

## FRANCHISE DISCLOSURE DOCUMENT



FLORAL IMAGE USA LLC  
A Delaware Limited Liability Company  
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The franchisee will operate a business that specializes in renting high-quality lifelike floral arrangements to customers, primarily businesses.

The total investment necessary to begin operation of a Floral Image franchise ranges from \$128,600 to \$258,850. This includes \$77,950 to \$155,450 that must be paid to the franchisor or affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Note, however, that no governmental agency has verified the information contained in this document.

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Patrick Guillory, Floral Image USA LLC, 6470 E. Johns Xing, Ste 160, Johns Creek, Georgia 30097, tel. 855-6FLORAL, email [USfranchise@floralimage.com](mailto:USfranchise@floralimage.com).

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "[A Consumer's Guide to Buying a Franchise](#)," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance date: November 25, 2025

## How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits E and F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit G includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Floral Image business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Floral Image franchisee?	Item 20 or Exhibits E and F list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

## **What You Need To Know About Franchising Generally**

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

## **Some States Require Registration**

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit C.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

## Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. Out-of-State Dispute Resolution. The franchise agreement requires you to resolve disputes with us by mediation and litigation only in the judicial district in which we have our principal place of business at the time the action is commenced, which is currently Fulton County, Georgia. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate or litigate with us in Georgia than in your own state.
2. Sales Performance Requirement. You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.

Certain states may require other risks to be highlighted. Check the “State Specific Addenda” pages for your state in Exhibit H.

FLORAL IMAGE USA LLC  
FRANCHISE DISCLOSURE DOCUMENT

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ITEM 1  
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

This disclosure document describes Floral Image franchises. In this disclosure document, “we,” “us,” “our” and “Floral Image” mean Floral Image USA LLC, the franchisor. The terms “you” and “your” mean the individual or business entity that signs an agreement with us. If the purchaser of the franchise is a corporation, limited liability company, or other business entity, the individuals who own the business entity will have direct personal obligations to us, as described in this disclosure document. Unless otherwise specified, all figures using the “\$” sign and all references to “dollars” signify U.S. dollars.

The Franchisor

We are a Delaware limited liability company formed on March 26, 2012. Our principal place of business is at 6470 E. Johns Xing, Ste 160, Johns Creek, Georgia 30097. Our telephone number is 855-6FLORAL. We conduct business only under the name “Floral Image.” In this disclosure document, we sometimes refer to ourselves as “Franchisor” or “Floral Image USA.” Exhibit C to this disclosure document lists our agents for service of process, to the extent that we have appointed them.

The Floral Image concept originated in Australia. The founders, Ben Trussell and Graeme Rutter, started the business in 2000 and began franchising in Australia in 2009. The founders created our company to begin offering franchises in the USA. In January 2023, the founders sold majority interest in Floral Image USA LLC to Floral Image North America, LLC (“FINA”), a company formed by new investors for purposes of the acquisition (we refer to this transaction as the “Ownership Change”). The founders continue to own Floral Image Pty Ltd, the Australian company that owns the trademarks and other intellectual property associated with the Floral Image concept. They also own Floral Image Franchising Pty Ltd, which acts as the franchisor of the concept outside of North America, and Floral Image Manufacturing Pty Ltd, which supplies floral arrangements to both franchised and company-owned Floral Image businesses. The founders also continue to own a minority interest in Floral Image USA LLC. We sometimes refer to the founders and Australian companies collectively as “Floral Image Australia.” The principal place of business of Floral Image Australia is 147 Melbourne Street, North Adelaide, SA 5006, Australia.

FINA is our ultimate parent company. In this disclosure document, we refer to ourselves, FINA, and FINA’s other subsidiaries collectively as “Floral Image North America.”

Floral Image USA began offering franchises in the USA in March 2014. At the time of the January 2023 Ownership Change, we entered into a Master Franchise Agreement with Floral Image Franchising Pty Ltd that authorizes us to use the FLORAL IMAGE trademarks and other intellectual property in the USA, Canada and Mexico.

Floral Image USA LLC’s sole business activity is granting and supporting franchises in the USA and Canada. We do not operate any Floral Image locations. However, we have the following affiliates that operate Floral Image locations in the USA:

- Floral Image US Holdings, LLC is a wholly owned subsidiary of FINA and operates the Floral Image locations in Atlanta and Ft. Lauderdale.
- Floral Image OZ Partnership, LLC is a 50/50 joint venture between FINA and Floral Image Australia, with FINA as the sole manager of the LLC. Floral Image OZ Partnership owns and manages ten Floral Image locations in the USA.

In this disclosure document, we refer to the locations operated by our affiliates as “company-owned outlets.” Neither we nor any of our affiliates has ever offered franchises in any other line of business.

### The Floral Image Franchise

Floral Image businesses provide high-quality lifelike floral arrangements on rental to business customers (such as hotels, offices and salons) and private homes. Floral Image franchisees deliver the floral arrangements to the customer’s site, replacing the arrangements on a monthly basis.

We offer qualified individuals and business entities the right to operate a FLORAL IMAGE business within a defined geographic area under our standard form of Franchise Agreement for the USA. Our current form of Franchise Agreement appears in Exhibit A to this disclosure document. As part of the Franchise Agreement, we supply you with all of your requirements of floral arrangements (the “Stock”) for your Floral Image business. We source the inventory from Floral Image Manufacturing Pty Ltd (“FIM”) in Australia and resell it to you.

Floral Image businesses operate under a distinctive set of specifications and operating procedures (collectively, the “System”). We have described the mandatory and recommended standards and procedures in a set of confidential operations manuals (collectively, the “Operations Manual”). We will provide you with electronic access to the Operations Manual. We have the right to change the Operations Manual and the elements of the System at any time.

You must designate an individual who is responsible for the day-to-day operational performance of your Floral Image business (the “Key Person”). For the first year of operation, the principal owner of the franchise must serve as the Key Person, unless we give you written approval for a non-owner to serve as your Key Person.

We will establish Key Performance Indicators (KPIs) for your business based on our and our predecessor’s 10+ years of operating in the US and Floral Image Australia’s 20 years of operating globally. The KPIs focus on customer pipeline, trials, close rate, and number of floral arrangements on hire, plus additional metrics. Please see Item 12 for details.

### Market and Competition

The business of renting lifelike floral arrangements is developing. You will compete with local, regional and national businesses, including those offering fresh flowers, such as florist shops, and businesses offering plant rental to corporate offices. Businesses in general compete on the basis of many factors, such as price, service, location, floral

arrangement offerings and quality, hospitality, customer experience, and promotions and marketing programs. Competition is also affected by other factors, such as changes in consumer trends, economic conditions and seasonal fluctuations.

#### Industry-Specific Regulations

We are not aware of any laws or regulations that are specific to the type of business that you would operate as our franchisee.

### ITEM 2 BUSINESS EXPERIENCE

#### Chairman of the Board of FINA: Mark Traylor

Mr. Traylor has been Chairman of the Board of FINA since January 2023. From December 2020 to January 2023, he served on advisory boards for Authomate, Inc., Mogean, Inc., Draftserve Technologies, LLC, and Perus Wine Company, LLC . From December 2015 to December 2020, he was the Executive Chair of TRILink Saw Chain, a global manufacturer and distributor of aftermarket parts for chainsaws and outdoor power equipment in Atlanta, Georgia. Mr. Traylor co-founded TRILink in 2005 and served as its CEO until 2015.

#### Chief Executive Officer: Patrick Guillory

Mr. Guillory has been our CEO and CEO of FINA since September 2024. He also co-owns a multi-unit Kidokinetics franchise with his wife, with locations in Marietta, GA, Charlotte, NC, and Memphis, TN. From January 2023 to September 2024, he was a franchise business consultant with FranChoice. From May 2021 to December 2022, he was President and CEO of EGLO USA, an Austrian decorative lighting manufacturer. From July 2014 to May 2021, he held various Marketing and Sales Director roles for the AMES Companies, a manufacturer of non-powered lawn and garden tools.

### ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

### ITEM 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5  
INITIAL FEES

Territory Fee. The initial territory fee ("Territory Fee") is \$60,000 for a territory typically encompassing 10,000 business listings or a population of 350,000 persons. If you license more than one territory in the same transaction, we reduce the Territory Fee for the second territory to \$50,000 and for the third territory to \$25,000. These reductions do not apply if you license the additional territories at different times. The Territory Fee is due when you sign the Franchise Agreement and is non-refundable.

Existing Customer Fee. If the Territory has an existing customer base due to the servicing of customers by a prior Floral Image operator in the Territory or by a franchisee from a neighboring territory, you will pay us, in addition to the Territory Fee, a non-refundable "Existing Customer Fee" equal to one times the annual revenue from customers in the Territory at the time you sign the Franchise Agreement.

Opening Stock. You must lease your Stock of floral arrangements from us. We will confirm your initial order of Stock (the "Opening Stock") when you sign the Franchise Agreement. The Opening Stock will consist of approximately 250 floral arrangements: 50 small displays, 150 medium displays, and 50 large displays.

The monthly lease charge for the Stock is \$8 for a small display, \$10 for a medium display, and \$11 for a large display (see Item 6). You will not begin paying the monthly charge until you receive the Opening Stock and begin operating the business. However, before you open, we will invoice you for the actual freight cost of shipping the Opening Stock from an on-shore third-party logistics company to your business location. The shipping cost will vary based on each franchisee's location. Both the monthly charge and the shipping cost are non-refundable. There were no orders of Opening Stock by new USA franchisees in 2024.

Grand Opening Marketing. You must conduct grand opening marketing for the Franchised Business according to a plan that you will create, subject to our approval. You must spend at least \$15,000 for grand opening. We reserve the right to require you to deposit with us the funds required for the grand opening, which we will distribute as necessary to carry out the approved plan.

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ITEM 6  
OTHER FEES

<b>Type of Fee (Note 1)</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Royalty	<p>8% of Gross Revenue or the applicable Minimum Royalty, whichever is greater.</p> <p>“Minimum Royalty” means:</p> <p>\$500 per month starting at the 12th month of operation; and</p> <p>\$1,000 per month starting at the 24th month of operation and thereafter.</p>	On the 15 <sup>th</sup> of each month based on Gross Revenue for the prior month.	<p>“Royalty Fee” is our term for the franchise royalty and does not refer to any specific services. See Note 2 for the definition of “Gross Revenue.”</p> <p>The applicable Minimum Royalty is per territory and determined by measuring from the original opening date of the Franchised Business, which means the date on which you or any prior owner or predecessor operator of the Franchised Business first opened the Franchised Business.</p>

Type of Fee (Note 1)	Amount	Due Date	Remarks
Lease of Stock	<p>Tier 1 (up to 400 units): \$8 for a small display, \$10 for a medium display, and \$11 for a large display, per unit.</p> <p>Tier 2 (for units from 401 to 500): \$7 for a small display, \$9 for a medium display, and \$10 for a large display, per unit.</p> <p>Tier 3 (for units over 500): \$6 for a small display, \$8 for a medium display, and \$9 for a large display, per unit.</p>	Monthly	<p>The lease term for each unit of Stock is 5 years, which is the full useful life of a display. You must cease using and dispose of the display at the end of the lease term.</p> <p>We may annually adjust the lease rates for units of Stock based on our costs of obtaining the displays from Australia. Any increases in lease rates will be limited to the increases in our actual costs. Changes in lease rates will not apply to units of Stock you already have under lease; they will only apply to new orders.</p> <p>You must lease additional Stock from us (i) to replace units that have reached the end of their lease term; and (ii) to meet the KPI growth metrics. Please see Items 10 and 12 for details.</p>
Brand Fund Contribution	2% of Gross Revenue	Monthly	The purpose of the Brand Fund is to support general development and recognition of the Floral Image brand in North America. We can set the contribution rate at any amount up to 2% of Gross Revenue.
Technology Fee	\$795 per month	Monthly	The monthly fee covers two seats for the entire tech stack we require for the Franchised Business, which currently consists of Salesforce, Leadbeam, Xero, intranet portal, branded email accounts, and the Chaser AI Collections platform. You pay the fee to us and we pay the respective vendors. The fee is subject to adjustment for inflation; see Note 1.

