



## **Rain Bird® Rewards Program Agreement** (Effective 1/1/04)

This Rain Bird® Rewards Program Agreement (the "Agreement") sets forth the terms and conditions of the Rewards Program (the "Program") offered by Rain Bird Corporation ("Rain Bird") that apply to participating contractors ("Participants"). By enrolling in the Program, a Participant agrees to the terms and conditions of this Agreement as amended by Rain Bird from time to time.

**Program Overview**—Under the Program, Participants earn Rain Bird Points™ ("Points") when they purchase certain Rain Bird products from authorized Rain Bird distributors ("Distributors"). Upon request, Participants can redeem their Points for rewards that may include but are not limited to: (1) American Express® Gift Cheques or Rain Bird Checks ("Checks" can be used to purchase Rain Bird products sold by Distributors) or (2) items ordered from the applicable Participant guide (a "Member Guide") that may include but are not limited to professional apparel and accessories, merchandise and irrigation training. The Program, Points and Checks are void where restricted or prohibited by law.

**Program Levels and Rewards**—There are two Participant levels in the Program: Rewards Contractor™ and Select Contractor™. The rewards available for each Program level are described in the applicable Member Guide. (The Member Guide for the Select Contractor level includes all of the rewards available to Rewards Contractor Participants plus rewards only available to Select Contractor Participants.)

**Membership Qualifications**—All professional landscape and irrigation contractors in the United States (and in such additional countries as Rain Bird may designate from time to time) are eligible to participate in the Program at the Rewards Contractor level. Participants at the Select Contractor level must meet and continue to satisfy the eligibility requirements as set forth in the Select Contractor Member Guide. The Select Contractor requirements are incorporated into this Agreement by this reference. Rain Bird reserves the right to determine who may participate in the Program or be accepted as a Select Contractor.

**Registration**—Contractors may enroll at the Rewards Contractor level and/or apply to participate at the Select Contractor level by visiting [www.rainbird.com/rewards](http://www.rainbird.com/rewards), calling the Rain Bird Rewards Program Office, or contacting a Distributor or Rain Bird sales representative. A Participant and its affiliates and subsidiaries may be considered as a single Participant record. When a contractor becomes a Participant, Rain Bird will create for the Participant a Participant account and will issue to the Participant a Program Member Identification Number (a "Member ID"). The Participant's Member ID must be used by the Participant in all Program communications. Rain Bird assumes no responsibility for enrollment forms or other documents that are delayed, lost or stolen in the mail.

**Earning Rain Bird Points**—Participants earn Points by purchasing qualifying Rain Bird turf irrigation products ("Turf Products") from Distributors in the United States (or in such other countries as Rain Bird may designate from time to time). The term "Turf Products" includes all residential, commercial, landscape drip and accessories products, but does not include golf, central control, agricultural or consumer products and parts, or any other products that Rain Bird designates as non-qualifying. Information on qualifying Turf Products can be obtained at any time by contacting Rain Bird. To determine if a supplier is a Distributor, please call 1-800-247-3782. Points will not be awarded for products purchased from suppliers, including sub-distributors, who are not authorized Rain Bird distributors. A Participant will begin earning Points with respect to purchases of Turf Products from Distributors made on and after the first day of the calendar quarter in which the Participant enrolls in the Program. Specifically, a Participant who enrolls in January, February or March will begin earning Points for qualifying purchases made on or after January 1; a Participant who enrolls in April, May or June will begin earning Points for qualifying purchases made on or after April 1; a Participant who enrolls in July, August or September will begin earning Points for qualifying purchases made on or after July 1; and a Participant who enrolls in October, November or December will begin earning Points for qualifying purchases made on or after October 1.

**Submitting Invoices**— As a Participant, it is your responsibility to ensure that your purchases are reported to Rain Bird. When a qualifying purchase is made, the Participant must complete a Rain Bird Invoice Submission Form (included in the applicable Member Guide), attach the original paid invoices showing the purchase of Turf Products, and mail them to the address designated by Rain Bird. The Invoice Submission Form must contain Participant's Member ID. In addition, invoices must contain the Participant's contractor name and location, the Distributor's name and location, date of purchase, invoice date, and the model number, quantity, unit price, and extended price of each item purchased.

