

March 7, 2011

Re: Calculated Industries' Distributor Terms

***Dear Calculated Industries Distributor:***

Calculated Industries, Inc. (CI), the maker of best-in-class specialty calculators, measuring products and tools, has independently adopted a set of terms and conditions for the distribution of certain CI branded products (Covered Products). CI's Distributor Terms are designed to protect the image and goodwill of CI and its products, brand names and trademarks, and to help ensure that CI's Covered Products are delivered through professional and knowledgeable distributors. Distributors are free to determine if they wish to follow CI's Distributor Terms or not. However, **effective August 1, 2009, to remain eligible for uninterrupted supply of CI Covered Products, distributors must comply with CI's Distributor Terms:**

1. Sell CI Covered Products only to Resellers that fully comply with CI's Advertising and Distribution Policy, attached.
2. Do not sell CI Covered Products to Resellers that utilize Internet auctions or Internet auction "store" sites to sell CI Covered Products.

CI reserves the right to change, modify, amend or discontinue CI's Distributor Terms at any time without prior notice. From time to time CI may announce in writing a change, amendment or supplement to CI's Distributor Terms, by regular mail and as posted on CI's website, at CI's sole discretion.

Please be aware that CI's Distributor Terms are a corporate policy of CI and they cannot be waived by any agent, employee, representative or other third parties. CI's Distributor Terms are not a contract, an offer to form a contract or an agreement, express or implied. CI's Distributor Terms are subject to the Laws of The State of Delaware and are applicable only to CI Covered Products sold within the United States.

If you have questions about CI's Distributor Terms, please put them in writing and send them to CI's Distributor Terms Administrator, Calculated Industries, Inc., 4840 Hytech Drive, Carson City, NV 89706, fax: 775-885-4949 .

We greatly appreciate your business and thank you for your interest.

Sincerely,

***Calculated Industries, Inc.***

Encl.: Calculated Industries, Inc. Advertising and Distribution Policy and FAQ  
cc: Sales Managers Allen Alexander and Al Muto

**This Advertising and Distribution Policy (ADP)** is designed to enhance and protect the image and goodwill of Calculated Industries and its products, brand names and trademarks, in support of its brand mission to design, develop and deliver best-in-class calculating and measuring products. It is also designed to help ensure that CI's branded product line is delivered through professional and knowledgeable Resellers that provide outstanding customer service. CI has therefore determined to do business only with qualified Resellers of its selection and upon the unilateral terms and conditions set forth in this Advertising and Distribution Policy (ADP).

This ADP is effective August 1, 2009 with respect to Authorized Resellers (Resellers) wishing to sell CI's branded products covered by this ADP (Covered Products). CI is not asking or requiring Resellers to agree to this Policy. Resellers are free to determine if they wish to follow the Policy or not. However, to be eligible for uninterrupted supply of CI's Covered Products, Resellers must, in CI's sole and independent judgment, meet the following terms and conditions:

- 1) Advertise<sup>1</sup> the Covered Products at prices no lower than shown in the attached table (the minimum advertised price or MAP), as may be updated from time to time by CI. At all times, the Reseller shall have the sole right to set and determine the selling price of the Covered Products, including in-store and point of purchase signage and materials.
- 2) Do not advertise, offer to sell or sell CI's Covered Products by any manner that reduces, disparages or injures CI or CI's Covered Products. Without limitation, this includes "Buy One, Get One Free" (BOGO's), "Half Price", "50% Off" and "We Will Not Be Undersold" promotions.
- 3) Do not advertise, offer to sell or sell CI's Covered Products in any illegal, deceptive, undesirable or improper manner, including without limitation, loss leaders, bait and switch, products without originally included accessories, or means otherwise considered by CI to be negative selling practices or an attempt to circumvent any part of this ADP.
- 4) Sell CI's Covered Products only to end-users and not to any third party for purposes of resale, barter, or other manner of secondary distribution.
- 5) Do not advertise, offer to sell or sell CI's Covered Products via means of Internet auctions, Internet auction "store" sites, chat rooms, etc.
- 6) Use CI's name, trademarks, image, logos, artwork, trade dress and any other intellectual property information accurately and honestly, and do not utilize any of the foregoing to sell or offer to sell products of another manufacturer or otherwise mislead potential purchasers as to CI's products or its policies.
- 7) Comply fully with CI's terms and conditions of sale and, if an Authorized Reseller, comply fully with CI's Authorized Reseller Program.

