



CUSTOM DYNAMICS ADVERTISING POLICY

OVERVIEW

Custom Dynamics LLC (“Custom Dynamics”) distributes and sells products bearing its brand names (collectively, the “Products”) under its own trade names, part numbers for the Products, and trademarks (collectively, the “Trademarks”). Custom Dynamics also holds copyrights to the materials published on its website and in all of its catalogs and advertisements (“Copyrighted Material”). In order to monitor the use and maintain the value of its Trademarks and Copyrighted Material, Custom Dynamics has adopted the following Advertising Policy (“Policy”) for all retailers and resellers (“Dealers”) located in the United States (including Puerto Rico, Guam, and the U.S. Virgin Islands) and Canada.

Custom Dynamics and its Dealers work to develop, market and distribute products that represent excellent value for its customers. Custom Dynamics’ Policy helps to maintain the value of its brands, including preserving the goodwill, market value, reputation and image of Custom Dynamics, its Products, and Trademarks.

SUGGESTED RETAIL PRICE (“SRP”) POLICY

Dealers may sell the Products at any price in their sole discretion. However, Custom Dynamics believes that marketing the products bearing the Trademarks at a price other than the SRP undermines the industry reputation and market value of the Products. Therefore, Dealers may use the Trademarks, which include: **“Custom Dynamics®,” “Everything To Light Up Your Ride®,” “Stingerz®,” “Truflex®,” “Magicflex®,” “Truwrapz®,” “Sun Spots®,” “Genesis®,” “Smart Triple Play®,” and “Mega Spotz®,”** in a manner and form approved by Custom Dynamics, Product part numbers and any Copyrighted Material, in connection with Product advertising, publication, catalog, web page, or other printed, audio, video, or electronic material for the corresponding Product as long as they adhere to the following requirement:

NO TRADEMARKS OR COPYRIGHTED MATERIAL MAY BE USED IN ANY ADVERTISEMENT, CATALOG, OR PUBLICATION, WHETHER PRINTED, AUDIO, VIDEO, OR ELECTRONIC UNLESS THE PRICE USED IS THE SUGGESTED RETAIL PRICE AS PUBLISHED BY CUSTOM DYNAMICS.

ADVERTISEMENTS. “Advertisement” is broadly defined as any advertisement, announcement, information, publication, or notice given or made by a Dealer in connection with the solicitation of business or sale of any Product(s) in whatever medium, including print, radio, newsletter, television, handbill, sign (except signs inside the Dealer’s retail store directed to consumers inside the store), catalog, letter (including e-mail), electronic media (including, but not limited to, text messages and all forms of social media such as Facebook, LinkedIn, Twitter, Instagram, etc.) which includes a Dealer’s website address where the Products are offered for sale, telecommunication, internet or online sales. This Policy is not applicable to any in-store advertising such as in-store displays or signs.

PRICING ON INTERNET IS AN ADVERTISEMENT. Prices listed anywhere on an internet site, including but not limited to prices listed in the “shopping cart” are considered an advertisement, and therefore are subject to the Policy. Once the SRP is listed on the final internet checkout page, however, the Dealer is permitted to display “click for discount,” provided that the discount displayed (should the consumer choose to “click for discount”) is not more than 5 percent off of the SRP.

ANY VARIANCE FROM POLICY PROHIBITED. Any deviation from the Policy described above constitutes a violation of the Policy. Prohibited deviations from the Policy also include, but are not limited to, the following:

- Advertisements containing phrases such as “click for price,” “email for price,” “email for best offer,” “call for price,” or other similar phrases implying that the price will be different than the SRP.
- Advertisements offering discounts that do not specifically and conspicuously exclude the Products.
- Any “Buy Now” price on an auction site (such as eBay®) that is below SRP.
- Including “added value” items such as discounts, coupons, promotional codes, or other similar items in connection with the sale of the Products, unless authorized by Custom Dynamics.
- Transshipping of product by the Dealer to other retailers. Dealer must sell to end-user only, unless authorized by Custom Dynamics.
- Supporting, supplying, or in any way facilitating other Dealers, distributors, retailers, or resellers who advertise in violation of the Policy.
- Advertising discounts from SRP of Products prior to final checkout.

ENFORCEMENT.