<b>Type of Fee (Note 1)</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
On-Going Training	\$1,500 per week or \$300 per day	Before training begins	We reserve the right to charge you for any Induction Training required after the commencement of your Franchised Business and for any other training programs we may require from time to time.
Convention Fee	Not to exceed \$1,000 per attendee	As incurred	In addition to the registration fee, you will bear all travel and accommodation costs in attending any meeting or conferences. The maximum is subject to adjustment for inflation; see Note 1.
Customer Complaints	Our actual cost of investigation and any compensation, refund, or goodwill payment to customer	As invoiced	Payable to us only if you do not pay the costs directly and we handle the customer complaint (as we consider appropriate in our discretion). You must promptly respond to all customer inquiries and complaints.
Interest on Overdue Amounts	12% per annum or the maximum rate permitted by applicable law, whichever is less (Note 3)	With overdue amount	Payable only if you don't pay us or our affiliates on time. Interest will be charged only on overdue amounts and will start to accrue on the date when the payment was originally due. The amount of interest to be charged will not exceed the maximum allowable legal rate in your state.
Late Fee	\$100 for second occurrence of payment more than 30 days past due; \$200 for third occurrence; \$300 for each subsequent occurrence	With payment of overdue amount or submission of late report	We can charge a late fee to compensate us for our administrative costs incurred in enforcing your obligations to pay us and to submit required reports to us.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Insufficient Funds Fee	The amount the bank charges us due to insufficient funds in your account.	Upon demand	Payable if we make an electronic funds transfer request and it fails due to insufficient funds in your account.
Audit Costs	Our actual costs and expenses associated with the audit, including reasonable accounting and legal fees	As invoiced	Payable only if: (a) you did not submit Gross Revenue statements; (b) you did not keep full books and records; or (c) the total Gross Revenue you reported for any three consecutive months is more than 2% below the audited Gross Revenue. You will also have to pay interest on any underpayment (see "interest" above and Note 3).
Management Fee	Up to \$500 per day, plus reimbursement of our actual expenses	As invoiced	Payable only if: (a) the Key Person (see Item 15) dies or is incapacitated and we elect to manage the Franchised Business pending transfer of his or her interest; or (b) the Key Person is arrested for or formally charged with a serious criminal offense and we take over operation of the Franchised Business pending final disposition of the charges; or (c) you fail to cure any default within the applicable cure period (if any) and we exercise our right to assume temporary management of the Franchised Business until we determine that the default has been cured.
Renewal Fee	\$5,000	When we approve you for renewal	You pay the renewal fee instead of a new Territory Fee. The amount is subject to adjustment for inflation; see Note 1.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Transfer Fee	10% of the purchase price of the Franchised Business, plus our actual costs for legal fees	At closing of transfer	Payable if Franchisee or the Owners sell the Franchised Business, the equity in your company, or any party's interest in your company. In addition, the buyer must pay us the Induction Training Fee. The Transfer Fee is subject to state law.
Liquidated Damages	Your average monthly Royalty Fees and Brand Fund contributions for the 12 months before delivery of our notice of default, multiplied by 24 or the number of months remaining in the Agreement term, whichever is less.	Upon request	You must pay this amount to compensate us for our lost future royalties and to compensate the Brand Fund for lost future contributions if we terminate the Franchise Agreement as a result of your default or if you abandon the Franchised Business.
Indemnity	Our actual costs sustained from any claims arising directly or indirectly from your activities under the Franchise Agreement	As incurred	You must reimburse us for our costs sustained from any claims arising directly or indirectly from your activities under the Franchise Agreement. This includes any liabilities, damages, losses, and expenses we incur as a result of the claim, including but not limited to reasonable attorneys' fees, costs of investigation, settlement costs, fines, civil penalties, and interest charges. This requirement is subject to state law.

Notes:

1. Except as otherwise stated, all fees are payable to us or our affiliates, are uniform for new franchisees receiving this offering in the USA, and are non-refundable. We have the right to increase all fixed dollar amounts under the Franchise Agreement by an amount equal to increases in the Consumer Price Index-All Urban Consumers ("CPI"), as published by the U.S. Bureau of Labor Statistics ("BLS"), not to exceed 5% in any year. Any such increase will take effect 30 days after notice

from us. If the BLS no longer publishes the CPI, then we will designate a reasonable alternative measure of inflation.

2. "Gross Revenue" means all revenue from the sale of products and services and all other income of every kind related to the Franchised Business, whether for cash, credit, trade, barter or other value and regardless of collection in the case of credit, less any bona fide refunds given to customers in the ordinary course of business. For greater certainty, Gross Revenue includes revenue from any services performed using any portion of the System, the Licensed Marks (such as service vehicles, invoices, and uniforms bearing the Licensed Marks), the Confidential Information, any employees of the Franchised Business, or the telephone number of the Franchised Business (whether or not the products or services were approved by us). "Gross Revenue" does not include any sales taxes or other taxes you collect from customers and pay directly to the appropriate taxing authority. We reserve the right to modify our policies and practices regarding revenue recognition, revenue reporting, and the inclusion or exclusion of certain revenue from "Gross Revenue" as circumstances, business practices, and technology change. If your Gross Revenue report is not received when due, we have the right to estimate Gross Revenue and to draft from your Account the estimated amount due for royalties, Brand Fund contributions, and any other charges that are calculated based on Gross Revenue.
  
3. Interest starts to accrue when your payment was initially due. Interest rates will not exceed any maximum rate that may be imposed under applicable law in your state.

ITEM 7  
ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	From	To			
<b>Territory Fee (Note 1)</b>	\$60,000	\$135,000	Lump sum	Upon signing Franchise Agreement	Us
<b>Opening Stock (Note 2)</b>	\$2,450	\$2,450	Lump sum	First month after delivery	Us
<b>Shipping Cost for Opening Stock</b>	\$500	\$3,000	Lump sum	Upon receipt of our invoice	Us

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	From	To			
<b>Delivery Vehicle (Note 3)</b>	\$5,000	\$9,000	As arranged	Before opening + monthly	Leasing company
<b>Vehicle Wrap (Note 4)</b>	\$3,500	\$4,500	As arranged	As incurred	Suppliers
<b>Vehicle GPS and Camera (Note 5)</b>	\$0	\$500	As arranged	As incurred	Suppliers
<b>Computer/ Technology (Note 6)</b>	\$1,000	\$5,000	As arranged	As incurred	Suppliers
<b>Storage Facility (Note 7)</b>	\$200	\$1,000	As arranged	Monthly	Landlord
<b>Printing, Stationery and Signage (Note 8)</b>	\$500	\$3,000	Lump sum	At time of order	Printers
<b>Apparel (Note 9)</b>	\$300	\$900	Lump sum	As incurred	Suppliers
<b>Insurance (Note 10)</b>	\$5,000	\$15,000	As arranged	As incurred	Insurance Providers
<b>Initial Training Expenses (Note 11)</b>	\$5,000	\$15,000	As arranged	As incurred	Employee, airlines, hotels, restaurants, etc.
<b>Business Licenses and Permits (Note 12)</b>	\$150	\$4,000	As incurred	As incurred	Government Agencies
<b>Professional Fees (Note 13)</b>	\$3,500	\$8,000	As arranged	As incurred	Your attorney, accountant, other professionals

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	From	To			
<b>Air Compressor &amp; Cargo Barrier (Note 14)</b>	\$1,500	\$2,500	As arranged	As incurred	Leasing Company
<b>Grand Opening Marketing</b>	\$15,000	\$15,000	As arranged	As incurred	Us or Vendors
<b>Additional Funds (3 months) (Note 15)</b>	\$25,000	\$35,000	As incurred	As incurred	Suppliers, employees and other creditors
<b>TOTAL ESTIMATED INITIAL INVESTMENT</b>	<b>\$128,600</b>	<b>\$258,850</b>			

Notes to Item 7 Table:

1. TERRITORY FEE. See Item 5 for information about the Territory Fee. The low end of the range assumes you license one territory; the high end of the range assumes you license three territories in the same transaction. Both assume no Existing Customer Fee is applicable.
2. OPENING STOCK. You must lease all Stock from us. The estimate is based on our lease charge of \$8 per unit for a small display, \$10 per unit for a medium display, and \$11 per unit for a large display for 250 units of Opening Stock for the first month of operation. See Item 5 for further information. The charge is non-refundable but we will replace any units that arrive damaged or do not match the description in your order confirmation.
3. DELIVERY VEHICLE. You must use only vehicles that meet our specifications to deliver floral displays to your customers. During the term of your Franchise, depending on the volume of your business, you may need to increase the number of vehicles that you use.
4. VEHICLE WRAP. We require that each delivery vehicle display certain Floral Image graphics. You must follow the Floral Image Van Wrap Guidelines.
5. VEHICLE GPS AND CAMERA. You must equip each delivery vehicle with a geo-location device and camera. The estimate in the chart covers the up-front cost of the equipment and installation. The cost will be \$0 if you already have a vehicle with this equipment installed.
6. INFORMATION TECHNOLOGY. We require that you have certain technology systems and smart phone capabilities, as further described in Item 11. This estimate covers the cost of the hardware and software necessary to meet these

requirements and includes \$0 to \$1,500 for the first-year cost of recommended annual support.

7. STORAGE FACILITY. The estimate assumes that you will operate the Franchised Business out of a home office, at least initially, but will rent a storage unit to store your Stock. You typically will need a storage unit of 100 to 200 square feet to store your Stock. If you rent a storage facility, it must be located within your Territory. The low estimate in the Table assumes that you rent a 10x10 storage unit and the high estimate assumes you rent a 10x20 unit. The estimate covers the first month of rental.
8. PRINTING, STATIONERY AND SIGNAGE. The cost of printing, stationery and signage will vary depending on your expected initial volume of business and whether you decide to operate out of a commercial location. You must follow the Floral Image Printing Specifications found in the Marketing Toolkit and use the designated vendor detailed in Item 8.
9. APPAREL. We have the right to require you to obtain and wear Floral Image uniforms. We currently do not mandate uniforms, but a professional clean look is expected. The estimate for apparel assumes \$300 per person for a staff (including yourself) of 1 to 3 persons.
10. INSURANCE. The estimate is for the first year's premium for the minimum coverage we currently require. Insurance costs will vary depending on the size and location of your Franchised Business and your claims history. Item 8 provides more information on your insurance obligations.
11. INITIAL TRAINING EXPENSES. This provides an estimate of your costs associated with the required Induction Training. The estimate includes travel, meals, auto and lodging for 2 weeks. The "low" estimate and "high" estimate assume that you send 1 or 2 individuals for training, respectively. The cost you incur will vary depending on factors such as the distance traveled, mode of transportation, travel preferences (such as air travel or ground transportation), nature of accommodations, *per diem* expenses actually incurred, and the number of persons who will attend training.
12. BUSINESS LICENSES AND PERMITS. Local, municipal, county, and state regulations vary on what licenses and permits are required for you to operate. You will pay these fees to governmental authorities before starting the business.
13. PROFESSIONAL FEES. The estimate is for legal, accounting, and other professional fees that you may incur before you open for business, including (among other things) to assist you in reviewing this disclosure document and the Franchise Agreement.
14. AIR COMPRESSOR & CARGO BARRIER. You must purchase a specified air compressor and cargo barrier for your vehicle(s). This estimate includes installation.

15. ADDITIONAL FUNDS. You will need additional capital to support on-going expenses (such as payroll, vehicle operating costs, market startup costs, storage space rent, and utilities) to the extent that these costs are not covered by revenue from your business operations. We believe that the estimated amount will be sufficient to cover on-going expenses for the first three months of operation. This is only an estimate, however, and there is no assurance that additional working capital will not be necessary during this start-up phase or after. Our estimate is based on the experience of the initial Floral Image businesses in the USA.

Except for leasing the Stock, we do not offer direct or indirect financing for the items included in your initial investment. Unless otherwise stated, the payments to us in this Item are non-refundable. Payments to other suppliers may be refundable, depending on your arrangements with the suppliers.

ITEM 8  
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We have the right to require that all floral arrangements, inventory, equipment, technology, payment systems, vehicles, vehicle graphics, signs, uniforms, stationery, supplies, and other products and services that you purchase for use or resale in the Franchised Business: (a) meet specifications that we establish from time to time; and/or (b) be purchased only from vendors that we have expressly approved; and/or (c) be purchased only from a single source (which may include us or our affiliates) at the then-current price. To the extent that we establish specifications, require approval of vendors, or designate specific vendors for particular items, we will notify franchisees via the Operations Manual or otherwise.

The following specific restrictions on your purchasing are in effect as of the issuance date of this disclosure document, but we can impose other restrictions at any time.

**Items you must source from us or affiliates:**

*Floral Arrangements.* To protect the Floral Image designs and to ensure the quality, uniformity, and distinctiveness of the Stock furnished to customers, you must lease all of your Stock from us (see Item 10). We are responsible for importing the Stock but you are responsible for the cost of shipping from the logistics company to your Territory. You are also responsible for any federal, state, or local taxes assessed on our lease of Stock to you. You may rent to customers only the floral arrangements designed and manufactured by Floral Image Australia and leased by us. You may not use any other floral arrangements in the Franchised Business.

You must submit orders for Stock in the manner we require from time to time, which may include use of an online or mobile portal we designate. All orders will be subject to our then-current standard terms and conditions for franchisee customers. We have the right to change our standard terms and conditions on reasonable notice of not less than 45 days. We reserve the right to refuse orders from or deny shipment of Stock to any purchaser who has a past due balance.

Subject to availability from Floral Image Australia, we will make available to you the entire range of current designs. You must keep on hand a quantity and variety of Stock sufficient to meet the inventory requirements set out in the Operations Manual (or to meet reasonably anticipated customer demand, if we have not prescribed specific standards). We may require you to participate in seasonal promotions and to order Stock as reasonably necessary for participation. In the event of shortages, we have the right to allocate Stock among Floral Image businesses in our discretion.

You must maintain and care for your inventory of floral arrangements in accordance with the standards and specifications set forth in the Operations Manual. This includes, but is not limited to, standards for fashioning, cleaning, sanitizing, repairing and refreshing, replacing, and disposal of arrangements.

