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Texas Building and Procurement Commission

May 26, 2006

Mr. Jim Johnson
Applied Industrial Technologies
1 Applied Plaza
Cleveland, OH 44115-5011

RE: Contract No. TXMAS-6-51V030
Contract Period 05/26/06 through 04/05/10

Dear Mr. Johnson:

Your company has been awarded a contract under the Texas Multiple Award Schedule (TXMAS) program. The period of the contract is shown above and will coincide with the contract period of your contract, GS-06F-0042R with the General Services Administration (GSA). As stated in your contract with the State of Texas, Terms and Conditions, you are responsible for notifying the Texas Building and Procurement Commission (TBPC) within thirty (30) calendar days of any change in the status of your contract with GSA or amendments to the Federal Schedule Contract.

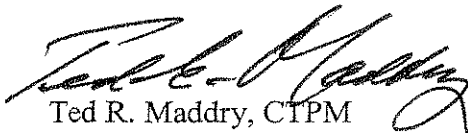
All terms and conditions set forth in the document that you signed as a part of your offer to the State are made a part of this TXMAS contract. Please note that any payment due under this contract will be applied towards any debt, including but not limited to delinquent taxes and child support that is owed to the State of Texas. Additionally, the dispute resolution process provided for in Chapter 2260 of the Texas Government Code must be used by the TBPC and the contractor to attempt to resolve all disputes arising under this contract.

As set forth in Section 8 of the Contract Terms and Conditions, a Quarterly Sales Report is required under this contract. The reporting requirement will commence for the period March-May 2006. Subsequent reports will follow the calendar quarters (i.e., June-August, September-November, and December-February).

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In order to facilitate catalog access to TXMAS contractor catalogs, the TBPC will maintain a web page exclusive to your TXMAS contract. In addition to user instructions and informational details relating to the contractor, a universal resource locator (URL) address is required for the contractor's catalog. The catalog may be the same as the catalog used for the GSA Advantage e-procurement program, but it must have a TXMAS identifying cover and a URL, exclusive to the TXMAS program. It is requested that your catalog web address be established within fourteen (14) calendar days and provided by e-mail to the TXMAS Program Unit at txmas@tbpc.state.tx.us. If you have any questions regarding this or any of the other requirements relating to the TXMAS program, please contact Ted Maddry at 512-463-3384.

Respectfully,



Ted R. Maddry, CTPM
Purchasing Operations and Customer Support Manager