

## LACAVA LLC MAP AND INTELLECTUAL PROPERTY POLICIES (302)

We at LACAVA LLC ("LACAVA") thank you for your business. With the present letter we intend to spell out both our MAP (minimum advertised prices) and intellectual properties policies applying to all operators ("resellers") intending to resell Lacava fixtures. These policies supersede all previous ones and may be modified, suspended, or abrogated at the sole discretion of Lacava without notice.

### MAP POLICY FOR TRADITIONAL BRICK-AND-MORTAR RESELLERS

With the new ruling from the Supreme Court on minimum price settings, it is finally recognized, as economists have been pointing out for a long time, that some resale price agreements actually promote innovation. There is no doubt in our mind that our business falls within this scenario considering the size of our company, the niche we operate in, and the need to preserve the margins and the overall quality of service for resellers, not just as a matter of business fairness but as a matter of our own survival.

We are requesting that all our traditional brick-and-mortar resellers do not offer in-store discounts over:

- 10% off list price for end users.
- 25% off list price to the trade.
- Projects, defined as single order for more than \$50,000 list, discount to be agreed upon on a case-by-case basis.

As a courtesy to our dealers, LACAVA does provide drop-shipments for our dealer orders. However, **all drop-shipments will be purchased at a significantly reduced discount, regardless of the standard purchase discount for your account.** Please contact LACAVA directly if you have any questions regarding the current discount for drop-shipments.

### MAP POLICY FOR INTERNET AND CATALOG RESELLERS

All internet and catalog resellers must sell LACAVA products at the full manufacturer's suggested retail price, and may not offer any additional discounts or incentives which reduce the sale price below list price. All such resellers must charge their clients shipping & handling on sales for LACAVA's products, and they may not offer free shipping on LACAVA orders.

LACAVA does provide drop-shipments for internet and catalog reseller orders. However, **all drop-shipments will be purchased at a significantly reduced discount, regardless of the standard purchase discount for your account.** Please contact LACAVA directly if you have any questions regarding the current discount for drop-shipments.

Internet and catalog resellers may not use the name LACAVA, any LACAVA logo, photographs, or any other intellectual property belonging to LACAVA in advertisements and/or promotions online. **Specifically, they may not use the word "LACAVA" as a keyword in any search-based advertisements.**

Any other use of LACAVA's intellectual properties by internet or catalog resellers in their advertisements must be approved in writing by LACAVA.

### **INTELLECTUAL PROPERTY policy**

Lacava is a registered trade mark. This trade mark, along with copyrights (photos, artwork, web pages, labels, price lists, catalogues, etc), trade names, trade secrets, patents, and other proprietary rights belonging to Lacava, represent a crucial element in Lacava competitiveness.

Anybody intending to use intellectual property belonging to Lacava, for commerce or for any other purpose, must obtain proper written authorization from Lacava and the usage must be within the limits authorized. In particular, a reseller must obtain prior approval from Lacava for any promotional piece or ad, or web site bearing Lacava logo, other Lacava Intellectual property, or photos. Lacava reserves the right to terminate this authorization to use Lacava intellectual property at any time at its sole discretion.

Any changes or removal of the LACAVA markings on displays and products are prohibited. Resellers are required to notify us of any of those changes or removals and take all the actions necessary to stop and correct the infringement.

### **INFRINGEMENT OF LACAVA policies**

In case a reseller infringes on any of our policies, Lacava reserves the right to change immediately the sales terms and to apply the new terms also to on-going business (such as quotes already submitted, and outstanding orders to be shipped at the time the infringement is discovered), as well as to take all appropriate legal action(s) against this reseller.

LACAVA LLC