Floral Image Australia continuously adds new designs, modifies existing designs, and discontinues outdated designs. Designs become outdated over a 5-year lifecycle. Accordingly, to keep your inventory up to date, you must replace each display after it has been in your inventory for 5 years. In addition, in order to have adequate Stock to achieve your KPIs, you must add Stock to increase your inventory. The minimum number of floral arrangements you must have in inventory at all times is the sum of (a) the number of units you have on hire, plus (b) 100 trial units, plus (c) a minimum of 50 units In storage.

**Items you must source from designated or approved third parties:**

Technology Package. You must use the following technology systems:

- *Salesforce Customer Relationship Management (CRM) platform.* This platform is owned by salesforce.com, Inc. We are not affiliated with salesforce.com, Inc.
- *Leadbeam.* This system links with Salesforce Data and GPS routing systems as well as Xero Accounting System and aims to improve changeover efficiency, assist with long-standing client relationships and provide a competitive advantage. This system is owned by Leadbeam Inc. We are not affiliated with Leadbeam Inc.
- *Xero Accounting Software.* Salesforce and Leadbeam integrate with this system. This system is owned by Xero Limited. We are not affiliated with Xero Limited. We will have read-only access to your Xero Limited account.
- *Chaser AI Collections platform.* This system is owned by Chaser Technologies Limited. We are not affiliated with Chaser Technologies Limited.

Other than the systems included in the technology package, we do not currently require the purchase of any specific devices or software, although you must have a computer, reliable internet service at all times, and a smart phone to connect to the Salesforce platform. We have the right to prescribe other applications and information technology services that you must use.

Uniforms. We do not currently require franchisees to wear uniforms, but we reserve the right to do so. If we implement this requirement, you will have to source Floral Image uniforms from a designated vendor.

Printing. All printing, stationery and signage must be purchased from Kocreators. We are not affiliated with Kocreators.

Payment Processing. You must use Stripe for credit card processing on customer transactions. We are not affiliated with Stripe.

**Items that must meet our specifications:**

If we do not require you to use a designated source or approved vendor for a particular item, you may purchase the item from any vendor you choose, so long as your purchases conform to our standards and specifications. As of the date of this disclosure document, you must follow our specifications for the following:

Delivery Vehicle. You must have a delivery vehicle dedicated to servicing your Floral Image business. The delivery vehicle must meet our standards as set out in the Operations Manual, be roadworthy, and keep with the image of Floral Image at all times. You are required to use the Van Wrap Guidelines (located in the Marketing Toolkit) to ensure uniformity in the presentation of the Floral Image brand to customers.

Geolocation service. Each vehicle must be equipped with a geo-location device and camera, with a subscription to a tracking service vendor of your choosing. The fee for this service is paid directly to the vendor. We require proof of enrollment in the tracking service.

Insurance. You must obtain all insurance coverage that we require. We currently require public liability and product liability insurance policies, with insurers approved by us, as well as statutory workers' compensation and business automobile insurance, where applicable, and/or income protection or personal accident and illness coverage. You must also insure all Stock against casualty, damage, loss or theft from the moment you take delivery. Currently, we require the following insurance:

TYPE OF INSURANCE POLICY	COVERAGE REQUIREMENTS
Commercial General Liability	Each occurrence – \$1,000,000 General Aggregate Limit - \$2,000,000
Products/Completed Operations	Each occurrence – \$1,000,000 Aggregate Limit - \$2,000,000
Personal and Advertising Injury	Limit - \$1,000,000
Business Personal Property (replacement cost basis including business interruption coverage)	Value
Tenant Improvements	Value
Automobile Liability	\$1,000,000/\$1,000,000
Worker's Compensation	Statutory

All liability and property damage policies must name us as additional insureds (and provide Additional Insured – Grantor of Franchise) and provide us with 30 days' advance written notice in the event of cancellation, material change, or non-renewal.

If you do not maintain the required insurance coverage, we have the right (but no obligation) to obtain insurance on your behalf. If we do so, you must reimburse us for the cost of insurance, plus pay our actual expenses incurred in obtaining the insurance.

Lease. If you lease a commercial location for the Franchised Business, you must submit the proposed lease to us for approval before you sign it. See Item 11 under the heading "Site Selection" for more details.

Vendor Approval. If you want to buy from a vendor we have not approved, you first must submit a written request asking for our approval. We will provide our specifications and standards directly to the proposed vendor by email, subject to a confidentiality agreement for any proprietary information. When considering whether to approve a proposed vendor, we will consider the following factors, among others: whether the vendor can demonstrate the ability to meet our then-current standards and specifications; whether the vendor has adequate quality controls and capacity to supply franchisees' needs promptly and reliably; and whether the vendor's approval would enable us to take advantage of marketplace efficiencies. We may require that our representatives be permitted to inspect the proposed vendor's products and facilities. We also may require the proposed vendor to comply with other requirements, including for example payment of reasonable continuing inspection fees and administrative costs. We will make our criteria for approving vendors available to you.

We generally will approve or disapprove the proposed vendor within 30 days after receiving all requested information and completing evaluation and testing, if required. You may not use or sell any products or services of the proposed vendor until you receive our written approval.

We reserve the right to re-inspect the facilities and products of any approved vendor and to revoke our approval if the vendor no longer meets our then-current criteria. Upon receipt of written notice of revocation, you must stop using the disapproved vendor. In addition, if we revoke our approval of specific products because they fail to meet our standards, you may be required not to use your remaining inventory of those products.

\* \* \*

As of the issuance date of this disclosure document, neither we nor any of our affiliates is an approved supplier of any products or services to franchisees in the USA other than the Stock. However, we reserve the right to designate ourselves and/or our affiliates as an approved supplier, or as the only approved supplier, for particular products and services in the future. We may earn a profit on the Stock and other products and services we lease or sell to you and other franchisees. In the fiscal year ending December 31, 2024, we received \$58,231 in revenue from sales to Floral Image businesses in the USA. This was 11.6% of our total revenue of \$501,556 for the fiscal year.

We also reserve the right to collect and retain commissions, rebates, marketing allowances, discounts, credits, and other benefits offered to us or to our affiliates by third party manufacturers, vendors and distributors. Subject to applicable state law or agreement with the vendor, we have no obligation to use these payments or benefits in a particular fashion or to pass them through to you. In the fiscal year ending December 31, 2024, we received no such payments or benefits. None of our officers owns an interest in any unaffiliated suppliers.

We estimate that 95% of your total purchases and leases in establishing your Floral Image business and 95% of your total purchases and leases in operating your business will be subject to at least one of the restrictions described in this item.

As of the date of this disclosure document, there are no purchasing cooperatives or distribution cooperatives in our franchise system in the USA. We may negotiate purchasing arrangements, including pricing terms, with third parties on behalf of our franchisees. We do not provide material benefits to franchisees based on their purchase of particular products or services or use of particular suppliers.

ITEM 9  
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document.

Obligation	Section in Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	4.1 and 4.2	1 and 11
b. Pre-opening purchases/leases	4.5, 4.6, 4.7, 4.8, 8.2	5, 7, and 8
c. Site development and other pre-opening requirements	4	8 and 11
d. Initial and ongoing training	5	6,7, and 11
e. Opening	4.10	Not Applicable
f. Fees	4.1, 4.10, 5.4, 5.7, 9, 11.2, 14.2.3, 14.3, 14.4, 15.5, 19.1.6, 20, 23.9, Appendix A	5, 6, and 7
g. Compliance with standards and policies/Operations Manual	4.3, 4.6, 5.1, 7.1, 7.2, 7.12, 7.19, 8.6	11 and 14
h. Trademarks and proprietary information	12	13 and 14
i. Restrictions on products/services offered	6, 7.5, 7.8	8, and 16
j. Warranty and customer service requirements	9.5, 19.1.3	16

	Obligation	Section in Franchise Agreement	Disclosure Document Item
k.	Territorial development	2.2, 2.4	12
l.	Ongoing product/service purchases	6.1, 6.7	6, 7, and 8
m.	Maintenance, appearance and remodeling requirements	6.7	8
n.	Insurance	11	7 and 8
o.	Marketing	4.8, 8, 10.7	6 and 11
p.	Indemnification	20	6
q.	Owner's participation/management/staffing	5.1, 7.18, 18.1	15
r.	Records/reports	7.15, 7.17, 9.7, 10	6
s.	Inspection/audits	7.15, 7.17, 10.5, 10.6	6 and 11
t.	Transfer	14	17
u.	Renewal	19, Data Sheet	17
v.	Post-termination obligations	16	17
w.	Non-competition covenants	17	17
x.	Dispute resolution	23	17
y.	Other-Taxes/permits	4.4, 6.6, 7.22, 9.9	1
z.	Other- Personal Guarantee	18.2	15

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ITEM 10  
FINANCING

As noted in Item 5, you are required to lease your Stock directly from us. We do not provide the option for franchisees to purchase the Stock outright. The terms of leasing are summarized below.

Item Leased	Monthly Lease Rate	Term	Prepayment	Personal Guaranties Required	Security Required	Potential Liability on Default	Loss of Legal Rights on Default
Stock of floral arrangements	Based on number of units in your inventory; see below	5 years	N/A	No	Yes, we have a lien on your inventory of Stock	Acceleration of entire amount due, court costs, and attorney's fees for collection, cross-default under Franchise Agreement	You waive presentment, demand, notice of nonpayment, notice of intent to accelerate, notice of acceleration, diligence in collection, and all other notices and acts to which a lessee might otherwise be entitled under any applicable law; you consent to jurisdiction of and venue in Georgia courts.

The total monthly payment is based on the number of units you have:

- **Tier 1:** Up to 400 units, the monthly payment is \$8 for a small display, \$10 for a medium display, and \$11 for a large display, per unit.
- **Tier 2:** For units from 401 to 500, the monthly payment is reduced to \$7 for a small display, \$9 for a medium display, and \$10 for a large display, per unit.
- **Tier 3:** For any units over 500, the monthly payment is further reduced to \$6 for a small display, \$8 for a medium display, and \$9 for a large display, per unit.

Upon the completion of the 5-year term for each leased unit and all payments, you must dispose of the unit.

You must lease additional inventory above the Opening Stock quantity described in Item 5. The minimum number of floral arrangements you must have in inventory at all times is the sum of Number of Units on Hire + 100 Trial Units + 50 In Storage.

We may annually adjust the lease rates for units of Stock based on our costs of obtaining the displays from Australia. Changes in lease rates will not apply to units of Stock you already have under lease; they will only apply to new orders.

We will monitor and track inventories of franchisees. We will not auto-ship to you, but we will notify you to order if your inventory is below the standard.

Except as described above, we do not offer direct or indirect financing. We do not guarantee your note, lease, or other obligation.

ITEM 11  
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

Pre-opening Obligations. Before you open your Floral Image business:

- (1) We will lease and ship to you the Opening Stock and will make available the entire range of Stock in accordance with the policies and procedures specified in the Operations Manual. (Franchise Agreement, Sections 4.4, 6.1).
- (2) We will furnish you with electronic access to the Operations Manual and other materials relating to the operation of the business. (Franchise Agreement, Section 7.2).
- (3) We will provide the Principal Owner and the Key Person with Initial Training. (Franchise Agreement, Section 5.1).
- (4) We will distribute the funds to carry out the approved grand opening marketing plan. (Franchise Agreement, Section 4.7).

Continuing Obligations. After your Floral Image business opens:

- (1) We will continue to supply your Stock under the lease program. (Franchise Agreement, Section 6.7).
- (2) We will provide your personnel with refresher training and any other training that we require from time to time. We may charge you for additional trainees, remedial training, and optional training. (Franchise Agreement, Sections 5.2, 5.4). Other than our Initial Training, we do not provide assistance in hiring or training your employees. (Franchise Agreement, Section 5.6).
- (3) We will review your advertising and marketing plans and materials. We have the right to establish maximum and/or minimum prices for the Franchised Business. (Franchise Agreement, Section 7.10, 8.6).
- (4) We will maintain the Brand Fund and will make available to you any creative materials financed by the Brand Fund. (Franchise Agreement, Section 8.4).
- (5) We will use commercially reasonable efforts to develop Key Accounts to provide services on a national, regional, or other multi-territory basis. (Franchise Agreement, Section 2.5).

## Site Selection

You are responsible for selecting your specific business location within your Territory. Your business location will be listed in the Data Sheet to the Franchise Agreement. We anticipate that most franchisees will operate from a home office, but if you choose a commercial location, then you must obtain our prior written approval before acquiring, leasing, fitting out, opening to the public, and conducting business from the commercial premises. Factors we will consider in approving commercial premises include storage capacity for your inventory, ease of access for your delivery vehicle, proximity to the likely customer base, and consistency with our brand image. We do not own premises and lease them to franchisees, and we do not assist you in any lease negotiations for a commercial location. We do not provide assistance with conforming the premises to local ordinances and building codes, obtaining required permits, construction or remodeling, etc.

There is no specific time limit for us to approve or disapprove your proposed location, but we expect to make a decision within 30 days after you submit the proposed location. If you and we cannot agree on a business location, you will not be able to start business. If you have not started business by the Commencement Date specified in your Franchise Agreement, we can terminate the Franchise Agreement.

## Time between Signing the Franchise Agreement and Starting Business

We estimate that the time between signing the Franchise Agreement and beginning operations will be approximately 45 to 60 days. Factors that may affect this time period include (as applicable) the time needed for delivery of your Opening Stock, which may be affected by weather, shipping, or other delays; whether you decide to operate from a commercial location; your ability to secure financing and obtain necessary permits and licenses; and the time needed to hire staff, if you so choose.

