

TESORO WOODS

Date: September 28, 2018

Tesoro Woods Dealer Memorandum of Understanding

From: Ryan Adamson – Inside Sales Manager

This Memorandum defines the understanding by which Tesoro Woods and your company, as an authorized Tesoro Woods Dealer, agree to operate under. It is not meant to be a legal document but rather mutually agreed upon guidelines.

Our goal is to establish a mutually profitable relationship with our Authorized Dealers. To achieve this goal, Tesoro Woods seeks to support our dealers with unique products, and superior customer service.

Towards this goal, an overview of the key elements of our support and in return, our expectations are outlined below.

Sales Support

The Human Touch – Our Tesoro Woods sales & customer support team is available to answer questions regarding product specs, installation & maintenance guidelines, lead times, environmental issues & more, by phone at 1.609.589.3100, by email and if requested, for in-store training sessions either by internet video conference or in person.

Find the Info on the Web – technical specifications, basic info, installation and warranty information are available at

Tesoro-Woods.com

- Point of Purchase Displays - Tesoro Woods offers a selection of highly functional display vehicles for your showroom. Please visit <https://tesoro-woods.com/resources/dealer-resources/> to purchase the displays or Marketing aids available.

Terms & Conditions of Sale

We attach our [Terms & Conditions of Sale](#) covering how we do business. In areas where we have distribution support, then our Distribution Partner's Terms & Conditions replace ours. In signing this understanding, you acknowledge you have read these and accept them.

Credit and Payment Terms

All Tesoro Woods orders are to be paid prior to shipment. Either by Company Check, ACH, or Credit card. If you wish to have the option of delayed payment terms this can be accommodated with approval for Blue Tarp Credit. This is a third-party credit source. Download an application [here](#).

Shipping & Handling

Tesoro Woods uses LTL freight carries and package services to get products to you quickly and efficiently. This arrangement allows us to offer dealers a **flat shipping rate of \$99 on all regular, running line products. As well as, Drop Shipping for \$199.** \$99 freight rate applies to loading dock deliveries only, **If your location requires any other type of off-loading arrangement your regular freight rate will be \$199.** Due to the nature of this shipping method we have little to no control over the timing of freight transit. **Tesoro Woods cannot guarantee delivery arrival dates or times.**

Moldings and Accessories

Tesoro Woods does not manufacture or stock our own moldings. **Moldings are produced per order by a third-party molding manufacturer.** These moldings are designed to coordinate very closely with the field flooring. They are not made of the field materials and thus are not guaranteed to match. Please expect 10-14 business days from order for moldings to ship. Many different options are available beyond standard moldings as well, Stair treads, Risers, and floor vents are available in very smart coordinating colors.

TESORO WOODS

Samples and Marketing Aids

We believe that Sampling materials is vital to closing any sale. We attempt to make this as easy as possible by providing the consumer/end user the ability to purchase samples online from [Tesoro-Woods.com](https://tesoro-woods.com). We Also offer complementary 'cutting' sized samples to our dealers. Should you need a 'full size' sample board for a customer there is a charge of \$12/ board. Other Marketing Aids such as Story Boards, Chain-sets, Sample Kits etc. are available for purchase by dealers at <https://tesoro-woods.com/resources/dealer-resources>, or by submitting an email request to info@tesoro-woods.com

The Web as your Selling Tool

In this day of the internet, web delivered applications & information are growing ever more important to our mutual success. We encourage our Tesoro Woods Dealers to utilize the web fully and support you in adding our products to your website.

For those dealers who list our products branded as Tesoro Woods and show prices, we do require that you DO NOT list prices BELOW our Minimum Suggested Retail Pricing (MSRP) as shown on our Price Lists. Thankyou.

We offer two different methods to assist you in populating your website with our products:

1. For those Authorized Tesoro Woods Dealers who have agreed to abide by MSRP, ALL of our product images and product attributes are made available to you in formats that allows you (or your web developer) to easily import/data map them into your website framework.
2. Tesoro Woods further encourages you and your web team to take our products and "ghost" them as your "own unique" products - simply by changing the SKU #'s and naming conventions. This allows you to then sell your "ghosted" products for a price of your choosing while at the same time avoiding local area & internet "comparison" shopping.

As an Authorized Tesoro Woods Dealer, you are automatically placed on the Tesoro Woods Dealer Locator. Which will allow local dealers to find your business to shop for product.

