

*California Faucets*<sup>®</sup>  
Custom Faucetry<sup>®</sup>

## UNILATERAL SUGGESTED MINIMUM ADVERTISED PRICE (USMAP) POLICY

California Faucets has adopted a Unilateral Suggested Minimum Advertised Price (USMAP) Policy applicable to all California Faucets distributors effective September 1, 2009 with respect to advertising the company's products via the Internet.

### **Part A**

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 the Internet or any other public media at a net price below the USMAP established from time to time 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.**

In the event that a distributor violates Part A of this policy:

**First Violation** – Distributor shall lose its Select Distributor status and all benefits associated with said status; including but not limited to reduction in discount.

**Second Violation** – California Faucets shall cease doing business with distributor.

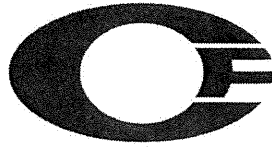
### **Part B**

California Faucets distributors are not authorized to sell California Faucets products to entities or persons which advertise or otherwise promote California Faucets products via the Internet at Net prices below the USMAP established from time to time by California Faucets.

In the event a distributor violates Part B of this policy:

**First Violation** – Distributor shall lose its Select Distributor status and all benefits associated with said status; including but not limited to reduction in discount.

**Second Violation** – California Faucets shall cease doing business with distributor.



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### **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 or not 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 or 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. All decisions by California Faucets to take action for a violation of this policy are final. There will be no negotiation. This policy does not apply to Builder's Series, discontinued merchandise or closeouts as clearly identified by California Faucets.

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 Jeff Silverstein, President & CEO or Noah Taft, Senior Vice President for Marketing & Sales 800-822-8855.