



December 1, 2017

Dear California Faucets Select Dealer:

As a means of protecting the reputation of the California Faucets brand and to help our distributors protect their investment, California Faucets is announcing a revised **Unilateral Suggested Minimum Advertised Price (USMAP) and Intellectual Property Policy Agreement**.

This revised policy will take effect on January 1, 2018. A copy of the policy is enclosed for you to sign and return.

The main purpose of this policy is to protect our loyal dealers, like you, who have made substantial investments in everything from products and displays to marketing efforts for your showroom and/or online presence. With these investments in mind, we have crafted the policy to help protect your margins and maintain the integrity of the California Faucets brand as we move into the future.

Please ensure that all the appropriate people in your organization receive this letter and the enclosed policy.

Please note that California Faucets sales representatives and customer service personnel have no authority to modify or grant exceptions to this policy. All questions regarding this policy should be directed to me personally at 800-822-8855.

We thank you for your past and continued support of California Faucets and look forward to continuing to serve you.

Sincerely,

Noah Taft
Senior VP, Marketing & Sales



California Faucets®

Custom Faucetry®

Unilateral Suggested Minimum Advertised Price (USMAP) and Intellectual Property Policy Agreement

In order to protect our brand reputation for quality product and superior customer service, as well as help protect the profitability of our select dealers, we continue to enforce a Universal Suggested Minimum Advertised Price (USMAP) and Intellectual Property policy. This policy does not apply to Builder's Series, discontinued merchandise or closeouts as clearly identified by California Faucets. This document is a contract between California Faucets and its distributors; please read it carefully:

Unilateral Suggested Advertised Price (USMAP)

A California Faucets distributor remains free to establish its own resale prices. However, a distributor may not advertise or otherwise promote California Faucets products via **any** public media (including but not limited to internet and/or print advertising) at a net price below the USMAP established by California Faucets. No language indicating "we beat anyone's price," "wholesale prices to the public," "prices below USMAP," "prices too low to publish," "click for lower price," or "call for lowest price" may be used to entice the customer to the shopping cart. **Prices below USMAP may not be displayed in the Shopping Cart at any time.**

USMAP Level

California Faucets has established a USMAP of **.75 times the current List Price in effect**. Net Price shall mean the stated price less all discounts, coupons, allowances, and free goods or services offered with California Faucets products. California Faucets reserves the right to change its USMAP level on 30 days written notice.

Unilateral Policy

Each distributor remains free to determine for itself the resale prices at which it will sell and promote California Faucets products, and each distributor is free to independently decide whether to follow California Faucets USMAP policy. California Faucets does not ask for, nor will it accept, any assurance of compliance or agreement from a distributor regarding this policy, nor will California Faucets discuss any conditions of acceptance related to this policy. California Faucets unilaterally is implementing this policy as its own policy. California Faucets will determine whether products are being advertised in violation of this policy and will implement this policy as is warranted.



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California Faucets distributors are not authorized to sell California Faucets products to third party entities or persons which advertise and/or sell California Faucets products via the Internet. To the extent distributor desires to offer California Faucets products online, it may do so subject to complying with California Faucets Online Sales Policy. However, all URL's owned by and used by distributor must be disclosed to California Faucets in writing, in advance of sales or advertising on these URLs.

In the event distributor desires to sell California Faucets products to a third party online retailer, distributor must first obtain written authorization from California Faucets. California Faucets reserves the right to refuse to honor purchase orders from distributors who sell to unauthorized third party online retailers.

In the event of a policy violation, the following steps will be taken:

- **First Violation-** California Faucets reserves the right (in its discretion) to eliminate or restrict benefits associated with approved status; including but not limited to reduction in discount.
- **Second Violation-** California Faucets shall cease doing business with distributor.

This policy is subject to change at any time and all decisions by California Faucets to take action for a violation of this policy are final. There will be no negotiation.

California Faucets sales and customer service personnel have no authority to modify or grant exceptions to this policy. All questions regarding the interpretation of this policy must be directed to Noah Taft, Senior Vice President for Marketing & Sales.

Intellectual Property

California Faucets® is a registered trademark. All its intellectual property and all intellectual property provided by California Faucets to its distributors, including but not limited to, product, product descriptions, unique California Faucets SKU identification numbers, trademarks, designs, patents, photos, artwork, and any other propriety rights belong exclusively to California Faucets.



California Faucets[®]

Custom Faucetry[®]

Anyone intending to use California Faucets intellectual property must obtain proper written consent from California Faucets and all usage must remain within the purpose authorized. In particular, any use of the California Faucets logo and/or product photography on a website, on displays, or in any promotional material, requires prior approval from California Faucets. In addition, unless otherwise agreed to, all product photography must properly identify it as California Faucets product.

Any infringement of California Faucets intellectual property may result in the immediate loss of permission to use the intellectual property. California Faucets has invested significantly in developing its brand and protecting its select dealers, and will take all actions-- including legal action if necessary-- to stop and correct any infringement.

Please note our intellectual property is meant for informational use only, not for online sales usage. If interested in selling California Faucets material in any eCommerce platform capacity, expressed written consent must be first obtained before publication. If you are currently using intellectual property for informational or eCommerce purposes, we may be in contact in the near future to ensure material is up to date & being used properly within our polices.

Kindly identify below all URLs, if any, currently used by you to promote the sale of California Faucets products.

1. _____

2. _____

3. _____

Acknowledged and agreed to:

Dealer/Company: _____

Name (print): _____

Signature: _____

Title : _____

Date: _____