



BRAND MANAGEMENT POLICY *(Updated, Effective July 1, 2020)*

I. INTRODUCTION AND PURPOSE OF POLICY

Casual Living Unlimited, LLC, t/a Breezesta, (“CLU”) has invested substantial time and money building the Breezesta™ brand name and image and promoting the quality and technical advantages of its premium outdoor furniture products. The “**Breezesta Brand**,” as defined below, is recognized as an assurance of high quality and value, distinctive design, and overall reliability. CLU seeks to preserve and enhance the brand image for the Breezesta Brand, compete effectively in the sale of its products, and maintain a mutually profitable relationship with its “**Authorized Dealers**” as defined below. In order to achieve these objectives, CLU has unilaterally adopted this Brand Management Policy (the “**Policy**”) in the United States.

CLU is committed to maintaining and enhancing the reputation and value of the Breezesta Brand. In order to do so, CLU must ensure that: (i) the “**Breezesta Brand Elements**” (as identified below) are used only by those Authorized Dealers who are committed to maintaining and protecting the Breezesta Brand; (ii) when the Breezesta Brand Elements are used, they are used properly and in accordance with this Policy; and (iii) products bearing the Breezesta Brand Elements (“**Breezesta Products**”) are advertised on the Internet at or above the minimum prices set by CLU to reflect the quality and reliability of those Breezesta Products, as well as the overall value of the Breezesta Brand.

CLU is committed to taking appropriate steps - including legal action in some cases - against those who use the Breezesta Brand Elements without the authorization or consent of

CLU, or, if authorized, use the Breezesta Brand Elements improperly or advertise on the Internet prices that tarnish the reputation of the Breezesta Brand in the marketplace.

This Policy is intended to assist CLU, its employees and its expressly authorized dealers (“**Authorized Dealers**”) in the United States in maintaining, protecting and enhancing the value of the Breezesta Brand in that geographic market. CLU firmly believes this Policy is in the long-term best interests of CLU, its Authorized Dealers, and consumers and commercial end-users.

II. WHAT ARE THE BREEZESTA BRAND ELEMENTS?

The Breezesta Brand is comprised of many “**elements**,” including CLU’s products, registered and unregistered trademarks, and copyrighted sales literature and collaterals. Collectively, these Breezesta Products and Breezesta Brand Elements make up the “**Breezesta Brand**.”

III. WHO MAY USE THE BREEZESTA BRAND ELEMENTS?

The Breezesta Brand Elements are intended for use only by CLU and its Authorized Dealers to promote and sell Breezesta Products in the United States. Businesses that are not Authorized Dealers are not authorized to use Breezesta Brand Elements, and any unauthorized use of Breezesta Brand Elements is unlawful and may result in criminal and civil liability.

IV. WHERE MAY CLU’S AUTHORIZED DEALERS USE BREEZESTA BRAND ELEMENTS?

The Breezesta Brand Elements may only be used in connection with sales of Breezesta Products by Authorized Dealers at authorized retail locations, including retail stores (“**Authorized Retail Stores**”), authorized commercial or residential design showrooms, and through authorized websites (“**Authorized Websites**”) (collectively, “**Authorized Sales Locations**”) to consumers or commercial end users. Each Authorized Dealer shall maintain a

current listing of all retail store locations, showrooms, and websites through which it uses the Breezesta Brand Elements in connection with the sale of Breezesta Products, and shall provide current listings to CLU, including updates removing discontinued Authorized Sales Locations and adding new Authorized Sales locations within thirty (30) days of any proposed change.

Following timely submission in accordance with this paragraph, an Authorized Dealer's proposed location(s) and websites shall be deemed to be Authorized Sales Locations beginning thirty (30) days after submission thereof to CLU, unless and until CLU notifies the Authorized Dealer that a particular proposed Authorized Sales Location has been rejected or withdrawn in CLU's sole discretion. Authorized Dealers may only sell, offer for sale, or ship any Breezesta Products from an Authorized Sales Location. Direct shipments by CLU of products sold at an Authorized Sales Location do not violate this Policy.

Authorized Dealers may not use the Breezesta™ name in the Uniform Resource Locator for any Authorized Website or any other website used by or for an Authorized Dealer without a written agreement of approval from CLU. Authorized Dealers must design and construct their websites and webpages in such a way that they cannot be confused with CLU's official website, Breezesta.com, and, in the event that CLU objects to any website used by any Authorized Dealer, such Authorized Dealer shall modify its website as requested by CLU. Any refusal to do so, in whole or part, shall constitute a violation of this Policy.