## Advertising and Marketing Program

We do not specify a minimum amount that you must spend on marketing activities in your Territory, but each financial year you must prepare a marketing plan for the following year and submit it to us for approval. You must also consult with and report to us regarding the results of your Territory marketing from the previous year and the proposed activities for the following year. In conducting your marketing and advertising, you must comply with advertising laws and with advertising standards we establish from time to time. The amount you spend will be paid directly to suppliers of the marketing activities. You can develop your own advertising and marketing materials, but you may not use them in any media without our prior written approval, irrespective of whether the Marks are used in the advertising or promotional material. We may refuse to approve proposed advertisements. We may also revoke previous approvals of advertisements on reasonable grounds. You must immediately remove or stop using any material for which we have revoked approval.

*Brand Fund.* You must contribute to the Brand Fund as described in Item 6. We will use your contributions and any earnings: (1) for advertising, marketing, sales promotions,

public profile, public relations, and production of materials, in the manner we determine from time to time; (2) to pay the salaries of people employed and the fees of professional advisors engaged at our discretion to assist us with the Fund; and (3) to pay any other costs we incur related to administration of the Brand Fund, including but not limited to expenses, fees and charges to maintain a separate bank account to pay any taxes payable on or in respect of the Brand Funds or interest. Any company-owned Floral Image businesses operating in the USA will contribute to the Brand Fund on the same basis as franchisees.

We will have complete discretion to determine the timing, selection and placement of advertising, sales promotions and public relations supported by the Brand Fund. You must participate in any market research we conduct in the territory and you agree to contribute all relevant data collected from the research.

We are entitled to administer the Brand Fund as we deem appropriate and we are not obliged to expend any part of the Brand Fund in your Territory or for the benefit of any particular franchisee. We are not required to audit the Brand Fund, but we will provide each USA franchisee an annual statement of receipts and expenses. We will pay the cost of preparing the annual statement and any self-imposed audit of the Brand Fund. Any unused funds at the end of the year will remain in the Brand Fund for use in the following year. We will not use the Brand Fund for advertising that is primarily to solicit new franchise sales.

Other than administering the Brand Fund, we have no obligation to conduct advertising. If we elect to do so, we can use any media that we choose, the coverage of which may be local, regional, or national. We may source advertising in-house or from a national or regional advertising agency. We have no obligation, either through a Brand Fund or independently, to spend any amount on advertising in your territory.

We intend to engage in marketing of the Floral Image brand primarily through social media (such as Facebook and Instagram) at a global level. We anticipate employing a marketing and/or PR agency to assist us in this marketing.

Other than the Brand Fund, you are not required to participate in any local or regional advertising fund or cooperative. However, on an ad hoc basis, we may require you to join with us and/or other franchisees in special advertising and/or special promotions of the Floral Image business. You must strictly comply with the terms of and actively participate in all advertising and promotional campaigns and activities we conduct, including special offers, special prices and special discounts. Any franchisor-owned and franchisor-managed outlets will contribute at the same rate as independent franchisees. To date, no special advertising funds have been collected or spent for that purpose.

*Advertising Council.* We do not currently have an advertising council composed of franchisees that advises us on advertising policy in the USA.

*Website and Electronic Marketing.* You may not establish or operate any of the following: URL; social media channels; blog; messaging system; email account; user name; text address; mobile application; web page, website, or internet site; other electronic, mobile,

or internet presence; or other direct or indirect selling method that uses or displays our Marks or that promotes the business, other than as prescribed in the Operations Manual or as otherwise approved by us in writing.

### Technology Systems

You must acquire and install the information technology devices, applications, communications systems, and audio/visual equipment that we specify in writing from time to time. Our specifications may evolve over time and, in some cases, the required items may be available only through us and/or designated suppliers.

You must use the Salesforce web-based Customer Relationship Management (CRM) platform. This CRM tool is owned by Salesforce.com, Inc., The Landmark at One Market, Suite 300, San Francisco, CA 94105. We are not affiliated with Salesforce.

The Salesforce platform will collect customer and transaction data and enable you to track your inventory of Stock. While the Franchise Agreement is in effect, you and we will each have the right to access and use customer and transaction data and to share it with our respective affiliates, service providers, and contracted third parties for any purpose consistent with the Franchise Agreement, without notifying or compensating each other. You must transmit data to us at the times we specify and give us independent access to your systems (and provide us with any usernames and passwords necessary for that purpose). There are no contractual limitations on our ability to access the customer and transaction data. We will use reasonable security measures and devices to limit the risk of unauthorized access to or disclosure of the data in our possession or control. After expiration or termination of the Franchise Agreement, we may continue to use the customer and transaction data in connection with the Floral Image business and to communicate with the customers. After expiration or termination, you cannot sell or share customer or transaction data with any third party or use customer or transaction data in any activity contrary to your surviving obligations under the Franchise Agreement. We and our affiliates have the right to retain the information and to use it internally without restriction.

You must use the Leadbeam system. The Leadbeam App has been developed to save time and increase productivity. You must also use Xero Accounting Software; Salesforce and Leadbeam integrate with this system.

The estimated information technology costs are \$1,000 to \$5,000 if you do not already have a suitable computer and smart phone capabilities and if you buy everything new. This estimate includes \$0 to \$500 for the first-year cost of recommended annual support. We recommend, but do not require, that you purchase a maintenance agreement for both hardware and software in order to reduce downtime and costs associated with repairs. You must pay all amounts charged by any vendor or licensor of the systems and programs you use, including charges for use, maintenance, support and/or update of these systems or programs.

You must promptly update and upgrade your information technology as we require, at your expense. There is no contractual limitation on the frequency and cost of this obligation.

We have the right (but no obligation) to establish a secure online portal for franchisees and to require that you use it for reporting, training, or other purposes as we direct from time to time. We may charge a reasonable user fee to support the costs of establishing and maintaining the online portal.

### Operations Manual

The table of contents of the Operations Manual is in Exhibit G to this disclosure document. There are 131 pages in the Operations Manual.

### Training

Before you start business, the Key Person must complete Induction Training to our satisfaction. We have the right to determine whether the Key Person has successfully completed the program. Throughout the operation of your business, we may require the Key Person and your staff to complete other training programs to our satisfaction from time to time. We may charge our then current fee for training provided after the business opens. The current training fee is \$1,500 per week, or \$300 per day. Other costs associated with training are solely your responsibility, such as the costs of transportation, lodging, meals, wages, and worker's compensation insurance for your trainees.

The subjects covered in Induction Training are described below.

#### TRAINING PROGRAM

Subject	Hours of In-house Training	Hours of On the Job Training	Location
Sales Training	8 hours	30 hours	Online, and in a territory within the FINA organization
Technology	2 hours	4 hours	Online
Marketing	2 hours	N/A	Online
Debtor Control	1 hours	1 hours	Online
Cleaning and Maintaining Flowers	1 hours	2 hours	In Person

TOTALS	14 hours	37 hours	
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Induction Training will be conducted over a 2 week period. We do not have a regular schedule for Induction Training; we schedule Induction Training as needed for new franchisees. The Induction Training must be completed before you open for business. Upon request, we will schedule training to be completed in your Territory to assist you with getting your market seeded. Our franchise training is led by Danny Drake, who has over 9 years of experience with the Floral Image concept. The principal instructional materials for Induction Training are the Operations Manual.

ITEM 12  
TERRITORY

You will receive a defined geographic area within which you will provide lifelike floral arrangements to customers (the "Territory"). We define Territories using Zip Code areas, as defined by the U.S. Postal Service. Each Territory will encompass 10,000 business listings or a population of 350,000 persons.

You may not change your Territory or relocate your business office without our prior written consent. We generally will approve relocation of your office within the Territory.

Your Territory is exclusive. While the Franchise Agreement is in effect, we will not establish, operate, or license any person other than you to operate a Floral Image business similar to your business in the Territory without your consent, except as described below. W

*Key Performance Indicators.* If you do not achieve the KPIs, we will have the right to require you to implement a performance improvement program as we specify, which may include, among other things, completing refresher training and engaging in specified marketing activities. If you still do not achieve the KPIs after implementing the performance improvement program, we will have the right to: (i) reduce the size of the Territory (with a corresponding adjustment in the KPIs); or (ii) terminate your Franchise Agreement.

The KPIs are not a representation or guarantee of the results your Franchised Business or any Franchised Location will or might achieve. The KPIs do not predict or project your revenue or other business results. Any revenue you generate from outside of your Territory will not count toward the KPIs for the Territory.

We determine the KPI targets with you when we set up your Franchise Agreement. The KPIs generally are stated in terms of the number of floral arrangements on hire, number of new customers, and other market penetration measures. We reserve the right to establish other key performance indicators in the future.

Except as described above in connection with achieving the KPIs, continuation of your Territory protection is not contingent on meeting minimum sales or other performance.

*Key Accounts.* We may use commercially reasonable efforts to develop Key Accounts to provide services on a national, regional, or other multi-territory basis. **“Key Account”** means a customer with whom Floral Images enters into an agreement for delivery of services at multiple locations of the customer or its brand. We have sole discretion whether to designate a particular customer as a Key Account, the manner of negotiation of each Key Account agreement, the terms and conditions of that agreement, and the allocation of the Key Account business among the Locations. In the case of an agreement under which the Key Account customer will pay a fixed amount for services at all locations listed in the agreement, we will allocate the fixed amount among the Locations performing the services. You may not enter into any relationship with a Key Account that, in our reasonable judgment, conflicts with our arrangement with the Key Account.

Our negotiation of Key Account arrangements, if any, enhances the potential value of the FLORAL IMAGE brand and inures to the benefit of your Franchised Business as well as to the benefit of other Locations. Accordingly, you must perform the terms of Key Account agreements (which may include special pricing, centralized invoicing, payment terms, extra insurance, timing of services, and other terms) within the Territory. If you refuse to perform the required services or we determine that the Franchised Business is not qualified, interested, able, or available to perform the services, another Floral Image Location may enter the Territory to perform the services for the Key Account. If you repeatedly fail to comply with the rules and regulations that we may issue from time to time for the Key Account program, we have the right to suspend your participation and authorize other Locations to deliver services in the Territory during the period of your suspension. These rights are exceptions to your territorial protection described above in this Item.

We do not operate and have no present plans to operate or franchise businesses that will sell similar goods or services under a different trademark.

ITEM 13  
TRADEMARKS

The principal marks that you will use are “Floral Image” and the logo shown on the cover page of this disclosure document. We may also authorize you to use other current or future trademarks.

Floral Image Pty Ltd owns the trademarks, service marks and logos used in the franchise system (the “Marks”). Floral Image Pty Ltd has registered the following Marks on the Principal Register of the United States Patent and Trademark Office (the “USPTO”):

Mark	Registration Number	Registration Date
	4797355	August 25, 2015
<h1>FLORAL IMAGE</h1>	4834131	October 20, 2015
	6713801	April 26, 2022

Floral Image Pty Ltd intends to file affidavits of use and affidavits of incontestability and to renew the registrations for the marks listed above, when due.

Floral Image Pty Ltd has granted a license to Floral Image Franchising Pty Ltd, which in turn has licensed us to use and display the Marks, and to use them to grant franchises in the USA. The license to us is granted under the Master Franchise Agreement described in Item 1 (the “MFA”). Floral Image Franchising Pty Ltd can terminate the license if we materially breach the MFA and fail to cure within the reasonable period of no more than

30 business days, but no less than 15 business days after written notice, or if we declare bankruptcy, become insolvent, voluntarily abandon the MFA, repeat breaches, commit fraud, endanger public health or safety, or are convicted of a serious criminal offense. If Floral Image Franchising Pty Ltd determines on reasonable grounds that any breach of the MFA by us was deliberate or calculated to cause damage to Floral Image Franchising Pty Ltd, the reasonable period of notice to cure becomes seven days. Upon termination of either the license to Floral Image Franchising Pty Ltd or the MFA from Floral Image Franchising Pty Ltd to us, our affiliate would assume any agreements signed by Floral Image USA. Other than the MFA, there are no agreements that limit our rights to use or to license the use of the Marks in the USA.

There are no currently effective determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court involving the principal Marks, nor any pending infringement, opposition, or cancellation proceedings or material litigation involving the principal Marks. We are not aware of any infringing uses that could materially affect your use of the Marks. Other than the rights of our affiliates described above, we are not aware of any superior rights that could affect your use of the Marks.

You must notify us of any unauthorized use of the Marks and cooperate with us in preventing unauthorized use or disclosure of System information. You may not start any proceedings in your own name against any person for unauthorized use of the Marks or disclosure of System information or any unauthorized use of any other intellectual property of Floral Image Australia without our approval. We and Floral Image Pty Ltd have the right to control any administrative proceeding or litigation that involves the Marks. This right includes the right to settle any of those disputes.

We will defend you against any infringement claims that arise from your use of the Marks. The defense will be at our expense, including the cost of any judgment or settlement, if your use of the Marks complied with the Franchise Agreement, but the defense will be at your expense if your use of the Marks did not comply with the Franchise Agreement. You must assist us in any action we take to protect the Marks.