Submissions of paid invoices to Rain Bird must be postmarked within three weeks after the end of each calendar quarter. Specifically, submissions of January, February and March paid invoices must be postmarked by the end of the third week in April; submissions of April, May and June paid invoices must be postmarked by the end of the third week in July; submissions of July, August and September paid invoices must be postmarked by the end of the third week in October; and submissions of October, November and December paid invoices must be postmarked by the end of the third week in January. Invoice submissions postmarked beyond the due dates will not be accepted.

In addition, certain Distributors submit to Rain Bird on a quarterly basis reports of Participant purchases, which reports may eliminate a Participant's need to submit Rain Bird Invoice Submission Forms. It is the Participant's sole responsibility to (1) determine whether a Distributor submits such reports and whether the reports contain all of the information required to be included in an Invoice Submission Form, (2) notify such a Distributor of Participant's membership in the Program and the Participant's Member ID and (3) monitor the accuracy of the Distributor's reporting with respect to the Participant. Participant authorizes Distributor to submit records of Participant's Rain Bird product purchases on behalf of Participant to Rain Bird. Distributor reports of Participant purchases

are subject to the same timing requirements discussed in the previous paragraph with respect to Invoice Submission Forms (for example, a Distributor report with respect to Participant purchases made in January, February and March must be postmarked by the end of the third week in April).

The total amount of invoices submitted at any one time or purchases included in a Distributor report will be rounded to the nearest one-dollar (\$1.00) increment. In the event that the Program is offered through Rain Bird or its affiliates in countries in addition to the United States, Participants that conduct transactions in a non-U.S. currency must provide information with each invoice regarding its U.S. dollar equivalent, based on an exchange rate established by an independent third party (Note: the third party and the rate of exchange must be identified on or with the invoice). A Distributor report that is in a non-U.S. currency must also include information with each invoice regarding its U.S. dollar equivalent, based on an exchange rate established by an independent third party (Note: the third party and the rate of exchange must be identified on or with the report). Rain Bird may, in its discretion, use another third party exchange rate to convert the transaction to U.S. dollars.

Points may be revoked in the event sales are reversed or final payment is not received. There may be up to a six week delay before Points are posted to a Participant's account. Rain Bird reserves the right to correct errors made to a Participant's account at any time and will inform Participant of any changes by mail, phone, fax or e-mail.

Upon Rain Bird's request, Participant must provide Rain Bird with proof of invoice authenticity and payment. Rain Bird reserves the right to audit and verify invoices and/or Distributor reports for authenticity and accuracy.

All invoices and other documents that a Participant submits to Rain Bird will become the property of Rain Bird and will not be returned. Rain Bird assumes no responsibility for Invoice Submission Forms, invoices, reports or other documents that are delayed, lost or stolen in the mail.

### **Rain Bird Points**

Base Rebate. A percentage will be applied to the Participant's qualifying Rain Bird purchases (a "base rebate"). For Rewards Contractors, three percent (3%) of each qualifying Rain Bird purchase turns into Points. For Select Contractors, four percent (4%) of each qualifying Rain Bird purchase turns into Points. For 100% Select Contractors, five percent (5%) of each qualifying Rain Bird purchase turns into Points.

Growth Rebate. In addition, a higher percentage will be applied to qualifying Rain Bird purchases over the Participant's "base level" ("growth rebate") as described below. For Rewards Contractors, five percent (5%) of each qualifying Rain Bird purchase over the base level earns Points. For Select Contractors (including 100% Select Contractors), six percent (6%) of each qualifying Rain Bird purchase over the base level earns Points. A Participant's base level for each year is established as follows:

First Year. When a Participant enrolls in the Program, it is the Participant's option to provide Rain Bird with Distributor reports evidencing qualifying Rain Bird purchases to establish a purchase history for at least one complete calendar year, the aggregate amount of which purchases shall be the Participant's "base level" for the first year. If the Participant elects not to establish a base level for the first year, Participant shall be ineligible to earn a growth rebate.

