



May 23, 2005

Dear Valued Customer,

Effective immediately York Wallcoverings is instituting stricter enforcement of its marketing policies regarding its designer brands – Ronald Redding Designs and York Designer Series.

All design images from these brands will be restricted from appearing on retailer internet sites, and future collections will no longer be available to internet or 800 retailers.

This is consistent with our long held view that our designer brands are best sold and marketed through design-oriented sales outlets.

Thank you for your continued support of York Wallcoverings and our fine brands of wallpapers, fabrics, and trims.

Sincerely,



Carl Vizzi
President

York Wallcoverings, Inc.

Special Requirements Concerning Designer Collections

York Wallcoverings, Inc. has adopted special requirements concerning the distribution of its premier collections of wallcoverings, decorative trims and related fabrics. These requirements are applicable to the Designer Collections, as defined below. The requirements have been introduced because the Designer Collections focus directly on the high fashion, design customer market. York Wallcoverings will adhere to these requirements in all instances in which it is selling the Designer Collections directly to the retail distribution level and will require its distributors of the Designer Collections to adhere to the requirements. These requirements are to be strictly observed in order to ensure customer satisfaction, minimize product returns and protect the reputation and name of the line.

I. Product Lines. These policies apply to the following York Wallcoverings designer brands: Ronald Redding®, Antonina Vella®, The Carlisle Company®, Millesime® and York Designer Series (individually and collectively referred to as the “Designer Collections”). Trademark and Copyright restrictions apply to all existing and future Designer Collections. All other policies included in this document apply to designs and collections introduced after January 1, 2005. (the “effective date”).

II. Copyright Protection Policy.

(a) General. York Wallcoverings’ general policies include certain restrictions on the use of York Wallcoverings’ copyrights and trademarks. These requirements have previously been provided by York Wallcoverings to its distributors in writing. In general, these policies prohibit the use of any trademarks, designs, advertising, sample book artwork, covers or room set photography relating to York Wallcoverings and its products, or any confusingly similar marks or trade names, without the prior written approval of York Wallcoverings.

(b) Designer Collections. No approval for use of copyrights and trademarks is given with respect to the Designer Collections. The trademarks and copyrighted designs included in the Designer Collections may not be copied or reproduced for any purpose whatsoever. This prohibition includes, but is not limited to, publication of the trademarks and copyrights on the internet. This policy applies to all trademarks and copyrighted designs included in the Designer Collections and is not limited to products introduced after the effective date.

(c) Other Lines. Trademarks, designs, advertising, sample book artwork, covers and room set photograph relating to York Wallcoverings product lines other than the Designer Collections may be copied, reproduced or used only if the applicable copy is provided to York Wallcoverings in advance and York Wallcoverings gives its approval in writing.

(d) Flow Down to Retailers. The copyright protection policy stated above, including the prohibition on the copying, reproduction or use of the trademarks and copyrighted designs included in the Designer Collections, shall be passed through to accounts of distributors of the Designer Collections. Compliance with the policy shall be an express condition of continuing sales of the Designer Collections by distributors to their accounts. Distributors shall promptly terminate sales of Designer Collections products to any account that is determined to have violated the copyright protection policy as it applies to such products.

II. Design Support.

(a) Designer Collections. The Designer Collections products may only be sold to accounts that either are professional interior design firms or maintain at least one design-based showroom and ensure design services are offered to customers at all locations. It is preferable that each location of the account carrying the line have at least one designer on-site to promote the Designer Collections products and assist prospective customers in integrating them into decorative schemes and design plans. It is also preferable that each location have a list of contractors who are qualified to install wallcovering products satisfactorily. This requirement is not intended to apply to sales of products for end use in offices or other business or commercial facilities or sales to residential developers or tract builders for use in new homes.

(b) Other Lines. While it is desirable to have a product showroom and design support services available to prospective customers for all lines of York Wallcoverings, they are not a condition of the availability of products other than the Designer Collections product lines.

III. Sample Books. Retail customer access to the Designer Collections sample books is critical to selection of the colors and designs in the collection and customer satisfaction with the products. Sales of the Designer Collections lines may only be made to accounts that: (i) have purchased sample books for that line, (ii) do not sell Designer Collections products through the internet, and (iii) do not sell Designer Collections products by mail or over the telephone, through "800" numbers or by other electronic means to customers residing more than 50 miles from their respective locations.

IV. Pricing. As is the case with all York Wallcoverings products, distributors shall resell Designer Collections products at prices determined solely by distributor; suggested resale prices are, in fact, merely "suggested" resale prices and do not represent a policy of York Wallcoverings.

V. Limited Drop Shipments. Designer Collections products will be shipped by York Wallcoverings to only qualified account locations meeting the requirements spelled out above.

Adherence to the preceding conditions is essential to the distributor relationship between York Wallcoverings and its distributors. We thank you in advance for your observance of these

requirements and your continuing support of the Designer Collections. Together we can make capitalize on the potential of these remarkable collections for our mutual benefit.

Very truly yours,
York Wallcoverings, Inc.

Carl Vizzi
Owner and President

Accepted and Agreed,
Intending to be Legally Bound hereby:

By: _____
Title: _____
Date: _____