You must follow our rules when you use the Marks. You may not use any of the Marks as part of your corporate name, Internet domain name, e-mail address, messaging address or other electronic identifier unless you obtain our prior written approval. You may not use the Marks to sell an unauthorized product or in any other manner not authorized by the Franchise Agreement.

We can modify the Marks and/or substitute different proprietary marks for use in identifying the System. You must promptly implement any modification or substitution at your own cost and expense. We will have no obligation or liability to you as a result of the modification or substitution.

ITEM 14  
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents

No patents or patent applications are material to the franchise.

Copyrights

We and our affiliates claim copyright protection for various materials used in the development and operation of the Floral Image business ("Works"), including the Operations Manual, marketing and promotional materials, websites and mobile applications, and similar materials in all media. We have not registered the copyright in any of these materials.

Floral Image Pty Ltd has granted a license to Floral Image Franchising Pty Ltd, which in turn has licensed us to use and display its intellectual property (including the Works), and to authorize franchises in the USA to use them. Our license is under the MFA, which may be terminated by Floral Image Franchising Pty Ltd if we materially breach the MFA and fail to cure within the reasonable period of no more than 30 business days, but no less than 15 business days after written notice, or if we declare bankruptcy, become insolvent, voluntarily abandon the MFA, repeat breaches, commit fraud, endanger public health or safety, or are convicted of a serious criminal offense. If Floral Image Franchising Pty Ltd determines on reasonable grounds that any breach of the MFA by us was deliberate or calculated to cause damage to Floral Image Franchising Pty Ltd, the reasonable period of notice to cure becomes seven days. Upon termination of either the license to Floral Image Franchising Pty Ltd or the license from Floral Image Franchising Pty Ltd to us, our affiliate would assume any agreements signed by Floral Image USA. Other than the MFA, there are no agreements that limit our rights to use or to allow franchisees to use the copyrighted materials in the USA.

There are no currently effective determinations of the United States Copyright Office or any court, nor any pending litigation or other proceedings, regarding any of the Works. We do not know of any superior prior rights or infringing uses that could materially affect your use of the Works. If we so require, you must immediately modify or discontinue using the Works. Neither we nor our affiliates will have any obligation to reimburse you for any expenditures you make because of any discontinuance or modification.

You must notify us of any unauthorized use of the Works. You may not start any proceedings in your own name against any person for unauthorized use of the Works or any unauthorized use of any other intellectual property of Floral Image Australia without our approval. We and Floral Image Pty Ltd have the right to control any administrative proceeding or litigation that involves the Works. This right includes the right to settle any of those disputes.

We will defend you against any infringement claims that arise from your use of the Works. The defense will be at our expense, including the cost of any judgment or settlement, if your use of the Works complied with the Franchise Agreement, but the defense will be at

your expense if your use of the Works did not comply with the Franchise Agreement. You must assist us in any action we take to protect the Works.

### Confidential Information

Except for the purpose of operating the business under the Franchise Agreement, you may not disclose or use for any person's benefit any of the confidential information, knowledge, or know-how concerning the Floral Image business that may be communicated to you or that you may learn by virtue of your operation of a franchise. You may divulge confidential information only to those of your staff who have a need to know and are aware that confidential information must be kept confidential, and have agreed in writing to keep the confidential information confidential at all times; and/or to your professional advisors. Any and all information, knowledge, know-how, and techniques that we designate as confidential will be deemed confidential for purposes of the Franchise Agreement. However, this will not include information that you can show came to your attention before we disclosed it to you; or that at any time became a part of the public domain, through publication or communication by others having the right to do so.

We may require you, your Key Person and certain other individuals to sign a Non-Disclosure and Non-Competition Agreement. These agreements must provide that the person signing will maintain the confidentiality of information that they receive in their employment or affiliation with you. The agreements must be in a form that we find satisfactory, and must include, among other things, specific identification of our company as a third party beneficiary with the independent right to enforce the agreements.

To the extent permitted by applicable law, all data that you collect from customers of the business or through marketing is deemed to be owned exclusively by us and our affiliates. The customer and marketing data is confidential information. You must install and maintain the security measures and devices necessary to protect the customer data from unauthorized access or disclosure, and you may not sell or disclose to anyone else any personal or aggregated information concerning any customers without first obtaining our written consent. You have the right to use the customer data only in connection with your Floral Image business while the Franchise Agreement is in effect. If you sell the business to a new owner who will continue to operate the Floral Image business under an agreement with us, you may transfer the customer data to the buyer as part of the going concern value of the business.

### ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

The principal owner of the franchise must serve as the Key Person (see Item 1) for at least one year after the business opens, unless you obtain our prior written approval for a non-owner to serve as your Key Person. After 3 years, you can appoint a different individual to be the Key Person, and that person need not be an equity owner of the business. The

Key Person must successfully complete Induction Training and any other training program we may require from time to time. The Key Person must have the authority to bind you in all operational decisions regarding the franchise. We will have the right to rely on any statement, agreement, or representation made by the Key Person. The Key Person must be fluent in written and spoken English and must complete our training program. If the Key Person leaves your organization, you must nominate a new Key Person within 30 days thereafter. If you have not obtained our approval of a new Key Person within 90 days, you will be in material default of the Franchise Agreement.

We may require your Key Person to sign a Non-Disclosure and Non-Competition Agreement in a form we prescribe.

Every individual or entity that owns a direct or indirect equity interest of 10% or greater in Franchisee is required to guarantee Franchisee's performance of the Franchise Agreement by executing the Personal Guarantee attached to the Franchise Agreement. If a guarantor is a married individual and that individual's spouse is not an Owner, the guarantor must provide Floral Image with a Spouse's Acknowledgment in the form attached to the Personal Guarantee.

The personal guarantee includes a commitment to be bound personally by the non-competition provisions of the agreements. Our current form of personal guarantee is Attachment C to the Franchise Agreement (see Exhibit A to this disclosure document).

#### ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may offer customers only Stock displayed in the catalogs that show the current designs of the floral arrangements approved by us in writing. You do not have to offer the entire range of available Stock. We have the right to change the approved Stock and the other types of authorized products and services in our discretion. There are no contractual limits on our right to make these changes.

You must participate in and comply with all advertising and promotional campaigns and activities that we conduct. This includes special offers, special prices, and special discounts. If we require that you conduct any promotional activities, you will bear your own costs of conducting these activities.

You must give prompt, courteous and efficient service to all customers. You must also promptly respond to all customer inquiries and complaints. If you provide any warranty to your customers, you will bear sole responsibility for that warranty. We expressly disclaim all implied warranties of merchantability or fitness for a particular purpose.

ITEM 17  
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise agreement and related agreements. You should read these provisions in the agreements attached to this disclosure document.

Franchise Agreement		
Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	3	10 years
b. Renewal or extension of the term	19.1	One additional 10-year term
c. Requirements for you to renew or extend	19.1 – 19.1.10	Conditions include timely written notice; compliance with Franchise Agreement; good record of customer service; on good terms with us; sign then-current Franchise Agreement; pay renewal fee, sign general release; complete additional or refresher training courses; and remodel or refurbish your business premises and equipment and technology. The release will be subject to state law. If you seek to renew your franchise, you may be asked to sign a new form of Franchise Agreement that contains terms and conditions materially different from those in your original Franchise Agreement, such as different fee requirements and territorial rights.
d. Termination by you	Not Applicable	No contract provision, but franchisees may terminate under any grounds permitted by law.
e. Termination by us without cause	Not applicable	

Franchise Agreement		
Provision	Section in Franchise Agreement	Summary
f. Termination by us with cause	15.1 – 15.3	We can terminate the Franchise Agreement as described in 17.g and 17.h below. We can also terminate the Franchise Agreement based on your uncured default of any other agreement with us or our affiliates.
g. "Cause" defined – curable defaults	15.2, 15.5	You have 30 days to cure defaults, other than those in h. below. If you fail to cure any default within the applicable cure period (if any), we have the right, but not the obligation, to assume temporary management of the Franchised Business using our own employees or contractors (which may include other franchisees) until such time as we determine that the default has been cured.
h. "Cause" defined - non-curable defaults	15.1	Subject to state law, non-curable defaults include: failure to secure an Approved Location within three months of signing; Principal Owner or Key Person does not meet standards for Floral Image franchisees; failure to start the business by the Opening Deadline; cessation of business for three or more days; failure to pay monies owed to us; refusal of inspection; noncompliance with restrictions on competition; unauthorized transfer; any breach of our confidentiality; false books; common law fraud; Franchisee, Key Person or any Owner convicted of a felony or offense or appears on any government list of blocked persons; insolvency; loss of possession of Premises; failure to maintain adequate insurance coverage; business license revoked; unauthorized use of the Licensed Marks; violation of any health, safety, or sanitation law; three or more notices of default.

## Franchise Agreement

Provision	Section in Franchise Agreement	Summary
i. Your obligations on termination/nonrenewal	16	Promptly pay all sums owed; permit access to an examination of books and records; cease operating the Franchised Business; permanently deactivate all domain name registration; cease use of the Confidential Information; cancel business name registrations; transfer or disconnect all phone numbers; return to Floral Image any and all of stock; stop using all Floral Image intellectual property; comply with surviving obligations, such as confidentiality, goodwill, non-competition requirements, indemnification requirements, and others; see §§ 16.3 and 16.4 of the Franchise Agreement.
j. Assignment of contract by us	14.7	There are no limits on our right to transfer.
k. "Transfer" by you – defined	14.1	Includes transfer of the business or any of its assets, assignment of the Franchise Agreement or any ownership interest in you, and/or any encumbrance of the Franchise Agreement.
l. Our approval of transfer by you	14.1	We have the right to approve all transfers.

## Franchise Agreement

Provision	Section in Franchise Agreement	Summary
m. Conditions for our approval of transfer	14.2	Conditions include: (1) transferee and its owners meet our then-current qualifications; (2) transferee signs then-current Franchise Agreement; (3) require all owners of a beneficial interest in the transferee to sign our then-current form of Personal Guarantee; (4) successfully complete our then-current training requirements; (5) make arrangements to modernize and upgrade the Franchised Business; (6) transferee has no outstanding notice of default under any agreement; (7) pay transfer fee; (8) you sign a release. The release will be subject to state law.
n. Our right of first refusal to acquire your business	14.6	We can match any offer within 30 business days after receipt of the sale proposal.
o. Our option to purchase your business	Not Applicable	We do not have an option to purchase other than as described in n. above.
p. Your death or disability	14.4	We can step in to manage your business until Key Person becomes able to manage or you appoint a replacement Key Person.
q. Non-competition covenants during the term of the franchise	17.1	No involvement with any "Competing Business," defined as any a business that provides fresh or artificial floral arrangements by sale or on rental to commercial, nonprofit, and residential customers.
r. Non-competition covenants after the franchise is terminated or expires	17.2	No involvement with any Competing Business for 2 years. As allowed by applicable law, this applies within the Territory, within ten miles of the perimeter of the Territory, or within the territory assigned to any other Company-Owned location or Franchised Location then in operation.

Franchise Agreement		
Provision	Section in Franchise Agreement	Summary
s. Modification of the agreement		Not applicable.
t. Integration/ merger clause	22.9	Only the terms of the franchise agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	23.2	Subject to state law, disputes must be submitted to non-binding mediation before a lawsuit can be filed. Mediation will take place in the city where we have our principal office at the time mediation is initiated.
v. Choice of forum	23.5	Franchisee and the Owners must file any lawsuit only in the federal district court for the district in which Floral Image has its principal office at the time the complaint is filed. We may file a lawsuit against Franchisee or the Owners in the federal or state court where Floral Image has its principal office or in the federal or state court where the Franchised Business is located. This provision is subject to state law.

Franchise Agreement		
Provision	Section in Franchise Agreement	Summary
w. Choice of law	23.1	Georgia law applies, except that if a provision of the Franchise Agreement would not be enforceable under the laws of Georgia, and if the Franchised Business is located outside of Georgia and the provision would be enforceable under the laws of the state in which the Franchised Business is located, then that provision will be governed by the laws of the state in which the Franchised Business is located. This provision is subject to state law.

ITEM 18  
PUBLIC FIGURES

We do not use any public figures to promote our franchise.

*[Remainder of page intentionally left blank]*

ITEM 19  
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to disclose information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Patrick Guillory, 6470 E. Johns Xing, Ste 160, Johns Creek, Georgia 30097 (USfranchise@floralimage.com and 855-6FLORAL), the Federal Trade Commission, and the appropriate state regulatory agencies.

*[Remainder of page intentionally left blank]*

ITEM 20  
OUTLETS AND FRANCHISEE INFORMATION

TABLE 1 - SYSTEMWIDE OUTLET SUMMARY FOR YEARS 2022-2024

Outlet Type	Year	Outlets - Start of Year	Outlets - End of Year	Net Change
FRANCHISED	2022	8	8	0
	2023	8	9	1
	2024	9	9	0
COMPANY-OWNED	2022	11	11	0
	2023	11	11	0
	2024	11	12	1
TOTAL	2022	19	19	0
	2023	19	20	1
	2024	20	21	1

Note 1: The figures in Table 1 are for the USA and Canada and are as of December 31 of each year, which is our fiscal year end.

