

May 14, 2008

Dear Valued Customer,

Alno, Incorporated (Alno) has decided to adopt a Minimum Advertised Price (MAP) policy relating to Alno's line of Decorative Hardware, Bath Accessories, Mirror Cabinets, and Mirrors. Alno will give all customers a reasonable amount of time to comply with this policy, not to exceed 30 days from the date of this letter.

The main purpose of this policy is to protect you, our loyal dealers and distributors, who have made substantial investments in our products including displays, inventory, showroom space, and marketing. With that investment in mind, we have created this policy to help protect your investment and maintain the integrity of the Alno and "Creations by Alno" brands.

While your local Alno, Inc. Sales Representative can explain to you their general understanding of the policy, they are not authorized to, and will not engage in any discussion of the policy as it relates to your particular organization. Any questions, complaints or advice regarding this policy, or policy violations, should be communicated in writing to Jack Fase at Alno, Incorporated in Sylmar, CA.

Please make sure the appropriate personnel in your organization receive the enclosed MAP policy document.

Alno thanks you for your continuing business and support.

Sincerely.

Jacob P. Fase Jr. "Jack"

President



www.alnoinc.com



## Alno, Incorporated's MAP Policy

The promotional content for all Alno Incorporated products must <u>not</u> contain an advertised price less than 80% of the retail list price as published in the current Alno list price book. Any information related to Alno products in any form of media, including but not limited to printed advertisements, promotional mailers, retail catalogs, broadcast faxes, radio and electronic media including web sites, is considered advertising for the purpose of this policy.

As used in this Policy, the advertised price means the net price after adjusting for all allowances, discounts, coupons, promotions, free merchandise, etc., but does not include sales tax, shipping or handling charges.

This Policy also prohibits dealers / distributors from setting up web sites that require only a "click" to take the customer to another page with less than MAP pricing.

This MAP Policy applies strictly to advertised prices and does not in any way restrict a dealer or distributor's ability to determine their own resale prices. This Policy is not intended to limit the dealer / distributor from providing less than list price quotations for an individual customer; provided the quotation is given in person or in writing to that particular customer. Likewise, in-store advertising that is not distributed outside of the store to any customer is not covered by this Policy.

Each customer (dealer / distributor) is free to independently decide whether or not to follow this Policy. Alno does not ask for, nor will it accept any assurance of compliance or agreement from a dealer / distributor regarding this Policy nor will Alno discuss any conditions on acceptance related to the Policy.

In implementing this Policy, Alno will act unilaterally at all times, and will neither solicit, consider, nor agree to any recommendation, request or demand of any other person. All matters of interpretation and application of the terms of this Policy shall remain within the sole, unilateral authority of Alno.

If Alno determines that a customer is violating this Policy, Alno will issue a onetime warning to the violating customer. If Alno determines that there is a repeated violation within three (3) months of that warning, Alno will indefinitely cease doing business with the violating customer.

This Policy does not apply to discontinued products or close outs as clearly identified by Alno.

