will be repaired or replaced at Authorized Dealer's and Gunlocke's discretion.

4.3 After delivery of the Product to Buyer, and except for loss or damage to the Product caused by either Gunlocke or Authorized Dealer during the delivery or installation process, any loss or damage to the Product (including damage caused by construction activity, vandalism, theft, fire or the elements) will be the responsibility of Buyer. Buyer agrees to hold Gunlocke and Authorized Dealer harmless from any such loss.

4.4 Furniture layout, design, specifications or any related services are Authorized Dealer services and should be negotiated directly with the Authorized Dealer. Hourly rates for dealer design and project management services are posted in Exhibit A.

4.5 Installation is project specific and will be quoted separately by the Authorized Dealer. Buyer has the option to purchase the product fully installed utilizing the delivered and installed discount in Exhibit A.

5. Invoicing.

5.1 Invoices will be produced by Gunlocke and sent directly to Buyer or Court at the "bill to" address specified in Buyer's or Court's purchase order as applicable.

5.2 Payment terms for purchases of Product are Net 45 from the date of receipt of correct, itemized invoices.

6. Delays.

In the event construction or other delays at Buyer's locations not caused by Authorized Dealer force the postponement of installation of Product ordered by Buyer or Court, and not shipped to the job site, beyond the agreed upon delivery date, the product will be stored until delivery and/or installation shall be completed. Reasonable transfer and storage charges incurred will be paid by Buyer or Court. Additional labor costs, at prevailing wage, for loading and unloading of Product in such situation will be the responsibility of Buyer or Court.

7. Notices.

All notices will be sent by mail or hand delivered to the applicable address below. Notice will be deemed given upon posting in the case of mail and upon actual delivery in the case of hand delivery.

If to Buyer:

The Judicial Council of California  
Administrative Office of the Courts (AOC)  
455 Golden Gate Ave, 6<sup>th</sup> Floor  
San Francisco, CA 94102  
Attn: Christine Kleaver

If to Authorized Dealer:

Name and Address of Court Contact  
As it appears in court issued purchase order.

If to Gunlocke:

The Gunlocke Company L.L.C.  
One Gunlocke Drive  
Wayland, NY 14572  
Attn: Govt. Department

With a copy to:

HNI Corporation  
408 East Second Street  
Muscatine, IA 52761  
Attn: Law Department

8. Court as Buyer.

A Court buying under this Agreement will become bound by the terms and conditions of this Agreement when such Court presents a purchase order to Gunlocke.

9. Force Majeure.

Gunlocke will not be liable to Buyer or Court for failure to deliver Product when delivery is prevented by any cause beyond their control, and Buyer or Court, as applicable, will not be liable for failure to receive Product when it is prevented from receiving such Product by any cause beyond its control. Causes beyond the affected party's control will include, but are not limited to, acts of God, war, rebellion, insurrection, epidemic, labor disputes, inability to obtain raw materials or supplies, or any act of governmental authorities. Any party who is prevented from performing because of a cause beyond its control will immediately notify the other parties of the cause for such non-performance and of the anticipated extent of such delay.

10. The JBEs may terminate a Purchase Order for cause immediately if (1) the Product is rejected as a result of failure to comply with the terms specified in the Purchase Order or (2) Gunlocke is otherwise in breach of the terms of such Purchase Order or this Agreement and such breach is not cured within ten (10) days of written notice, or is not capable of cure.

11. The Buyer may terminate this Agreement for cause immediately if Gunlocke fails or is unable to meet or perform any of its duties under this Agreement (other than as a result of the matters

addressed in Section 9), and such failure is not cured within ten (10) days of written notice, or is not capable of cure. If necessary, the Buyer and Gunlocke will discuss performance of any Purchase Orders outstanding at the date of termination. Ok

