

MURCO WALL PRODUCTS, INC.

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October 19, 2018

RE: Price Increase for MUD and TEXTURE  
Revised Effective date

Dear Customer,

First of all, allow me to thank you for being such a loyal and consistent customer of Murco Wall Products, Inc. Your satisfaction is very important to us and we hope we have been successful in providing you with excellent customer services and products.

Since the beginning of 2018, US market conditions for the majority of our products are changing rapidly. We have received many price increases from our vendors but in honoring your business, we have tried diligently to absorb the upward movement of materials costs. Currently, we are dealing with multiple major obstacles:

1. Raw materials costs have been increasing quickly. Prices have risen drastically and may continue to increase over the months ahead. One of our main products is up over 45% and may continue to increase.
2. As of December 18<sup>th</sup>, 2017, the US Department of Transportation (DOT) has been enforcing new rules, requirements and regulations. This results in reduced availability and higher pricing across the board. Consequently, the freight costs for us to bring raw materials into our plants and to ship materials to our locations and to you, our customers, have more than doubled since the effective date of the new DOT regulations.
3. 2018 labor demand has exceeded supply. Hourly pay rates for industrial workers have increased noticeably and will continue to do so in the foreseeable future. The main reason for this increase is a strong US economy coupled with historically low unemployment rate, rebuilding efforts from Hurricane Harvey and other natural catastrophes.

We have not had a price increase in years and although it is critically necessary, we have decided to extend the effective date for the increase. The new effective date for the increase up to 5% on Mud and Texture will be January 1, 2019. Please notify all your locations and stores of this increase set for January 1, 2019 We appreciate our valued customers and hope this revised date will help.

Our Promises to You:

- Continue to supply you with quality materials
- Continue to offer innovative packaging and products
- Continue to provide timely order processing and shipping

Thank you for your business,  
Sincerely,

Joan Benton  
President  
Murco Wall Products Inc.