TABLE 2 - TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN FRANCHISOR) FOR YEARS 2022-2024

State	Year (Note 1)	Number of Transfers
Arizona	2022	0
	2023	1
	2024	0
California	2022	0
	2023	3
	2024	0
Georgia	2022	0
	2023	0
	2024	1
Illinois	2022	0
	2023	1
	2024	0
New Jersey	2022	0
	2023	0
	2024	1
New York	2022	0
	2023	1
	2024	0
Texas	2022	0
	2023	1
	2024	1
TOTAL	2022	0
	2023	7
	2024	3

Note 1: The figures in Table 2 are for the USA only and are as of December 31, which is our fiscal year end.

TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2022-2024

State	Year	Outlets - Start of Year	Outlets Opened	Terminations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations	Outlets - End of Year
CALIFORNIA	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
FLORIDA	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
OREGON	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
TEXAS	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	0	0	0	0	0	3
WASHINGTON	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
CANADA	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
<b>TOTAL</b>	<b>2022</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>
	<b>2023</b>	<b>8</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>
	<b>2024</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>

Note 1: The figures in Table 3 are for the USA and Canada and are as of December 31, which is our fiscal year end. The California outlet was reacquired by the franchisor after the end of the 2024 fiscal year.

TABLE 4 - STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2022-2024

State	Year	Outlets - Start of Year	Outlets Opened	Re-acquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets - End of Year
ARIZONA	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
CALIFORNIA	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3
COLORADO	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
FLORIDA	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	1	0	0	0	1
GEORGIA	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1

ILLINOIS	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
NEW JERSEY	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
NEW YORK	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
TEXAS	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
<b>TOTAL</b>	<b>2022</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>
	<b>2023</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>
	<b>2024</b>	<b>11</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>

Note 1: The figures in Table 4 are for the USA only and are as of December 31, which is our fiscal year end.

TABLE 5 - PROJECTED OPENINGS AS OF DECEMBER 31, 2024

State	Franchise Agreement Signed but outlet not open as of 12/31/2024	Projected New Franchised Outlets in 2025	Projected New Company-Owned outlets in 2025
All States	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>

Exhibit D lists the names, addresses, and telephone numbers of all Floral Image franchisees in the USA as of the issuance date of this disclosure document. No Floral Image franchisee(s) in the USA had an agreement terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the fiscal year ending December 31, 2024. No Floral Image franchisee in the USA has failed to communicate with us within ten weeks of the date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

No franchisees in the USA have signed a confidentiality clause in a franchise agreement, settlement, or other contract within the last three years that would restrict their ability to speak openly about their experience with us.

We have not created or sponsored any trademark-specific franchisee organizations associated with the franchise system. No independent franchisee organizations have asked to be included in this disclosure document.

ITEM 21  
FINANCIAL STATEMENTS

Exhibit F to this disclosure document contains the audited balance sheet Floral Image USA LLC as of December 31, 2024 and December 31, 2023 and the related statements of income, member's equity, and cash flows for the fiscal years then ended, and the related notes to the financial statements.

Before the Ownership Change described in Item 1, we did not have separate financial statements; our operations were rolled up into the financial statements of our then-parent, which was a trust established by the founders in Australia. Accordingly, we do not have available and cannot yet include the three full years of audited financial statements otherwise required by the FTC Franchise Rule. Our fiscal year ends on December 31st.

ITEM 22  
CONTRACTS

This disclosure document contains a copy of the following agreements:

- Exhibit A      Franchise Agreement (including Personal Guarantee)
- Exhibit H      State-Specific Addenda
- Exhibit I      Sample of Release to be signed when you renew or transfer the franchise

ITEM 23  
RECEIPT

The last two pages of this disclosure document are identical pages acknowledging receipt of this entire document (including the exhibits). Please sign and return one copy to us; please keep the other copy along with this disclosure document.

EXHIBIT A

USA Franchise Agreement



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PERSONAL GUARANTEE AND SPOUSE ACKNOWLEDGMENT

APPENDIX A – DATA SHEET

APPENDIX B – TELEPHONE NUMBER AND INTERNET AGREEMENT

APPENDIX C – CONFIDENTIALITY AND NON-COMPETE AGREEMENT

## FRANCHISE AGREEMENT

This Agreement is entered into as of the Agreement Date shown on the cover page between Floral Image USA, LLC, a Delaware limited liability company, and the individual or company identified on the cover page (“**Franchisee**”). If Franchisee is a corporation, partnership or limited liability company, the owner(s) of Franchisee are identified on the cover page.

In this Agreement, “**we**”, “**us**”, “**our**” and “**Floral Image**” refer to Floral Image USA, LLC, the franchisor. “**You**” and “**your**” refer to the Franchisee. “**Owners**” means the person(s) identified on the cover page and all other persons whom we subsequently approve to acquire an interest in the Franchisee. “**Principal Owner**” means the person designated as the Principal Owner on the cover page.

## BACKGROUND

A. Floral Image Pty Ltd, an Australian company, developed and owns a distinctive format and set of specifications and operating procedures (collectively, the “**System**”) for businesses that provide quality life-like artificial floral arrangements on rental to commercial, nonprofit, and residential customers. The distinguishing characteristics of the System include, but are not limited to, the stock of floral arrangements made according to Floral Image Pty Ltd’s designs (the “**Stock**”); specially equipped vans to transport the Stock to and from customer sites; specifications for additional equipment and accessories; and the accumulated experience reflected in Floral Image’s training program, operating procedures, customer service standards, and marketing techniques; all of which Floral Image may change, improve and further develop from time to time.

B. Floral Image USA, LLC is in the business of operating and franchising others to operate Floral Image businesses in the USA and Canada under a master license from Floral Image Pty Ltd.

C. We identify the businesses operating under the System by means of the FLORAL IMAGE® logo shown on the cover page to this Agreement and such other trademarks, service marks, trade names, signs, logos and other indicia of origin as we may designate from time to time for use with the System (collectively, the “**Licensed Marks**”).

D. You have asked to be licensed to establish and operate a Floral Image business in your community. You have assured us that you understand and share the importance of protecting and enhancing the reputation of the Floral Image brand by operating the business in accordance with this Agreement and our System standards.

IT IS AGREED as follows:

### 1. DEFINITIONS

The terms defined in this Section 1 have the meanings set forth below. Other capitalized terms used in this Agreement are defined where they first appear within the text.

**1.1. “Agreement Date”** means the Agreement Date shown on the cover page of this Agreement.

**1.2. “Approved Location”** means the street address or specific site that we have approved for the business office of the Franchised Business, as shown in the Data Sheet.

**1.3. “Authorized Services”** means the services that Floral Image has expressly authorized you to offer through the Franchised Business.

**1.4. “Brand Fund”** means the fund to which you will contribute to support development and recognition of the FLORAL IMAGE brand and the Franchised Locations generally, as more fully described in Section 7.2.

**1.5. “Company-Owned Locations”** means Floral Image businesses owned and operated by Floral Image or its affiliates.

**1.6. “Confidential Information”** means all knowledge and data not generally known to the public, whether or not constituting trade secrets, that we disclose to you and/or the Owners or that you obtain by virtue of this Agreement or any activities under this Agreement, including but not limited to: (i) methods, techniques, specifications, standards, policies, and procedures relating to the operation of Floral Image businesses; (ii) future marketing plans, floral arrangements and designs, promotional programs, and lead generation programs for the brand; (iii) Customer Data, as defined in Section 1.7; (iv) the identity of and terms of service for Key Account customers; (v) sales, operating results, financial performance, and other non-public financial information about us, our affiliates, Company-Owned Locations, or Franchised Locations; (vi) our and our affiliates’ territorial development strategies; (vii) the System Standards, the Operations Manual, and the contents of our training programs and materials; (viii) vendor lists, pricing, terms of purchase, and other information concerning the selection and sourcing of products, services, technology, equipment and supplies for Floral Image businesses; (ix) inventory recommendations and requirements; (x) future technology plans and upgrades; (xi) marketing studies, surveys, and cost studies; and (xii) research and development, testing programs, test results, and feasibility studies.

**1.7. “Customer Data”** means all information about persons or entities who are doing business with, have done business with, or are known to be considering doing business with the Franchised Business, including contact information, transaction history, customer service requests, and any other information we specify.

**1.8. “Data Sheet”** means Appendix A to this Agreement, which collects certain details specific to Franchisee and this Agreement.

**1.9. “Franchised Business”** means the Floral Image business that you operate under this Agreement at and from the Approved Location.

**1.10. “Franchised Locations”** means your Franchised Business plus all other FLORAL IMAGE franchises then operating in the USA.

**1.11. “Gross Revenue”** means all revenue from the sale of products and services and all other income of every kind related to the Franchised Business, whether for cash, credit, trade, barter or other value and regardless of collection in the case of credit, less any bona fide refunds given to customers in the ordinary course of business. For greater certainty, Gross Revenue includes revenue from any services performed using any portion of the System, the Licensed Marks (such as service vehicles, invoices, and uniforms bearing the Licensed Marks), the Confidential Information, any employees of the Franchised Business, or the telephone number of the Franchised Business (whether or not the products or services were approved by us). “Gross Revenue” does not include any sales taxes or other taxes you collect from customers and pay directly to the appropriate taxing authority. We reserve the right to modify our policies and practices regarding revenue recognition, revenue reporting, and the inclusion or exclusion of certain revenue from “Gross Revenue” as circumstances, business practices, and technology change.

**1.12. “Improvement”** means any change, idea, innovation, product, process, or concept that may enhance or improve the System, including but not limited to any new floral arrangement designs or modifications to the Stock developed from ideas generated by the Principal Owner, Key Person, or any other staff or contractor of Franchisee.

**1.13. “Key Account”** means a customer with whom Floral Image enters into an agreement for delivery of services at multiple locations of the customer or its brand.

**1.14. “Key Person”** means the individual who is responsible for the day-to-day operational performance of the Franchised Business and who has the authority to bind Franchisee in all decisions regarding the Franchised Business. The initial Key Person is named in the Data Sheet.

**1.15. “Licensed Marks”** means the logo shown on the cover page of this Agreement and all other trademarks, service marks, logos, and commercial symbols that we expressly designate for use in connection with the Authorized Services from time to time.

**1.16. “Locations”** means, collectively, Company-Owned Locations and Franchised Locations.

**1.17. “Opening Deadline”** means the date specified in the Data Sheet by which you are required to have the Franchised Business open and operating.

**1.18. “Operations Manual”** means, collectively, the manuals, handbooks, training materials, electronic files, video or audio recordings, and other media containing the System Standards, as modified by Floral Image from time to time.

**1.19. “System Standards”** means our required and recommended specifications, methods, techniques, policies and procedures for the establishment and operation of Floral Image businesses.

**1.20. “Territory”** means the geographic area assigned by Floral Image to the Franchised Business, consisting of one or more territories defined by the mapping system designated by Floral Image. The initial Territory is the geographic area defined in the Data Sheet and/or in a map attached to the Data Sheet, but it may be modified as expressly provided in this Agreement or by written agreement of the parties. In the event of a conflict between a printed map of the Territory and the Territory as defined by the mapping system designated by Floral Image, the mapping system will control.

## **2. RIGHTS GRANTED**

**2.1. Grant of Franchise.** Floral Image grants you the right, and you undertake the obligation:

**2.1.1** To operate the Franchised Business within the Territory;

**2.1.2** To use the Licensed Marks and the System solely in connection with the provision of Authorized Services through the Franchised Business; and

**2.1.3** To provide the Authorized Services solely from the Approved Location and from vehicles clearly branded as FLORAL IMAGE service vehicles.

You have no right or power: (i) to use the Licensed Marks or the System in any manner except as expressly authorized by us; (ii) to sublicense or grant anyone else rights to use the Licensed Marks or the System; or (iii) to subdivide or partition the Territory. You are prohibited from subcontracting any customer jobs to others unless pre-approved by Floral Image in writing. You understand that the authorized services of other Locations will or may differ from your Authorized Services and that you receive no rights to any services or associated Licensed Marks by virtue of any rights granted to others.

**2.2. Territorial Protection.** While this Agreement is in effect, and except as otherwise provided in Section 2.3, Section 2.4, or elsewhere in this Agreement or an addendum, Floral Image will not itself provide, or license any person other than you to provide, Authorized Services under the Licensed Marks from premises or service vehicles within the Territory. Except as specifically provided in the previous sentence, Floral Image and its affiliates may engage in any business activities, under any name, in any geographic area and at any location, including within the Territory, including marketing via the Internet, mobile networks, or any other electronic means. In addition, the territorial protection will not apply at any time when you are in default under this Agreement beyond any applicable cure period.