12. Gunlocke may terminate a Purchase Order placed by JBEs if such JBE fails to pay delinquent invoices due under the Purchase Order within forty five (45) days after receipt of written notice of delinquency.
13. Gunlocke shall indemnify, defend (with counsel reasonably satisfactory to Buyer) and hold the Buyer and its officers, agents, and employees harmless from any and all losses, costs (including reasonable attorneys' fees), liabilities, damages and deficiencies, including interest, penalties and settlement amounts entered into, in each case, with respect to any and all third party claims (i) to the extent caused by Gunlocke's acts or omissions constituting bad faith, willful misconduct, negligence or reckless disregard of its duties under this Agreement or any Purchase Order, (ii) arising out of Gunlocke's breach of its confidentiality obligations under this Agreement, or (iii) arising out of or related to a breach of any of Gunlocke's representations and warranties set forth in this Agreement or any Purchase Order.
14. Gunlocke shall indemnify, defend (with counsel reasonably satisfactory to Buyer) and hold Buyer and its officers, agents, and employees harmless from any and all losses, costs (including reasonable attorneys' fees), liabilities, damages and deficiencies, including interest, penalties and settlement amounts entered into, in each case, with respect to any and all third party claims that arise, out of any claim of infringement, misappropriation or unauthorized use of any patent, trade secret, copyright, or trademark in connection with any Products furnished or provided by Seller under this Agreement or any Purchase Order.

15. Limitation of Liability.

GUNLOCKE WILL NOT IN ANY CASE BE LIABLE TO BUYER FOR SPECIAL, INCIDENTAL, INDIRECT, CONSEQUENTIAL, OR ANY OTHER SIMILAR DAMAGES, INCLUDING, BUT NOT LIMITED TO, THE LOSS OF PROFITS OR REVENUES, LOSS OF USE OF PRODUCT OR COST OF SUBSTITUTE EQUIPMENT, BASED UPON OR ARISING FROM ANY BREACH OF WARRANTY, BREACH OF CONTRACT, NEGLIGENCE OR ANY OTHER LEGAL THEORY. THE LIABILITY OF AUTHORIZED DEALER WILL IN NO EVENT EXCEED THE PURCHASE PRICE OF THE PRODUCTS OR SERVICES THAT GIVE RISE TO THE CLAIM.

16. Product Warranty.

The warranty for any Product purchased under this Agreement will be Gunlocke's published warranty in effect at the time that Buyer's order is acknowledged.

17. **Contract Certification Clauses.** Gunlocke certifies that the following representations and warranties are true. Gunlocke shall cause these representations and warranties to remain true during the term of this Agreement, and Gunlocke shall promptly notify the JBE if any representation and warranty becomes untrue.

- 17.1 **Non-discrimination.** Gunlocke complies with the federal Americans with Disabilities Act (42 U.S.C. 12101 et seq.), and California's Fair Employment and Housing Act (Government Code section 12990 et seq.) and associated regulations (Code of Regulations, title 2, section 7285 et seq.). Gunlocke does not unlawfully discriminate against any employee or applicant for employment because of age (40 and over), ancestry, color, creed, disability (mental or physical) including HIV and AIDS, marital or domestic partner status, medical condition (including cancer and genetic characteristics), national origin, race, religion, request for family and medical care leave, sex (including gender and gender identity), and sexual orientation. Gunlocke has notified in writing each labor organization with which Gunlocke has a collective bargaining or other agreement of Gunlocke's obligations of non-discrimination.
- 17.2 **National Labor Relations Board.** No more than one, final unappealable finding of contempt of court by a federal court has been issued against Gunlocke within the immediately preceding two-year period because of Gunlocke's failure to comply with an order of a federal court requiring Gunlocke to comply with an order of the National Labor Relations Board. Gunlocke swears under penalty of perjury that this representation is true.
- 17.3 **Not an Expatriate Corporation.** Gunlocke is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of PCC 10286.1, and is eligible to contract with the JBE.
- 17.4 **Iran Contracting Act.** Gunlocke certifies either (i) it is not on the current list of persons engaged in investment activities in Iran ("Iran List") created by the California Department of General Services pursuant to PCC 2203(b), and is not a financial institution extending \$20,000,000 or more in credit to another person, for 45 days or more, if that other person will use the credit to provide goods or services in the energy sector in Iran and is identified on the Iran List, or (ii) it has received written permission from the JBE to enter into this Agreement pursuant to PCC 2203(c).
18. **Independent Contractor Status.** Gunlocke is an independent Contractor to the JBE. No employer-employee, partnership, joint venture, or agency relationship exists between Gunlocke or its personnel and the JBE. Nothing Gunlocke does, or fails to do, in the performance of this Agreement will make Gunlocke or its personnel an employee of the JBE. The JBE will not provide to Gunlocke or its personnel the benefits that the JBE provides its employees.
19. **Provisions Applicable Only to Certain Agreements.** The provisions in this section are If the Agreement is not of the type described in the title of a subsection, then that subsection does not apply to the Agreement.
- 19.1 **Agreements over \$10,000.** This Agreement is subject to examinations and audit by the State Auditor for a period of three years after final payment.
- 19.2 **Agreements over \$50,000.** No JBE funds received under this Agreement will be used to assist, promote or deter union organizing during the term of this Agreement (including any extension or renewal term).
20. **Agreements of \$100,000 or More.** Gunlocke certifies that, in the event it extends benefits to domestic partners of employees, it will not discriminate between employees with domestic partners of a different sex and employees with domestic partners of the same sex, or discriminate between same-sex and different-sex domestic partners of employees or between same-sex and