Authorized Dealers may not apply for any brand registries for Breezesta Products.

V. WHAT USES MAY AUTHORIZED DEALERS MAKE OF THE BREEZESTA BRAND ELEMENTS?

Authorized Dealers NEED NOT obtain the prior written consent of CLU before engaging in the following uses of the Breezesta Brand Elements:

- To identify themselves as an Authorized Dealer;
- In Authorized Sales Locations, to identify, promote or sell Breezesta Products;
- In print advertising, including in printed flyers, brochures, direct mail and collateral materials; and
- In advertising on or through blogs, social networking sites and/or other websites that are not Authorized Retail Locations or do not offer Breezesta Products for sale.

To use the Breezesta Brand Elements in these ways, Authorized Dealers must comply with the Breezesta Brand Standards, which can be found on the reseller portal of breezesta.com and are also available from CLU upon request. The Breezesta Brand Standards include approved logo images, sizes, and logo colors.

To use the Breezesta Brand Elements in the following ways, Authorized Dealers **MUST** obtain the prior, written consent of CLU:

- In broadcast advertising (*e.g.*, television, cable or radio), otherwise consistent with this Policy;
- In giveaways and contests;
- On Authorized Websites;
- In collaborations with other businesses;
- For bundling of Breezesta Products with other CLU Products or any other manufacturer's product(s) and/or advertising for such bundling; and
- For all other uses not expressly identified in this Policy.

VI. SOCIAL MEDIA POLICY

Applies to all authorized dealers who own a social media account including, Facebook, Instagram, Twitter, Pinterest, SnapChat, YouTube, and LinkedIn.

- Authorized dealers can associate themselves with Breezesta when posting but must clearly brand their online posts as their own. Breezesta should not be held liable for any repercussions the authorized dealers' content may generate.
- Content pertaining to sensitive company information (particularly those found within Breezesta and Casual Living Unlimited, LLC networks) should not be shared to the outside online community. Divulging information like the company's product design plans, internal operation, and legal matters are prohibited.
- Proper copyright and reference laws should be observed by all authorized dealers when posting online.
- Casual Living Unlimited, LLC reserves the right to edit or amend any misleading or inaccurate content depicted in posts. We also reserve the right to delete or report comments or posts that are misleading of the Breezesta brand.
- **Logo:** Authorized dealers cannot use the Breezesta logo for any other use other than for business purposes and may NOT be shared with any other business or personal endeavor.
- **Tagging & Image Assets:** Authorized dealers choosing to use Breezesta's original lifestyle photography acquired through Casual Living Unlimited, LLC's Dropbox or Breezesta.com's Dealer Portal MUST tag @breezestafurniture. In addition, we strongly suggest using the following hashtags: #breezesta and #lifesabreeze. Hashtags are not required but recommended.
- **Reposting:** Authorized Dealers choosing to repost any Breezesta original/evergreen social media posts, MUST use the #repost AND tag @breezestafurniture. Failure to do so may result in asking to add what is needed,

take down the post, reporting of the post, or termination of access to all Breezesta original artwork and assets.

- **Offers & Contests:** Follow the normal legal guidelines and review processes for the platform you are sharing on, in addition to requesting permission from CLU.

POSTING ANY DEFAMATORY, DEROGATORY, OR INFLAMMATORY CONTENT WILL RESULT IN IMMEDIATE TERMINATION AS AN AUTHORIZED DEALER.

VII. TO WHOM MAY AN AUTHORIZED DEALER SELL BREEZESTA PRODUCTS?

Any offer for sale or actual sale, transfer or shipment of a Breezesta Product by an Authorized Dealer to any recipient other than a consumer or commercial end user runs counter to CLU's unilateral distribution strategy and shall be deemed a violation of this Policy.

VIII. WHAT MUST AN AUTHORIZED DEALER DO WHEN USING BREEZESTA BRAND ELEMENTS FROM THE BRAND STANDARDS?

When using Breezesta Brand Elements from the Brand Standards, Authorized Dealers must: (i) use such Breezesta Brand Elements without modifications of any kind; and (ii) if space permits, include the following legend: "BreezestaTM and related trademarks are the property of Casual Living Unlimited, LLC and are used with permission."

IX. WHAT IS CLU'S MINIMUM INTERNET ADVERTISED PRICING POLICY FOR BREEZESTA PRODUCTS?

In connection with this Policy, CLU has implemented a Minimum Internet Advertised Pricing Policy ("**MIAP Policy**"). A violation of the MIAP Policy constitutes a violation of the Brand Management Policy.