Custom Dynamics monitors the advertised prices for its Products. Any violations of the Policy and any apparent unauthorized use of the Trademarks or Copyrighted Materials should be reported to David Pribula, (800) 382-1388, or sales@customdynamics.com. If a Dealer does not adhere to the Policy, Custom Dynamics will enforce the Policy in the following manner:

FIRST OFFENSE: Dealer will receive a documented notice of violation (“Notice”) and will be given thirty (30) calendar days to remove the offending print advertisements from publication and distribution and three (3) business days to remove any offending electronic advertisements from web pages, internet sales sites or other electronic media.

SECOND OFFENSE: Dealer will receive a Notice and will be placed on a non-ship basis for a period of thirty (30) days from the date of the Notice with regard to all Custom Dynamics’ Products and will not have access to any Copyrighted Material or use of Trademarks.

THIRD OFFENSE: Dealer will receive a Notice and will be placed on a non-ship basis for a period of ninety (90) days from the date of the Notice with regard to all Products. Dealer will not be permitted to use Custom Dynamics’ Copyrighted Material or Trademarks, and will not have access to Copyrighted Material or Trademarks.

FOURTH OFFENSE: Dealer will receive a Notice and will be placed on a non-ship basis indefinitely with regard to all Products and will not have access to any Copyrighted Material or Trademarks.

LIMITED LICENSE. Custom Dynamics grants to its Dealers a limited, revocable, non-exclusive, non-transferable license (“Limited License”) to use the Trademarks and Copyrighted Materials in connection with the sale and promotion of its products, provided that the Dealer complies with this Policy and any other Custom Dynamics’ policies. The Limited License is for Dealer’s use to fairly and accurately promote the sale of Products and does not permit Dealers to distribute Trademarks or Copyrighted Material to any third party for any purpose other than developing an advertisement for the Dealer. Any use of the Trademarks or Copyrighted Materials shall be accompanied, where appropriate, by an attribution identifying Custom Dynamics as the owner of the Trademark or Copyrighted Material used therein. All Trademark usage must conform to the standards and policies for trademark usage as established by Custom Dynamics in its sole discretion. When using the Trademarks or Copyrighted Material, Dealers must be clearly identified in the advertisement by providing, at a minimum, business name, address, phone number and website.

The Limited License rights granted in this Policy do not include the right of Dealers to register the Trademarks as or within domain names, or to use the Trademarks in Dealer trade names, corporate names, or business names. Dealer recognizes that Custom Dynamics has the exclusive right to all Trademarks used by Custom Dynamics to identify its Products and Dealer agrees that it will not claim any right, title, or interest therein. Nothing herein shall be construed to give Dealer any right, title, or interest in the Trademarks or Copyrighted Material. All Dealer use of Custom Dynamics’ Trademarks inures to the benefit of Custom Dynamics.

CUSTOM DYNAMICS HAS SOLE AUTHORITY REGARDING POLICY. Custom Dynamics, acting through its authorized managers, retains sole authority regarding the Policy. No Custom Dynamics employee or sales representative has any authority to modify or grant exceptions to the Policy. Any representation or action by any unauthorized employee, sales representative, or other unauthorized person is invalid.

To be sure that an advertisement complies with the Policy, a Dealer may submit the advertisement to Custom Dynamics for approval prior to publication. Please allow additional time when using Custom Dynamics Trademarks or Copyrighted Material in advertisements. These requests for approval can be submitted directly to Custom Dynamics at the following address: Custom Dynamics, 15 Cypress Drive, Youngsville, NC 27596. Custom Dynamics will make reasonable efforts to respond to these requests within five (5) business days. In addition, all questions regarding the Policy should be submitted in writing via U.S. Mail to the address above.

DISPUTES. The parties agree that this Policy should be construed under the laws of North Carolina, and that the state and federal courts residing in Wake County, North Carolina shall be the exclusive venue for resolving any legal disputes between the parties.

DEALER ACKNOWLEDGEMENT

I have received a copy of the Custom Dynamics Advertising Policy and I have read and understand the Advertising Policy requirements.

DEALER NAME: _____ DEALER NUMBER: _____

CITY, STATE, ZIP: _____

SIGNATURE: _____

PRINT NAME: _____

DATED: _____

REP NAME: _____ REP NO. _____