different-sex spouses of employees. Gunlocke recognizes the importance of child and family support obligations and fully complies with (and will continue to comply with during the term of this Agreement) all applicable state and federal laws relating to child and family support enforcement

**Agreements for the Purchase of Goods.** Gunlocke shall not sell or use any article or product as a "loss leader" as defined in Business and Professions Code section 17030. If this Agreement provides for the purchase of goods specified in PCC 12207 (for example, certain paper products, office supplies, mulch, glass products, lubricating oils, plastic products, paint, antifreeze, tires and tire-derived products, and metal products), with respect to these goods, Gunlocke shall use recycled products in the performance of this Agreement to the maximum extent doing so is economically feasible.

21. **Agreements for Furnishing Equipment, Materials, Supplies, or for Laundering Services.** Gunlocke certifies that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the JBE under this Agreement have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. Gunlocke adheres to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at [www.dir.ca.gov](http://www.dir.ca.gov), and PCC 6108. Gunlocke agrees to cooperate fully in providing reasonable access to Gunlocke's records, documents, agents, and employees, and premises if reasonably required by authorized officials of the Department of Industrial Relations, or the Department of Justice to determine Gunlocke's compliance with the requirements under this section and shall provide the same rights of access to the JBE.
22. **Agreements that are Federally Funded.** It is mutually understood between the parties that this Agreement may have been written for the mutual benefit of both parties before ascertaining the availability of congressional appropriation of funds, to avoid program and fiscal delays that would occur if this Agreement were executed after that determination was made. This Agreement is valid and enforceable only if sufficient funds are made available to the JBE by the United State Government for the fiscal year in which they are due and consistent with any stated programmatic purpose, and this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or to any statute enacted by the Congress that may affect the provisions, terms, or funding of this Agreement in any manner. The parties mutually agree that if the Congress does not appropriate sufficient funds for any program under which this Agreement is intended to be paid, this Agreement shall be deemed amended without any further action of the parties to reflect any reduction in funds. The parties may invalidate this Agreement under the termination for convenience or cancellation clause (providing for no more than 30 days' notice of termination or cancellation), or amend this Agreement to reflect any reduction in funds. Exemptions from the above requirements may be granted if the JBE can certify in writing that federal funds are available for the term of this Agreement.
23. **Agreements for which Contractor Has Committed to Achieve DVBE Participation.** Gunlocke shall within 60 days of receiving final payment under this Agreement certify in a report to the JBE: (i) the total amount the prime Gunlocke received under this Agreement; (ii) the name and address of any disabled veterans business enterprise ("DVBE") that participated in the performance of this Agreement; (iii) the amount each DVBE received from the Gunlocke; (iv) that all payments under this Agreement have been made to the DVBE; and (v) the actual

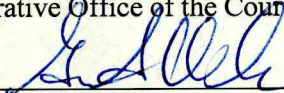
percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation.