Second Year. The Participant's base level for the second year will be equal to the greater of the base level established for the first year, if any (as discussed above), or the aggregate amount of qualifying Rain Bird purchases from Distributors during Participant's first year. The first year aggregate amount must include a purchase history of one complete calendar year. If not, it is the Participant's option to provide Rain Bird with Distributor reports evidencing qualifying Rain Bird purchases in order to satisfy the purchase history requirement of one complete calendar year. If the Participant elects not to establish a base level for the second year, Participant shall be ineligible to earn a growth rebate.

Third Year. The Participant's base level for the third year will be equal to the greater of the base level established for the first year, if any, the aggregate amount of qualifying Rain Bird purchases from Distributors during the first year, or the aggregate amount of qualifying Rain Bird purchases from Distributors during the second year.

Fourth Year and Thereafter. The Participant's base level for each year after the third year will be equal to Participant's highest aggregate annual purchase amount during the previous three years.

The conversion rate for all Participants is 20 Points per dollar earned (U.S.). For example, on a \$100 purchase, a Rewards Contractor will earn \$3 which automatically turns into 60 Points, a Select Contractor will earn \$4 which automatically turns into 80 Points, and a 100% Select Contractor will earn \$5 which automatically turns into 100 Points. Purchase amounts are calculated net of all taxes, discounts, returns and rebates.

Points are not redeemable in cash, have no cash value, other than as may be provided from time to time with regard to the Program's rewards, and may not be assigned, transferred or used for any other purpose without the prior written consent of Rain Bird. Rain Bird may place restrictions on the use of Points from time to time by providing notice to Participants. Points that are not used during the calendar year in which they are earned are carried over to the next calendar year. Points expire at the end of the third calendar year. For example, Points earned at any time during 2004 will expire and be of no further use after December 31, 2006.

**Using Points**—Points can be redeemed for (1) American Express® Gift Cheques or Rain Bird Checks at a value of \$0.05 for each Point or (2) items shown in the applicable Member Guide for the Point value shown.

To redeem Points, Participants must submit a completed Rain Bird Rewards Points Redemption Form (“Points Redemption Form”), which is included in the applicable Member Guide and is available online at [www.rainbird.com/rewards](http://www.rainbird.com/rewards). Participants may submit the Redemption Form to the Rain Bird Rewards Program Office by mail, fax or e-mail. The amount of the request may not exceed the amount of Points shown in the Participant’s account at the time the Points Redemption Form is received by Rain Bird. Rain Bird assumes no responsibility for Points Redemption Forms or other documents that are delayed, lost or stolen in the mail. All Participants that receive rewards grant Rain Bird permission to use the Participant’s name and likeness in marketing communications related to Rain Bird except where restricted or prohibited by law.

Rain Bird Checks. Like Points, Checks are not redeemable in cash, have no cash value, and may not be assigned, transferred or used for any other purpose without the prior written consent of Rain Bird. Rain Bird may place restrictions on the use of Checks from time to time by providing notice to Participants. Unless otherwise agreed by Rain Bird, Checks may not be used in conjunction with other Rain Bird rebates, coupons or special offers. Checks will be issued in the name of the Participant and may be sent to the Participant at the address set forth in the Participant’s record. Participants are responsible for advising Rain Bird of any change in their contractor name, authorized representatives or address. Checks are issued quarterly. The mailing dates for checks are usually about April 1, July 1, October 1, and December 30. Checks are valid for forty-five (45) days following the date of their issuance. After 45 days, the Checks are of no further value and cannot be applied against the cost of purchases. Rain Bird assumes no responsibility for Checks or other documents that are delayed, lost or stolen in the mail and assumes no responsibility for ensuring that Checks are used only by an authorized representative of the Participant.

**Status of Participants**—Rain Bird and Participants are independent contractors. Nothing in this Agreement will be construed to make a Participant the agent, employee, franchisee, partner or legal representative of Rain Bird. Participants shall not make any representations on Rain Bird’s behalf to others regarding the Program. Rain Bird assumes no responsibility or liability for the work or statements of any Participant.