Web Lead Policy

Tesoro-Woods.com makes use of industry leading SEO practices. Homeowners and end users are finding our products online, and increasingly are requesting pricing and product information. We are forwarding these requests to Authorized displaying dealers (see below) in their geographic area only. In an effort to qualify as many of these leads as possible, Tesoro Woods reserves the right to quote MSRP pricing prior to referral to a local displaying dealer.

Distribution Policy

Residential Products - All of Tesoro Woods' residential flooring products are to be sold through authorized Tesoro Woods Dealers. We say "are to be" because We are in the middle of rejuvenating the Tesoro Woods brand. Existing dealers and distributors are authorized to sell our products as well. In some regions, we have no dealer coverage. We reserve the right to sell to end users directly in those regions. This transition will take the balance of 2017 thru 2018 to accomplish. As we move forward, our intention is to support our Dealers as follows:

- 1) Authorized Displaying Dealers have invested in a display vehicle for their showroom. These dealers have signed this Memorandum, are listed on our Dealer Locator, and receive the best pricing on Tesoro Woods material.
- 2) Non-Displaying Dealers are those dealers who do not make use of, or leverage our selling tools. These dealers pay a higher cost for product than our Authorized Dealers.

As we move forward, Tesoro Woods may choose to utilize local distribution in certain geographies to provide enhanced logistic

TESORO WOODS

and billing/credit support. But in all cases, given the expertise required to understand and present green products correctly, Tesoro Woods will maintain direct lines of communication & support to our Dealers. We will advise dealers in a given geography of any enhanced local distribution support we may have put in place to serve you better.

Commercial Products & Projects – Given the favorable environmental attributes found in our products and the role of the Design Community in Green Building, our products are being specified in a myriad of project types – from Single Family Homes, Multi-Family High Rises, Retail Store Chains, to Educational, Hospitality and Corporate settings.

Given that, Tesoro Woods, with the varying paths to market in the commercial world, cannot always know definitively who played what roles in specifying, much less how these products get purchased, and/or where they end up geographically, we have the following guiding policies in place regarding commercial sales:

- 1) Tesoro Woods reserves the right to sell commercial projects direct - but with the following caveats, as we seek to encourage and support our Dealers to garner specifications and commercial sales:
 - a. If a Tesoro Woods Dealer is involved in getting specifications, PLEASE register these specs/projects with us ASAP so we can fully credit/protect you to the best of our ability. Contact inside sales staff at 609-589-3100 or info@Tesoro-Woods.com
 - b. Our guiding principles, in terms of protecting, supporting & fairly rewarding Tesoro Woods Dealers efforts in specifications/commercial sales is to:
 - i. Be Fair - based on the knowledge we have at the time, to compensate/reward all parties commensurate and in proportion with their efforts, (as many times these are shared efforts between our staff, distribution reps, your staff and maybe even dealers outside your region - yet the project gets bought and/or installed in your region or another one)
 - ii. Treat you as you would expect to be Treated if the roles were reversed.
 - iii. Referee differing views fairly – but given that we are placed in a refereeing role all too often without all the facts we must make decisions based on the information on hand at that time. Also, in the interest of fairness we may have to change these decisions when additional information comes to light. Once again, our guiding principles are to be fair and treat each as they would be expected if the roles/situation was reversed. In all cases our decisions are final.

In Closing

Tesoro Woods has a beautiful product line and customer-focused operations team to back it up. We are working diligently on creating innovative sales tools and web applications in support of our Authorized Dealer network.

We recognize that you, our Dealers, are our most important asset and we have to earn your support every day. And as emphasis to our need to earn your support, either party is free to void this agreement upon written notice to the other party and in the dealer's case, it can be voided with 24 hours' notice and in Tesoro Woods' case with 30 days' notice to dealer.

Sincerely,

Ryan Adamson Inside
Sales Manager

TESORO WOODS

Dealer Agreement

I want to become a Tesoro Woods Authorized Dealer and I agree to this Memorandum of Understanding & Tesoro Woods' Terms and Conditions of Sale.

Company Information

Company*			Federal or State EIN Number*	
Address*				
City*		State/Province*	Zip/Postal Code*	Country*
Phone*		Website		

Primary Contact

Name*	Title*
Email*	Phone
Tax Identification Number*	

Secondary Contact

Name*	Title*
Email*	Phone

Shipping Address (if different from above)

Address*			
City*	State/Province*	Zip/Postal Code*	Country*

Signature*	Date*
------------	-------

Please return completed and signed form via email to info@tesoro-woods.com or fax to 1.609.543.2466

*Above Fields in bold are mandatory.