

## MAP Policy - Effective June 1, 2013

In order to preserve its reputation for providing customers with high value products and strong after-sales support, and to further enhance the Addictive Desert Designs brand image and its competitiveness in the marketplace, Addictive Desert Designs is unilaterally instituting a policy of minimum advertised price standards for Addictive Desert Designs products. This Minimum Advertised Pricing Policy ("MAP Policy") will become effective January 1, 2013 and will apply to distributors and retailers, including catalogs and internet retailers (collectively, "Resellers"), who resell Addictive Desert Designs products to end users located in the United States.

Addictive Desert Designs greatly values the efforts of all Resellers to distribute Addictive Desert Designs products and support our customers. This MAP Policy is adopted for the benefit of all Resellers and will be uniformly enforced.

## This MAP Policy shall work under the following guidelines:

- 1. Addictive Desert Designs will, from time to time, publish a Schedule of Manufacturer's Suggested Retail Prices ("MSRP Schedule") on its internet website, which may be amended or adjusted by Addictive Desert Designs at any time in its sole discretion. The MSRP Schedule will identify the effective date, the products and the manufacturers suggested retail price ("MSRP") for those products. Each advertisement of a product identified in the MSRP Schedule more than 3% below the MSRP will be a violation of this MAP Policy. Addictive Desert Designs products not specifically identified in the MSRP Schedule are not subject to this MAP Policy. The initial MSRP Schedule is enclosed.
- 2. This MAP Policy applies to all advertisements of Addictive Desert Designs products listed on the MSRP Schedule in any and all media, including, but not limited to web sites, flyers, posters, coupons, mailers, inserts, newspapers, magazines, catalogs, mail order catalogs, e-mail newsletters, e-mail solicitations, internet or similar electronic media, television, radio, and public signage. This MAP Policy is not applicable to any in-store advertising that is displayed only in the store and not distributed to any customer(s).

- 3. The inclusion in advertising of free or discounted products (whether made by Addictive Desert Designs or another manufacturer) with a product covered by this MAP Policy would be contrary to this MAP Policy if it has the effect of discounting the advertised price of the covered Addictive Desert Designs product more than 3% below the MSRP.
- 4. If pricing is displayed, any strike-through or other alteration of the MSRP that is paired with a discount price more that 3% below the MSRP is prohibited.
- 5. This MAP Policy applies only to advertised prices and does not apply to the price at which Addictive Desert Designs products are actually sold or offered for sale to an individual consumer within Resellers' retail location or over the telephone. Resellers remain free to sell these products at any prices they choose under these circumstances.
- 6. This MAP Policy does not establish maximum advertised prices. All Resellers may offer Addictive Desert Designs products at any price in excess of the MSRP.
- 7. <u>Internet auctions</u> may not display or have reserved bid or other acceptable prices more than 3% below the MSRP.
- 8. Pricing listed on an internet site is considered an "advertised price" and must adhere to this MAP Policy. Once the pricing is associated with an intent to purchase (added to shopping cart or order), the price becomes the selling price and is not bound by this MAP Policy. Statements such as "add to basket to see price", "we will match any price", "call for price" or phrases of similar import are acceptable as long as the price advertised or listed for the products is not more than 3% below the MSRP. In addition, discounts applied at checkout to the entire order based on a customer's purchasing history with the Reseller, such as discounts for "frequent shoppers", do not violate this MAP Policy.
- 9. This MAP Policy is solely within Addictive Desert Designs' discretion and authority acting through the duly authorized managers of Addictive Desert Designs. No employee or sales representative of Addictive Desert Designs has any authority to discuss, modify or grant exceptions to this MAP Policy. Any representation or action by any employee, sales representative or persons not specifically authorized to discuss, modify or grant exceptions to this MAP Policy under this paragraph is unauthorized and invalid. All questions about this MAP Policy should be in writing and directed via U.S. Mail to MAP Policy Administrator, Addictive Desert Designs, 4840 E. Jasmine Street, Suite 112 Mesa, Arizona 85205 or via e-mail to info@addictivedesertdesigns.com who will respond only in writing. No oral communications

about this MAP Policy are authorized. The MAP Policy Administrator shall be solely responsible for determining whether a violation of the policy has occurred, communicating decisions to Resellers regarding the policy and receiving any communications regarding sanctions imposed under this MAP Policy. Any action taken by Addictive Desert Designs under this MAP Policy shall be without liability to Addictive Desert Designs.

- 10. From time to time, Addictive Desert Designs may choose to offer special promotions on certain products. In such an event, we reserve the right to modify or suspend this MAP Policy in whole or in part by notifying all Resellers of the duration and nature of the change. Addictive Desert Designs further reserves the right to adjust the MSRP with respect to all or certain products at its sole discretion. Such changes shall apply equally to all Resellers.
- 11. Intentional and/or repeated failure to abide by this MAP Policy will result in sanctions unilaterally imposed by Addictive Desert Designs. The level of sanctions will be determined by Addictive Desert Designs in its sole discretion and may include indefinite termination of dealership or distributorship. Addictive Desert Designs does not intend to do business with Resellers who degrade the image of Addictive Desert Designs and its products. Addictive Desert Designs need not provide prior notice or issue warnings before taking any action under this MAP Policy.
- 12. Distributors of Addictive Desert Designs products will supply a copy of this MAP Policy to any new or existing Reseller for their records.
- 13. The terms of this MAP Policy are confidential and should not be disclosed to other parties. This MAP Policy has been established by Addictive Desert Designs to help ensure the legacy of Addictive Desert Designs as a top producer of high performance, high quality products and to protect the reputation of its name and products. This MAP Policy is also designed to avoid destructive intra-brand conflict and to ensure that dealers and distributors have the incentive to invest resources into services for Addictive Desert Designs customers.
- 14. From time to time Addictive Desert Designs may be required to publish a retail price increase. In the event of a retail price increase by Addictive Desert Designs an updated MSRP document will be published to all parties 30 days in advance of the price change. This will allow time for all parties to correct or update any advertised prices relative to the Addictive Desert Designs product offerings. All Dealers / Distributors will communicate the update / change to all parties required and will make all needed adjustments in the 30 day time frame. At the end of the 30 day notice time it is expected that all retail prices will be updated. Any failure to update the MSRP in the 30 day time allowed will be a violation of this agreement.