Participants shall not engage in any deceptive, misleading, illegal or unethical practice involving their use of Points or Checks. In addition, Participants shall not make representations, warranties or guarantees to customers with respect to the specifications, features or capabilities of Rain Bird products that are inconsistent with product literature distributed by Rain Bird.

**Fees and Taxes**—Any and all fees and tax obligations arising from Participant’s receipt or use of Points (excluding taxes based upon the net income of Rain Bird) are the sole responsibility of the Participant. To the extent required by law, Participants will receive an IRS Form 1099 for the value of Points redeemed for certain rewards. Participants may be required to reimburse Rain Bird for the amount of any tax, tariff, duty or assessment that

Rain Bird is obligated to pay or collect in connection with the Participant's participation in the Program.

**Notices**—Rain Bird may send all notices, approvals, consents, and other Program communications to Participants at the address, e-mail address, or fax number reflected for them in the Participant's record. Participants must send all Program communications to Rain Bird at Rain Bird Corporation, 6991 E. Southpoint Road, Tucson, AZ 85706, USA, Attn: Rain Bird Rewards Program Office, or at such other address(es) as Rain Bird may designate from time to time.

**Amendments**—Rain Bird may amend (add to, delete or change) the terms of the Program and/or this Agreement or the Member Guides from time to time by providing notice to Participants. Such notice may include posting the current form of the Agreement or Member Guides on Rain Bird's website. Unless otherwise indicated, amendments will apply to any Points accrued and/or awarded in the future under the Program.

**Participant Termination**—Participants may terminate their participation in the Program at any time. Rain Bird may terminate or suspend any Participant's participation in the Program: (1) without cause by giving the Participant at least 45-days prior notice; (2) without prior notice if the Participant fails to earn Points for a period of 12 consecutive months; or (3) without notice at any time for cause. "Cause" shall be deemed to exist if: the Participant fails to comply with the terms of this Agreement or any other agreement with Rain Bird or a Distributor; or Participant submits altered or fraudulent invoices in connection with the Program; or Participant acts in a manner that is inconsistent with the intended operation of the Program; or Participant acts in a manner that Rain Bird reasonably believes may have an adverse effect on its reputation in the community. Accrued but unused Points will be forfeited upon termination.

**Program Termination**—Rain Bird may terminate the Program at any time by providing notice to Participants at least 45 days in advance of the termination date. Such notice may include posting the notice of Program termination on Rain Bird's website. Participants will have until the termination date to use all accrued but unused Points.

**California Law**—This Agreement will be governed and construed in accordance with California law, without reference to its conflict of law provisions.

**Assignment**—Participants may not assign, delegate or otherwise transfer (by operation of law, merger or otherwise) any right or obligation under this Agreement to others without Rain Bird's prior written consent, which it may withhold without cause.

**Entire Agreement**—This Agreement (including the Select Contractor eligibility requirements as set forth in the Select Contractor Member Guide as from time to time in effect incorporated herein as discussed above) constitutes the entire agreement between Rain Bird and Participants with respect to its subject matter and supersedes all prior discussions and agreements between them. In the event of any conflict between this Agreement and Member Guides, enrollment, invoice submission or order forms, marketing

materials or other Program documentation, this Agreement shall control. Rain Bird is not liable for errors or omissions made by its employees or agents in the printing of the Member Guides or other related materials, or for errors or omissions made by its employees or agents in interpreting or executing the terms and conditions of the Program. Rain Bird is not affiliated with any of the suppliers of the Program's rewards ("Suppliers") and does not endorse or guarantee any of the products or services offered by the Suppliers.

**Arbitration**—Any controversy or claim arising out of or related to this Agreement or the Program shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. Judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction. The parties understand and agree that they are waiving their right to a trial before a judge or jury. Arbitration between the parties shall be held in Los Angeles County, California.

**No Third Party Beneficiaries**—This Agreement is for the benefit of Rain Bird and Participants. No other person or entity has any rights under this Agreement.

(Updated 1/27/04)