24. **Agreements Resulting from Competitive Solicitations.** Gunlocke shall assign to the JBE all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by Gunlocke for sale to the JBE. Such assignment shall be made and become effective at the time the JBE tenders final payment to the Gunlocke. If the JBE receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this section, the Gunlocke shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the JBE any portion of the recovery, including treble damages, attributable to overcharges that were paid by the Gunlocke but were not paid by the JBE as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Upon demand in writing by the Gunlocke, the JBE shall, within one year from such demand, reassign the cause of action assigned under this part if the Gunlocke has been or may have been injured by the violation of law for which the cause of action arose and (a) the JBE has not been injured thereby, or (b) the JBE declines to file a court action for the cause of action.
25. **Agreements Allowing for Reimbursement of Contractor's Costs.** Gunlocke must include with any request for reimbursement from the JBE a certification that the Gunlocke is not seeking reimbursement for costs incurred to assist, promote, or deter union organizing. If Gunlocke incurs costs or makes expenditures to assist, promote or deter union organizing, Gunlocke will maintain records sufficient to show that no reimbursement from the JBE was sought for these costs, and Gunlocke will provide those records to the Attorney General upon request.
26. **Agreements Performed in California by Contractors that are Corporations, LLCs, or LPs.** Gunlocke has submitted an application to qualify to do business in California as a foreign corporation, and if its application is granted, will remain for the term of the Agreement qualified to do business and in good standing in California
27. **Agreements with Contractors that Have Employees.** Gunlocke must maintain during the term of this Agreement workers' compensation coverage to meet minimum requirements of the California Labor Code, and it must provide coverage for employer's liability bodily injury at minimum limits of \$1 million per accident or disease.
28. **Agreements that the JBE Cannot Terminate for Convenience.** The JBE's obligations under this Agreement are subject to the availability of applicable funds. Expected or actual funding may be withdrawn, reduced, or limited prior to the expiration or other termination of this Agreement. Funding beyond the initial appropriation year is conditioned upon appropriation of sufficient funds to support the activities described in this Agreement. Upon notice, the JBE may terminate this Agreement in whole or in part, without prejudice to any right or remedy of the JBE, for lack of appropriation of funds. Upon termination, the JBE will pay Gunlocke for the fair value of work satisfactorily performed prior to the termination, not to exceed the total Agreement amount.

**IN WITNESSES WHEREOF**, Buyer and Gunlocke have executed this Agreement as of the final day and year written below.

**BUYER:**

The Judicial Council of California  
Administrative Office of the Courts (AOC)

By: 

Name: Grant Walker

Its: Senior Manager, Business Services

On: 12/20/12 (date)

**GUNLOCKE:**

The Gunlocke Company L.L.C.

By: 

Name: Robert Salmon

Its: Director of Government and Education Sales

On: 12/17/2012 (date)



**EXHIBIT A**

**Products, Services and Pricing**

- This agreement applies to all products manufactured by The Gunlocke Company LLC
- Pricing based on current list price at time of order.

List Price	Discount off List Dock Delivered	Discount off List Delivered and Installed
\$2,000 - \$100,000	62.0%	57.0%
\$100,001 - \$300,000	63.0%	58.5%
\$300,001 +	Negotiable	Negotiable

Orders must be made to:

The Gunlocke Company  
c/o Authorized Dealer  
One Gunlocke Drive  
Wayland, NY 14572

Rates are based on non-union prevailing wage, regular hours installation, loading dock available, elevator access (no stairs), free and clear access, HVAC and lighting available, and does not include additional expenses for projects outside of a major metropolitan area.

- Minimum trip charge is \$100.00 for delivery within 50 miles of a major metropolitan area.
- Minimum trip charge is \$200.00 for delivery outside of 50 miles from a major metropolitan area.

**Design and Project Management:**

Design and project management is a dealer provided service.

- Hourly rate for design and project management is \$72.00 per hour.