CLU has implemented this MIAP Policy after unilaterally determining that extensive Internet advertised discounting of Breezesta Products by certain retailers is threatening to detract from the value and image of Breezesta Products, harm CLU's reputation as a manufacturer of

high-quality products, and impair CLU's ability to compete effectively against other brands of similar products. Such advertised discounting also permits discounting retailers to "free ride" on the superior (but costly) customer service and promotional efforts of certain Authorized Dealers and the significant promotional expenditures of CLU, discouraging Authorized Dealers from investing in the promotion and branding of Breezesta Products.

A. MIAP Policy

CLU may cease sales and/or shipments of Breezesta Products to Authorized Dealers who advertise Breezesta Products for sale to the public on the Internet at prices below MIAP Pricing (as defined below), as determined in CLU's sole discretion.

CLU may also cease sales and/or shipments of Breezesta Products to Authorized Dealers who make false or misleading statements to the public about this MIAP Policy.

CLU had adopted this MIAP Policy to enable all Authorized Dealers to be successful in selling Breezesta Products, manage competitive practices and discourage price-based Internet advertising.

B. Actual Sales Price

This MIAP Policy governs the prices at which an Authorized Dealer may advertise Breezesta Products on the Internet for sale to the public, as defined below. It does not govern actual resale prices charged by an Authorized Dealer or actual resale prices charged by an Authorized Dealer to a consumer or commercial end-user ("**Resale Prices**"). Authorized Dealers are free to determine, negotiate or adjust Resale Prices, provided that they otherwise comply with the MIAP Policy.

C. Definitions

An “advertisement” is any communication disseminated or accessible to the public, as that term is defined below, on the Internet stating the price at which Breezesta Products will be sold. An “advertisement” includes, but is not limited to, statements communicated to the public through Internet listings (including, but not limited to, listings on the dealer’s own website, or through any third-party Internet marketplace, listing aggregators, or CPA/PPA services, such as Google Ad words), “pop-up” ads, linked videos, blogs, emails, and mailings. “**MIAP Pricing**” means the price listed for a particular Breezesta Product in Schedule A. For sake of clarity, this MIAP Policy does not apply to non-catalog products, non-Breezesta branded products, Breezesta products that are excluded from MIAP, discontinued products, or products in discontinued colors.

CLU’s MIAP pricing is independently established by CLU and may be independently revised from time to time by CLU in its sole discretion.

Traditional, non-Internet media (print, radio, and television), paid and unpaid advertisements, catalogs, billboards, fliers, mailers, classified advertisements, price tags, price stickers, price labels or other in-store promotional displays stating the price at which a product will be sold, affixed to or posted with the product(s), or print or electronic communications, such as catalog or price lists, that are directly distributed to individual customers or lists of individual customers shall NOT constitute an “advertisement” under this Policy.

“Below MIAP Pricing” means advertising for sale on the Internet any Breezesta Product at a price lower than the price listed for that product in Schedule A. This definition also applies to ecommerce accounts. The price advertised on the Internet of any Breezesta Product

CANNOT include or offer in any way explicit or implicit discounts, rebates, or other incentives, including but not limited to, gift cards, forgiveness or elimination of taxes, handling fees customarily added, if the effective net price is below MIAP for that Breezesta Product. For sake of clarity, if an Authorized Dealer advertises to the public any of these incentives, offers or promotions, the value of the incentive, offer or promotion must be added to the advertised price in determining whether the effective price is below MIAP for that Breezesta Product. The only exception to the effective net price of MIAP is the shipping/ freight charges that have become a standard consumer expectation for e-commerce. For this reason, Authorized Dealers are permitted to advertise free shipping.

“Bundling” of CLU products with free or discounted products is not in compliance with CLU’s MIAP if it has the effect of discounting the price advertised on the Internet of any Breezesta Product below the MIAP for that Breezesta Product.

“To the public” means an advertisement that is generally available to members of the public as a whole. For sake of clarity:

- A price is deemed to be advertised “to the public” if the webpage displaying the price is capable of being located or identified directly through an Internet search engine (*e.g.*, google.com, bing.com, etc.) or pricing software.
- A price communicated through the Internet is deemed to be advertised “to the public” if it is conveyed through website features such as “click for price”, automated “bounce-back” pricing e-mails, preformatted e-mail responses, forms, and automatic price display for any items prior to being placed in a customer’s shopping cart, or other similar features or activities, including but not limited to

the use of broadcast emails or placement of ads on any other internet sites including destination and third-party sites such as portal sites, natural or paid search engine listings, social media sites, and shopping or auction sites.