**2.3. Rights Reserved by Us.** The circumstances described in this Section are either exceptions to or clarifications of your territorial protection under Section 2.2. Regardless of the proximity to or effect on your Franchised Business, we and our affiliates have the rights:

**2.3.1** To operate, franchise, and license others to operate Floral Image Locations and other businesses under the Licensed Marks and System at any location outside of the Territory;

**2.3.2** To engage in advertising, promotion, and solicitation of customers within and outside the Territory by any means, including online and mobile technology and call centers, provided that we refer customer leads for Authorized Services in the Territory to you as provided in Section 7.8;

**2.3.3** To fulfill any customer order that you turn down or cancel for any reason;

**2.3.4** To develop, manufacture, have manufactured, advertise, market, sell and distribute goods or services through distribution channels other than Floral Image Locations, even if the goods and services are identical or similar to those provided by the Franchised Business and even if they use the Licensed Marks. Other channels of distribution may include, for example, the Internet, mobile applications, telemarketing, retail stores, and wholesale clubs, both inside and outside the Territory;

**2.3.5** To operate, franchise and license others to operate businesses of any kind offering products or services under trademarks or service marks other than the Licensed Marks, anywhere in the world;

**2.3.6** To use the Licensed Marks in lines of business other than the Authorized Services, anywhere in the world; and

**2.3.7** To acquire, be acquired by, or merge with other brands or outlets, even if the concepts or outlets are similar to Floral Image Locations, and even if they have locations and/or customers in the Territory. We will also have the right, in our sole discretion, to convert one or more outlets of the acquired, acquiring or merged brand to a Floral Image business within the Territory.

**2.4. Activities Outside of the Territory.** You are prohibited from operating the Franchised Business outside of your defined Territory by any means except as permitted by this Section. Engaging in unauthorized activities outside of the Territory (including but not limited to providing services to customers, advertising for business, or making sales calls) is a breach of this Agreement for which Floral Image may exercise its rights under Section 14. We may condition our consent to out-of-Territory activities on certain requirements, and we may give and withdraw consent as we deem appropriate.

**2.4.1** You may not solicit or advertise to potential customers outside of the Territory without our prior written permission. **“Solicit”** includes, but is not limited to, solicitation in person, by telephone, by mail, through the Internet, social media, email or other electronic means, and by distribution of brochures, business cards or other materials or any other advertising. If any solicitation of customers within the Territory is in media that will or may reach persons outside of the Territory, you must notify us in advance and obtain our consent.

**2.4.2** If you receive an unsolicited request to provide services outside of the Territory, you must notify us. We generally will approve the services if they would be provided in an area that is not assigned to another Floral Image franchisee or company-owned Location and if your Gross Revenue from services performed outside of the Territory does not exceed the maximum in Section 2.4.3. If the requested services would be performed in an area that is assigned to another Floral Image franchisee or a company-owned Location, you must refer that request to the Location located in the applicable territory.

**2.4.3** If we permit you to advertise, solicit, or provide services in areas outside of the Territory that are not assigned to another Location, you must comply with all conditions and requirements we specify with respect to such activities. The conditions and requirements might include, for example: (i)

a maximum on the percentage of your Gross Revenue that may come from services performed outside of the Territory (15% as of the Agreement Date); (ii) your agreement to add capacity in terms of staff and service vehicles; and (iii) your agreement to purchase the franchise rights for the area in which the sales and services are being performed.

**2.4.4** If we authorize you to service one or more customer locations outside of your defined Territory, and we subsequently decide to assign a territory that covers the authorized customer location(s) to another Location, we will give you notice and you will be required to cease all activities in that area, except that you may continue service to your then-current customers in the area for a period not to exceed one (1) year, at which point you must comply with our procedures for transitioning the customer accounts to the assigned Location. If you have customer contracts in force with customers in the area, you will continue service for the length of the contract, unless we direct you to transfer the contract to: (i) a new franchisee in that territory; (ii) a corporate-owned Location; (iii) a third party; or (iv) us. You will not be entitled to any compensation if this happens and you agree to assist the incoming Location with the transition in a professional manner. Delaying or interfering with the transition is a breach of this Agreement for which Floral Image may exercise its rights under Section 14.

**2.4.5** Under no circumstances will we be liable to you for violations by other Franchised Locations of our policies on out-of-Territory activities.

**2.5. Key Accounts.** Floral Image may use commercially reasonable efforts to develop Key Accounts to provide services on a national, regional, or other multi-territory basis. We have sole discretion whether to designate a particular customer as a Key Account, the manner of negotiation of each Key Account agreement, the terms and conditions of that agreement, and the allocation of the Key Account business among the Locations. In the case of an agreement under which the Key Account customer will pay a fixed amount for services at all locations listed in the agreement, we will allocate the fixed amount among the Locations performing the services. You may not enter into any relationship with a Key Account that, in our reasonable judgment, conflicts with our arrangement with the Key Account.

**2.5.1** Our negotiation of Key Account arrangements, if any, enhances the potential value of the Floral Image brand and inures to the benefit of your Franchised Business as well as to the benefit of other Locations. Accordingly, you agree to accept and perform the terms of Key Account agreements (which may include, among other things, special pricing, commissions, centralized invoicing, special payment terms, extra insurance, and customized timing of services) within the Territory. If you refuse to perform the required services or we determine that the Franchised Business is not qualified, interested, able or available to perform the services, you agree that another Floral Image Location may enter the Territory to perform the services for the Key Account. This right is an exception to your territorial protection in Section 2.2.

**2.5.2** If you repeatedly fail to comply with the rules and regulations that we may issue from time to time for the Key Account program, we have the right to suspend your participation and authorize other Locations to deliver services in the Territory during the period of your suspension. This right is an exception to your territorial protection in Section 2.2.

**2.6. No Other Sales Channels.** You may not offer services or products of the Franchised Business at wholesale or through any other channel that we have not expressly approved in writing.

### **3. AGREEMENT TERM**

This term of this Agreement expires 10 years from the Opening Deadline (the “**Expiration Date**”). You agree to operate the Franchised Business for the full Agreement term. You will have an opportunity to renew the franchise rights when the term expires, subject to the terms of Section 18 and provided that you meet the conditions in that Section.

## 4. PRE-OPENING

**4.1. Storage Facility.** You must rent a storage unit, garage or warehouse facility located within your Territory to store inventory and/or supplies, unless you have room on your property. The storage facility must meet Floral Image's standards for accessibility to the facility by Floral Image and must follow all applicable federal, state and local laws and ordinances. You must also comply with all local permitting, zoning, and fire regulations for the storage facility, warehouse, or other physical location. You cannot use the storage facility or the premises of the storage unit, garage, or warehouse for any business or purpose other than the Franchised Business.

**4.2. Office Location.** You may operate the Franchised Business out of a home office. If you choose to operate the Franchised Business from a commercial location, however, you must first obtain our prior written consent within three (3) months after signing this Agreement. Once we approve the office location, we will insert the street address or specific site in the Data Sheet or otherwise confirm the Approved Location to you in writing. You must use the Approved Location only for the operation of the Franchised Business. You may not change the Approved Location without our prior written consent. If you apply to relocate, you must pay us a relocation fee as specified in the Data Sheet. Any proposed relocation must be to a site within the Territory. Unless otherwise agreed in writing, changing the Approved Location does not change the Territory.

**4.3. Lease Review.** If you propose to enter into a lease, sublease or purchase agreement for a commercial site to serve as the Approved Location, you must obtain our approval of the proposed lease, sublease, or purchase agreement. We have the right to condition our approval on the inclusion of terms that we find acceptable and that are consistent with our rights and your responsibilities under this Agreement.

**4.4. Opening Stock.** Before opening, you must order from us and take delivery of Stock in the quantity specified in the Data Sheet (the "**Opening Stock**"). You will lease the Opening Stock from us in accordance with the provisions of Article 6 below.

**4.5. Vehicle and Wrap.** You must have or obtain a van or other vehicle meeting our specifications that you will use to transport floral arrangements and provide services at customer locations. The vehicle must be wrapped with the graphics we require from time to time.

**4.6. Permits and Licenses.** You must obtain all business licenses, zoning classifications, and other permits that may be required by federal, state, or local law (or, if applicable, by your landlord) for the Franchised Business to begin operating at the Approved Location.

**4.7. Grand Opening Marketing.** You must conduct grand opening marketing for the Franchised Business according to a plan that you will create, subject to our approval. You must spend at least the amount specified in the Data Sheet to implement the grand opening marketing plan. We reserve the right to require you to deposit with us the funds required under this Section, which we will distribute as necessary to carry out the approved plan.

**4.8. Approval to Open.** You may not open the Franchised Business for business until we notify you that: (1) pre-opening training of your personnel has been completed as required by Section 5.1; (2) we have been furnished with copies of all certificates of insurance required by Section 10 and all trade licenses required by Section 4.3; and (3) all of your pre-opening obligations in this Section 4 have been fulfilled.

**4.9. Opening Deadline.** You must open the Franchised Business to the public by the Opening Deadline. If you request an extension of the Opening Deadline, we have complete discretion whether to give an extension. If we agree to an extension, we have the right to charge you an extension fee of up to \$1,000 per month of extension.

## 5. TRAINING

**5.1. Initial Training.** The Principal Owner, the Key Person (if different from the Principal Owner), and up to two other individuals designated by Floral Image must attend and successfully complete Floral Image's initial training program for new Floral Image franchisees. We alone have the right to judge whether a person has successfully completed the training program. Successful completion may require passing tests to establish proficiency in the delivery of services, use of technology and software applications, and other areas we designate. We have the right to vary the duration and content of initial training based on the trainee's prior experience in similar businesses. We will have the right to terminate this Agreement under Section 14 if, at any time during the pre-opening training program, we conclude in our sole judgment that the Principal Owner or Key Person does not meet our standards for new Floral Image franchisees.

**5.2. Additional Training.** Your personnel must complete up to five days of refresher training each year. We may make available other required and optional training programs from time to time. For training that we designate as required, the individuals that we designate must successfully complete the training.

**5.3. Training Methods.** We have the right to provide training programs in person, by video, via the Internet, or by other means, as we determine. The training may be delivered by us, our affiliates, or third parties.

**5.4. Training Fees.** We may charge a training fee: (a) for additional trainees that you request in excess of the maximum number we designate for a training program; (b) if we require remedial training as a result of your failure to comply with our System Standards; (c) for re-training persons who are repeating a training program, or their substitutes; and (d) for training programs that we make optional for franchisees.

**5.5. Training Expenses.** For all training, including initial training, you are responsible for all travel expenses, living expenses, wages, and other expenses incurred by your trainees. If you request in-person training at any location other than our headquarters, you may be required to pay the reasonable travel, meal and lodging expenses of our trainer(s).

**5.6. Employee Training.** Except to the extent we require or permit your personnel to participate in training under Sections 5.1 and 5.2 above, you are responsible for all training of your employees and contractors.

**5.7. Conferences and Meetings.** We may require the Principal Owner, Key Person and other personnel to attend business conferences and meetings that we designate from time to time. However, we will not require attendance for more than three days per year in the aggregate. These may include conferences and meetings that we organize for all Franchised Locations or for subgroups, as well as industry conferences and meetings organized by third parties. You agree to pay reasonable registration fees charged for such conferences and meetings. You will also be responsible for all other costs for your personnel to attend, including travel, room and board, and your employees' wages, benefits and other expenses.

## 6. SUPPLY AND LEASING OF STOCK

**6.1. Stock Sourcing and Inventory.** To protect the Floral Image designs and to ensure the quality, uniformity, and distinctiveness of the Stock furnished to customers, you must lease all of your Stock from us. You may rent to customers only the floral arrangements designed and manufactured by Floral Image Pty Ltd and leased to you by us. You may not use any other floral arrangements in the Franchised Business. Subject to availability from Floral Image Pty Ltd, we will make available to you the entire range of current designs. You must keep on hand a quantity and variety of Stock sufficient to meet the inventory requirements set out in the Operations Manual (or to meet reasonably anticipated customer demand, if we have not prescribed specific standards). We may require you to participate in seasonal promotions and to

order Stock as reasonably necessary for participation. In the event of shortages, we have the right to allocate Stock among Floral Image businesses in our discretion.

**6.2. Ownership.** All right, title, and interest in and to the Stock shall remain solely and exclusively with us at all times during the term of this Agreement and thereafter. The Stock is leased property only and you will acquire no ownership interest in the Stock. Neither Franchisee nor the Owners may sell, assign, give away, pledge, or encumber any of the Stock, either voluntarily or by operation of law, without obtaining our prior written consent.

**6.3. Ordering.** You must submit orders for Stock in the manner we require from time to time, which may include use of an online or mobile portal we designate. We will monitor and track inventories of franchisees. We will not auto-ship to you, but we will notify you to order if your inventory is below the standard. We will replace any units that arrive damaged or do not match the description in your order confirmation.

**6.4. Costs.** You are required to lease the Stock directly from us. We do not provide the option for franchisees to purchase Stock outright. The monthly lease payment is determined by a schedule based on the volume of units you have under lease, as set out in the Data Sheet. We reserve the right to adjust the lease rates annually. Changes in lease rates will not apply to units of Stock you already have under lease; they will only apply to new orders.

**6.5. Other Terms.** All orders of Stock will be subject to our then-current standard terms and conditions for franchisee customers. We reserve the right to refuse orders from or deny shipment of Stock to any franchisee who has a past due balance. We have the right to change our standard terms and conditions on reasonable notice of not less than forty-five (45) days. This Agreement and our then-current standard terms and conditions expressly supersede any additional or inconsistent terms and conditions in any communications from you.

**6.6. Shipping and Taxes.** You are responsible for the cost of shipping from an on-shore third-party logistics company to your business location. You are also responsible for any federal, state, or local taxes assessed on our lease of Stock to you.