CI reserves the sole right to select the Resellers with whom it will deal and the terms and conditions on which it will deal and deal further. A determination by CI not to deal further with a Reseller that does not meet these terms and conditions will be upon the basis of each stock-keeping unit (SKU). Where CI makes such a determination, every store in common ownership and control as the particular store that has committed a violation, i.e. the entire account, will not receive future shipment of CI's Covered Products, on a SKU basis. First time violations will be barred from purchasing the SKU in question for 90 days; Second time violators will be barred for 180 days; Third time violators will be barred from purchasing any of CI's Covered Products for one full year. All periods are from

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<sup>1</sup> *The following are examples of Internet advertising that could result in a MAP violation: displaying price below the MAP price on/in: (1) the Internet site homepage, (2) any section of the Internet site other than the shopping cart where the Covered Products are listed, displayed, represented or otherwise advertised, (3) email campaigns, and (4) Internet banner or pop-up ads. It is not considered a violation if a price below the MAP price is displayed at the shopping cart level or later steps in the checkout process.*

the date of the letter in which CI informs the Reseller of its noncompliance with these terms and conditions or when a new MAP price has been determined and published by CI, whichever is shorter.

From time to time CI may announce, in writing, a change, amendment or supplement to MAP prices, including by posting updated versions of this ADP on CI's website, at CI's sole discretion.

**This ADP is a policy statement of preannounced unilateral terms and conditions on which CI may, in exercising its discretion, select its Resellers and the criteria by which it may choose to sell the Covered Products.**

**This ADP is not a contract, an offer to form a contract or an agreement, express or implied. CI is not asking for and CI will not accept any agreement about a Reseller's compliance with this ADP. This ADP is a corporate policy of CI and cannot be waived, interpreted or discussed with any Reseller by any agent, employee, representative or other third parties, except as stated herein.**

**Under no circumstances will CI discuss its business dealings with any Reseller with any other Reseller, nor will CI seek or accept any complaints or comments from its Resellers about the pricing or business practices of any other Reseller.**

**All questions regarding this ADP should be made in writing to the Advertising and Distribution Policy Administrator at the address below.**

**CI reserves the right to change, modify, amend or discontinue this ADP at any time without prior notice. There is no assurance express or implied to any Reseller that CI will continue or enforce this ADP. CI specifically reserves the right to choose those Resellers with which it will do business and the right to accept or reject any purchase order at any time.**

**This ADP is subject to the Laws of the State of Delaware and is applicable only to CI Covered Products sold within the United States.**

Calculated Industries  
 ATTN: Advertising and Distribution Policy Administrator  
 4840 Hytech Drive, Carson City, NV 89706 USA  
 Fax: 1-775-885-4949

### Addendum 1 – Covered Products

Model #	Product Name	MSRP	MAP
3350	Prexiso X2 Laser Measure	\$ 119.95	\$ 99.95
3405	Real Estate Master IIIx	\$ 44.95	\$ 39.95
3415	Qualifier Plus IIIx	\$ 64.95	\$ 54.95
3430	Qualifier Plus III FX	\$ 79.95	\$ 69.95
4020	Measure Master Pro	\$ 39.95	\$ 29.95
4065	Construction Master Pro	\$ 79.95	\$ 69.95
4080	Construction Master Pro Trig	\$ 89.95	\$ 79.95
4087	Machinist Calc Pro	\$ 79.95	\$ 69.95
4094	PlumbingCalcPro	\$ 69.95	\$ 59.95
4095	Pipe Trades Pro	\$ 89.95	\$ 79.95
4225	ConcreteCalc Pro	\$ 69.95	\$ 59.95
4325	HeavyCalc Pro	\$ 69.95	\$ 59.95
5065	ElectriCalc Pro	\$ 99.95	\$ 89.95
6025	Scale Master PRO	\$ 69.95	\$ 59.95
6130/6135	Scale Master PRO XE	\$ 99.95	\$ 89.95
6230	Smart Takeoff! for USMP	\$ 199.95	\$ 179.95
6260	Ultra Scale Master Pro	\$ 229.95	\$ 199.95
6270	Ultra Scale Master Pro with Smart Takeoff!	\$ 349.95	\$ 299.95
6325/6335	Scale Master PRO XE + PC Cable	\$ 149.95	\$ 129.95
6425	DigiRoller Plus II	\$ 169.95	\$ 139.95
8025	Ultra Measure Master	\$ 49.95	\$ 39.95
43430	Qualifier Plus III FX Desktop	\$ 79.95	\$ 69.95
44080	Construction Master Pro-Desktop	\$ 89.95	\$ 79.95
4065-2140	Construction Master Pro-Bundle	\$ 89.95	\$ 79.95