

XYZ Health System

Supplier Agreement

Between

XYZ Health System

Tel. No.:

Fax No.:

Attn:

Referred to as "Buyer"

And

Comfortex

1680 Wilkie Dr.

Winona, MN 55987

Tel. No.: 800-445-4007

Fax No.: (507) 454-6581

Attn: Andrea Terek

President

Referred to as "Seller"

INTRODUCTION

This is an agreement for Comfortex mattresses, cushions and floor mats effective **Start Date**. Seller agrees to provide the Equipment to XYZ Health System and their Participants according to the terms, conditions and prices contained herein. Seller will provide XYZ Health System and XYZ Health System Participants with all clinical and in-service support and expertise necessary to aid the XYZ Health System Participants in the use and maintenance of the Seller's Equipment.

1.0 TERM OF AGREEMENT

This Agreement will remain in effect for a period of 3 years, (36) months ("Term"), commencing on the Effective Date set forth above, unless earlier terminated pursuant to the terms of this Agreement.

2.0 SUPPLY AGREEMENT PRICING and VOLUME DISCOUNTS

Establishing this Supply Agreement makes the Sellers equipment available to the XYZ Health System and provides the Buyer with reduced equipment pricing, unique volume discounts and financial rebates for equipment purchased. Seller's Equipment, Discounted Prices and Volume Discounts are listed in **Exhibit A**. Rebate structure is listed in section 3.5 of this agreement.

3.0 TERMS AND CONDITIONS

3.1 Ordering.

All purchase orders for Equipment may be placed directly with Comfortex via fax or email or through an approved Comfortex Distributor.

3.2 Shipping Terms.

All shipments are direct from Seller's Winona, MN plant and shall be F.O.B. Origin, with all costs of transportation and insurance paid by Buyer. Comfortex agrees to use the Buyer's Shipping Account or provide the Buyer with a freight quote when requested.

3.3 Pricing and Price Increase.

Seller agrees to hold firm the prices offered in Exhibit A throughout the first twelve (12) months of this Agreement. For each subsequent twelve (12) month period thereafter, Seller may request a price increase for Equipment in accordance with the procedure set forth below. Any such price increase for Equipment may not exceed three percent 3% of the average price in effect during the previous twelve (12) month period. Any request by Seller for a price increase must be in writing, accompanied by justification for the increase, and must be transmitted to XYZ Health System at least sixty (60) days prior to the relevant anniversary of this Agreement.

3.4 Products liability coverage.

Comfortex will name XYZ Health System and its subsidiaries as additional insured with respect to our Liability Coverage for all products. The certificate would state our products liability coverage having a minimum bodily injury and property damage limit per occurrence of one million dollars (\$1,000,000) and an aggregate limit of two million dollars (\$2,000,000). The excess/umbrella amounts are three (\$3,000,000) per occurrence and aggregate.

3.5 Rebate:

Comfortex shall pay XYZ Health System a Rebate equal to 3% of the net purchases made by the Members pursuant to this Agreement. Comfortex shall calculate and pay the Rebate to the Buyer on a quarterly basis within 45 days of the end of each calendar quarter. The Rebate is for product purchased and paid for and does not include any freight costs.

4.0 MARKETING/SALES SUPPORT

- 4.1 **Special Offer Assurance** : From time to time, Comfortex may make available special pricing or purchasing options. The Seller agrees that such special pricing or options will be made available to the XYZ Health System and its affiliates.

4.2 **Seller Representatives.**

Seller will provide Customer Support personnel to call upon and service the XYZ Health System Participants. XYZ Health System will have access to Comfortex' Design and Manufacturing Managers to support and assist XYZ Health System whenever requested.

4.3 **Seller's Representations and Warranties.**

Seller represents and warrants that throughout the term of this Agreement and any extension hereof Seller and all Equipment shall be and shall remain in compliance with all applicable federal, state and local laws and regulations including without limitation all applicable "safe harbor" regulations relating to group purchasing organizations and fees, discounts and incentives paid and/or granted to group purchasing organizations and any participants therein.

4.4 **Termination Without Cause.**

XYZ Health System or Comfortex may terminate this Agreement for any or no reason without penalty by providing ninety (90) days' notice.

The undersigned duly authorized representatives of the parties have executed this Agreement as of the date below written.

XYZ HEALTH SYSTEM

Name

Title

Signature

Date

Signed

COMFORTEX

Andrea Murphy

Comfortex President

Title

Signature

Date

Signed