

To: Stone Forest Authorized Dealers
From: Michael Zimmer, President, Stone Forest, Inc.
Date: 1 January 2015

Stone Forest Unilateral Resale Price Policy

Stone Forest has established its reputation as the leader in the Kitchen and Bath industry for innovative design, superior craftsmanship, and selection of natural materials for decorative plumbing fixtures. We are sold through select, displaying showrooms, and we support the conscientious efforts by our dealers to maintain representative displays and educate their customers about the value of our products. In order to uphold the integrity and value of our product line, while supporting our dealers' ability to make a profitable margin, resale prices shall be no lower than **30%** off our published list price, unless authorized in writing by Stone Forest.

Stone Forest reserves the right to unilaterally take corrective measures if this policy is violated, described in the penalties listed below.

Internet Minimum Advertised Price Policy

Stone Forest sells direct only to brick-and-mortar showrooms that have the required displays and are open for trade and/or retail business. This Internet Minimum Advertised Price policy (IMAP) applies to those showrooms that have been authorized by Stone Forest to sell over their website. No website may advertise the price of a Stone Forest product at a discount deeper than **10%** off the "list" price as published in the Stone Forest price book. In reference to the internet this includes the phrases: "special offer", "special coupon", "call for better pricing", "trade price", "fax for better pricing", "e-mail for better pricing", "weekend special", "add to cart", "free shipping", or any other invitation we interpret as an offer that reduces the integrity and value of our product line. Companies selling Stone Forest items on the Internet may in no way misrepresent Stone Forest's products, policies, procedures, or standards. Stone Forest will not warranty any product sold over the internet by anyone other than an authorized Stone Forest dealer.

Free shipping may only be offered if the product is **sold at** Stone Forest's current published list price. Stone Forest tubs and custom products may not be sold through websites. The Stone Forest Garden product line is not available to Kitchen and Bath websites.

The following is an outline of the rules and regulations of these policies, as stated by the Stone Forest Management, and the terms of enforcement that we may carry out in response to violations of this policy:

1. No dealer will sell Stone Forest products for more than 30% off published retail price. Any exceptions, such as project pricing or personal-use may only be with the written consent of the Stone Forest Management. Items on display that have been discontinued may be discounted by the dealer as they choose.

2. Requests for bids on projects, custom work, multiple pieces, Parade Homes or personal-use must be made in writing to Stone Forest. Stone Forest Management will make the final determination on pricing, and will document the pricing in writing.
3. No dealer may sell to an internet business or online company as a 2nd-tier customer, at more than 30% from published retail price. It is your responsibility to monitor your "customer" for any violations to these policies, and you are subject to the penalties detailed below if you fail to enforce the policy.
4. Showroom banners or signage promoting "special pricing" or "clearance sale" must have the written consent of the Stone Forest Management. Showrooms may not "clear-out" displays over e-Bay or other internet channels. Stone Forest Management shall independently determine any violation of these policies, and may unilaterally apply the following penalties.
5. The **FIRST** violation will initiate a written warning from Stone Forest.
6. The ~~SECOND~~ violation will incur an immediate and permanent reduction of the dealer's purchasing discount by 10%.
7. The **THIRD** violation will result in an immediate and permanent closure of the violator's account.
8. Any exceptions to these rules and regulations can only be altered by the Stone Forest Management, and are valid only if made in writing.
9. In order to recognize our mutual commitment, Stone Forest requests that every dealer read and sign this form, and return it by mail to: Stone Forest, P.O. Box 2840, Santa Fe, NM 87504; or fax to: 505-982-2712.
10. Signed forms must be received by **January 31, 2015**. Accounts whose forms have not been received may be subject to a partial loss of their purchasing discount, totaling up to 10%.

We encourage you to sell our product at a sustainable margin. We are dedicated to maintaining the value of our brand in the marketplace, and these policies are an essential part of our over-all strategy for building a solid and prosperous future us all.

Respectfully,
 Signed _____ Date: 6 January 2015
 Name Michael Zimber
 Title President

I understand and agree to abide with the above URPP and IMAP policies.
 Signed _____ Date: _____
 Print Name _____
 Title _____
 Company _____

Reply by fax to Stone Forest: 505-982-2712