- A price communicated through the Internet is not deemed to be advertised “to the public” if it is displayed and/or accessible only on a secured, password-protected webpage that is not capable of being located through an Internet search engine or Internet pricing software, including on a secure “Checkout” or “Cart” page.

“Schedule A” means the document attached hereto, listing MIAP Pricing for certain Breezesta Products or any revised version of Schedule A that CLU may issue, from time to time, in its sole discretion.

D. Advertising Guidelines

- Authorized Dealers may advertise that a customer may “call for price”, “email for price”, or “email for sale pricing”, or to use substantially similar language as long as no price is listed and no discount percent is listed.
- Authorized Dealers may not display the MIAP with a strikethrough or accompanied by text that indicates a lower price is available.
- Authorized Dealers may advertise that they will “match a competing Authorized Dealer’s actual pricing.”

E. Unilateral Nature of MIAP Policy

This MIAP Policy does not constitute an agreement between CLU and any other person or entity and is subject to unilateral change by CLU at any time.

This MIAP Policy applies to all Breezesta Products listed on Schedule A and all Authorized Dealers.

CLU does not seek and will not accept any agreement with regard to this MIAP Policy. CLU likewise does not seek and will not accept or discuss, any assurance of compliance or other agreement from Authorized Dealers regarding CLU's MIAP or any of their pricing or price advertising practices, either before or after any notice of non-compliance. CLU employees and sales representatives will not discuss this MIAP Policy or any alleged or actual violations with any Authorized Dealer or employees, representatives or agents of any Authorized Dealer. All CLU employees and sales representatives have been instructed not to discuss this MIAP Policy, its application or enforcement, or any investigation or actual or alleged violation, except as set forth in Subsection F below. Authorized Dealers shall not attempt to discuss this Policy with CLU employees or sales representatives.

F. Unilateral Determination of Compliance with MIAP Policy

CLU will determine unilaterally whether its Authorized Dealers have violated this MIAP Policy and notify any offending Authorized Dealer of that determination and the resulting enforcement action. Enforcement of this MIAP Policy is solely CLU's responsibility and solely in CLU's discretion. None of CLU's employees or representatives is authorized to discuss the advertising or pricing of any Authorized Dealer with any other Authorized Dealer. If CLU determines that a violation has occurred, there is no appeal process.

X. WHAT IS CLU'S POLICY REGARDING DECEPTIVE SALES PRACTICES?

CLU does not condone or allow the false, misleading or otherwise deceptive use of the Breezesta Brand Elements or the use of any other practices that CLU deems false, misleading or

otherwise deceptive in connection with the sale or advertising of Breezesta Products (“**Deceptive Practices**”). If CLU determines in its sole discretion that an Authorized Dealer has engaged or is engaging in Deceptive Practices, CLU may cease sales and/or shipments of Breezesta Products to the offending Authorized Dealer, revoke the dealer’s status as an Authorized Dealer, and/or take other appropriate action.

XI. WHAT ACTIONS WILL BE TAKEN BY CLU TO PROTECT, MAINTAIN AND ENHANCE THE VALUE OF THE BREEZESTA BRAND?

In order to maintain the reputation and value of the Breezesta Brand, CLU reserves the right to take the following actions in the event of violations of this Policy:

- A. Terminate the authorized status of offending Authorized Dealers; and/or
- B. Cease, prohibit, delay or otherwise restrict shipments and/or sales of Breezesta Products to offending Authorized Dealers; and/or
- C. Revoke previously earned discounts; and/or
- D. Take other steps to ensure that violations of the Policy will not recur; and/or
- E. Commence legal actions against offending Authorized Dealer to halt violations of the Policy and/or collect damages; and/or
- F. Commence legal actions against unauthorized dealers to halt unlawful use of the Breezesta Brand Elements, collect damages and obtain other relief.

COMPLIANCE WITH THIS POLICY IS MANDATORY. THIS POLICY IS NOT NEGOTIABLE.

Any mistake or error on the part of an Authorized Dealer, inadvertent or not, may be considered by CLU to be a violation of this Policy. The specific details of any such occurrence

may be considered by CLU and may affect the unilateral decision made by CLU in each situation.

CLU may determine that an Authorized Dealer with multiple sales locations has violated this Policy. In such a case, CLU may elect to cancel all current orders and/or refuse future orders to all sales locations of, or affiliated with, that Authorized Dealer.