**6.7. Stock Maintenance and Replenishment.** You are responsible for maintaining the Stock in good condition in accordance with the Operations Manual. Floral Image Pty Ltd continuously adds new designs, modifies existing designs, and discontinues outdated designs. Designs become outdated over a 5-year lifecycle. To keep your inventory up to date, and to maintain consistency with other Floral Image Locations, you must lease additional Stock from us: (i) to replace units that have reached the end of their lease term; and (ii) to meet growth metrics, as set out in the Data Sheet.

**6.8. Force Majeure.** Floral Image will not be liable for any delay in performance under this Article 6 due to fire or other casualty, natural disaster, shortages of raw materials, riot, war, acts of terrorism, labor stoppages, transportation interruptions, government decree, or similar events beyond the reasonable control of Floral Image.

## **7. OPERATION OF THE FRANCHISED BUSINESS**

**7.1. Compliance with System Standards.** In order to protect the reputation and goodwill of the Floral Image brand and to maintain high standards of operation under the System, you agree to comply strictly with all mandatory System Standards. The System Standards may relate to any aspect of the appearance, marketing, and operation of the Franchised Business. Any material failure to comply with mandatory System Standards will constitute a material breach of this Agreement. However, we reserve the right to make reasonable exceptions to accommodate special circumstances of individual franchisees. The System Standards do not constitute a representation or warranty by Floral Image, express or implied, as to the quality, safety, or suitability of any services performed by the Franchised Business.

**7.2. Operations Manual.** We will furnish you with electronic access to the Operations Manual. We own the copyright in the Operations Manual and any portions in your possession or control are on loan from us and remain our property. We have the right to modify the Operations Manual at any time to reflect changes in the System Standards. In the event of a dispute about the contents of the Operations Manual, the master copy at our principal office takes precedence. The Operations Manual and any credentials necessary to access digital versions of the Operations Manual are part of the Confidential Information.

**7.3. Management.** The Franchised Business must at all times be under the day-to-day supervision of the Key Person. We have the right to rely on any statement, agreement, or representation made by the Key Person. If the Key Person leaves your organization, you must nominate a replacement within thirty (30) days thereafter. If you have not obtained our approval of a replacement within ninety (90) days, you will be in material default of this Agreement.

**7.4. Branding.** You must identify and operate the Franchise Business only under the FLORAL IMAGE brand.

**7.5. Approved Services and Products.** You must offer customers the range of floral arrangements and any other products and services that we designate from time to time as required items. The required items may include specified customer programs, as provided in Section 7.11. You may also offer any optional products and services that we have expressly designated as approved for Franchised Locations. You are prohibited from offering any unapproved products or services without our prior written consent. You must discontinue selling or offering for sale any products or services that we disapprove at any time, in our sole discretion.

**7.6. Technology Requirements.** We have the right to specify the point-of-sale (POS) system, customer relationship management (CRM) system, accounting system, GPS tracking system, lead generation system, call handling system, scheduling system, electronic payment system, back-office system, cloud storage system, security systems, audio/visual equipment, and other hardware, software applications, devices, and network connectivity for the Franchised Business. You agree to sign any standard license agreement or user agreement that may be required to use a system that we specify. You must use the required systems for customer services, reporting Gross Revenue and other information, training your personnel, and other functions as we specify from time to time. You must ensure that your employees are adequately trained to use the systems and that they follow applicable policies. You must maintain your technology systems in good working order at all times and promptly install upgrades, additions, modifications, substitutions and/or replacements of hardware, software, connectivity, power, and other system components as necessary. You agree to bear all costs of acquisition, installation, use, maintenance and upgrade of your systems.

**7.7. Franchisee Portal.** We have the right (but no obligation) to establish one or more websites and/or mobile applications that are open only to Franchised Locations (the “**Franchisee Portal**”). If we do so, you must use the Franchisee Portal for reporting, training, ordering merchandise and supplies, or other purposes as we direct.

**7.8. Sourcing.** We have the right to require that all equipment, technology, inventory, supplies, vehicles, signs, furnishings, fixtures, décor items, retail merchandise, payment systems, and other products and services that you purchase for use or resale in the Franchised Business: (a) meet specifications that we establish from time to time; and/or (b) be purchased only from vendors that we have expressly approved; and/or (c) be purchased only from a single source (which may include us or our affiliates) at the then-current price. To the extent that we establish specifications, require approval of vendors, or designate specific vendors for particular items, we will notify franchisees via the Operations Manual or Franchisee Portal. We may negotiate purchasing arrangements under which vendors agree to make goods or services available to Franchised Locations on specific terms, and you agree to participate in and abide by the terms of any such vendor programs we establish. We and our affiliates will earn revenue and profits from leasing of Stock and from any other items we sell or lease directly to you. In addition, we may earn money in the form of rebates, licensing fees, administrative fees, commissions, or other payments from vendors based on

your purchases. Subject to applicable laws and our arrangements with the vendors, we have no obligation to share the funds with you.

**7.9. No Liability for Others' Products.** We use commercially reasonable efforts in selecting approved products and vendors for the Locations. We disclaim all express and implied warranties and all other liability concerning any defects, malfunctions, or other deficiencies in equipment or other products manufactured by anyone other than us or our affiliates. You agree not to make any claims against us or our affiliates with respect to products that we and our affiliates did not manufacture, even if we or our affiliate sold you the product or designated or approved its source. You must assert any claims directly against the manufacturer of the product, even if you obtained it through us or our affiliate.

**7.10. Pricing and Promotions.** To the extent permitted by applicable law where the Franchised Business is located, we have the right to establish maximum and/or minimum prices that you must follow for the services and products sold by the Franchised Business. You must participate in and comply with any special promotional activities that we prescribe for Franchised Locations generally or for Franchised Locations in specific geographic areas or having particular characteristics. You acknowledge that these activities may include special pricing offers. You agree to bear your own costs of participating in these activities.

**7.11. Payment Systems and Customer Retention Programs.** You must comply with our policies regarding acceptance of customer payments by credit and/or debit cards, mobile payment systems, bank transfer, non-bank digital payments, and consumer financing programs. You must also participate in any customer loyalty programs we prescribe from time to time. You may not offer your own gift card, electronic money, or loyalty program for the Franchised Business without our prior written approval. The payment systems and loyalty programs we designate may require you to obtain new hardware, software, equipment and training at your own expense.

**7.12. Hours of Operation.** You must keep the Franchised Business open and in normal operation for the minimum hours and days specified in the Operations Manual (subject to applicable laws). We have the right to vary the minimum hours and days of operation by market, type of facility, or other basis. We also have the right to require franchisees to make arrangements satisfactory to us for 24/7 emergency service to customers.

**7.13. Telephone Numbers and Internet Listings.** You must obtain one or more separate telephone numbers that are identified with the Franchised Business and no other business. Simultaneously with signing this Agreement, you must sign the Telephone Number and Internet Agreement attached as Appendix C, authorizing us to effect a transfer to us of the telephone numbers and online listings for the Franchised Business upon expiration or termination of this Agreement. We may require that telephone numbers and electronic identities you use in connection with the Franchised Business be owned and controlled by us or an approved vendor. Additionally, we may require that specific advertising campaigns use a unique telephone number for marketing efficiency and performance tracking.

**7.14. Upkeep of Business Assets.** You must maintain and care for your inventory of floral arrangements in accordance with the standards and specifications set forth in the Operations Manual. This includes, but is not limited to, standards for fashioning, cleaning, sanitizing, repairing and refreshing, replacing, and disposal of arrangements. You must keep the vehicles, equipment, signs, and other tangible assets used in the Franchised Business in a clean, orderly condition and in excellent repair and condition, at your own expense. At our request, you must provide us copies of any report of inspection of the Franchised Business conducted by a vendor or government agency.

**7.15. Business Forms.** To the extent Floral Image designates forms of customer contracts, warranties, liability waivers, and/or other materials to be used in the marketing and operation of the Franchised Business, you must use only the designated items. We make no warranty or representation that any contracts, waivers and/or other forms and/or materials supplied by Floral Image are in compliance with the laws of your state or locality. It is your responsibility to have all customer contracts, warranties, waiver forms, and other business forms, including any templates or sample forms from Floral Image, reviewed for

compliance with applicable state and local legal requirements, at your own expense, by an attorney licensed to practice law in the state(s) where you operate the Franchised Business.

**7.16. Key Performance Indicators.** To promote and enhance the performance of the Franchised Business and the goodwill of the Licensed Marks, you must achieve the key performance indicators set forth in the Data Sheet (the “**Key Performance Indicators” or “KPIs”**). If you do not achieve the Key Performance Indicators, we will have the right to require you to implement a performance improvement program, as we specify, which may include, among other things, completing refresher training and engaging in specified marketing activities. If you still do not achieve the Key Performance Indicators after implementing the performance improvement program, we will have the right to: (i) reduce the size of the Territory (with a corresponding adjustment in the Key Performance Indicators if the reduced Territory falls below our then-current standard territory size); or (ii) terminate this Agreement. The Key Performance Indicators are not a representation or guarantee of the results your Franchised Business or any Franchised Location will or might achieve. Any revenue you generate from outside of your Territory will not count toward the Key Performance Indicators for the Territory.

**7.17. Inspections.** You must give our representatives reasonable access to all facilities and operations of the Franchised Business during normal business hours for the purpose of conducting inspections. We have the right to review customer and financial records, to observe, photograph and record operations, to remove samples of goods, materials and supplies for testing and analysis, and to interview your customers, employees, and vendors. You must provide assistance as reasonably requested by our representatives. Upon notice from us, you must begin any steps necessary to correct deficiencies noted during an inspection.

**7.18. Employer Responsibilities.** You must maintain staffing sufficient to enable the Franchised Business to meet the System Standards. You have sole responsibility for all employment decisions and functions relating to the Franchised Business, including but not limited to decisions related to recruiting, screening, hiring, firing, scheduling, training (other than the training in Section 5), compensation, benefits, wage and hour requirements, recordkeeping, supervision, safety, security and discipline of employees. Any information we provide about employment matters, whether voluntarily or in response to your request, and whether directly or by means of any technology tools, is a recommendation only and not intended to exercise control over the wages, hours or working conditions of your employees or the means and manner by which they carry out their duties. You alone will direct and control all employees of the Franchised Business, subject only to the System Standards that we prescribe to protect the goodwill associated with the Licensed Marks, which may include the requirement that you conduct initial and periodic drug testing and background checks. You must clearly inform all workers, before hiring and periodically thereafter, that Franchisee, and not Floral Image or its affiliates, is their employer and that Floral Image and its affiliates do not assume and will not accept any employer, co-employer, or joint employer obligations.

**7.19. System Changes.** We reserve the right to modify the System from time to time (such as, but not limited to, by adding, deleting, and changing approved products or services, equipment, operating procedures, and System Standards). You agree to comply at your own expense with all such modifications, including without limitation any associated replacement or renovation of equipment, remodeling, redecoration, modifications to existing improvements, and structural changes. However, in any given year, we will not require you to spend on System modifications more than an amount equal to 15% of your initial investment in the Franchised Business, and in any 5-year period, we will not require you to spend more than an amount equal to 35% of your initial investment in the Franchised Business. These limitations do not apply to Stock replenishment under Section 6.6; any expenditures required by this Section are separate from those required under Section 6.6.

**7.20. Compliance with Lease.** You must comply with all terms of the lease or sublease for the Approved Location and all other agreements affecting the operation of the Franchised Business. You must use best efforts to maintain a good working relationship with your landlord and refrain from any activity that may jeopardize your right to remain in possession of the Approved Location.

**7.21. Compliance with Laws.** You must operate the Franchised Business in compliance with all applicable municipal, county, state and federal laws, rules, regulations and ordinances, including maintaining all regulatory licenses. You have sole responsibility for compliance despite any information or advice that we may provide.

**7.22. Taxes and Indebtedness.** You must promptly pay when due all taxes and all accounts and other indebtedness you incur in the operation of the Franchised Business. In the event of any bona fide dispute as to your liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law, but you may not permit a tax sale or seizure or attachment by a creditor against the Franchised Business.

## **8. MARKETING AND ADVERTISING**

**8.1. Purpose.** You and Floral Image jointly affirm the importance of standardization of marketing and advertising programs to the goodwill and public image of the System, the Licensed Marks, and Franchised Locations generally. Our rights in this Article 8 to oversee advertising, marketing and public relations programs are designed to support that goal.

**8.2. Pre-Opening and Grand Opening Marketing.** You must conduct pre-opening and grand opening marketing for the Franchised Business according to a plan that you will create, subject to our approval. You must spend at least the amount specified in the Data Sheet to implement the pre-opening/grand opening marketing plan. We reserve the right to require you to deposit with us the funds required under this Section, which we will distribute as necessary to carry out the approved plan.

**8.3. Local Marketing.** Each financial year you must prepare a plan for local advertising and promotion of the Franchised Business ("**Local Marketing**") for the following year and submit it to us for approval. As part of our review, you must consult with and report to us regarding the results of your Local Marketing from the previous year. You must spend at least the amount specified in the Data Sheet for Local Marketing. This is in addition to your pre-opening/grand opening obligations in Section 4.7 and your Brand Fund obligations in Section 8.4. With respect to all Local Marketing funds you pay to a third party, you must provide us with expense statements evidencing compliance with the Local Marketing spend requirements. All Local Marketing must be approved by us pursuant to Section 8.6 below. You must be listed in Internet profiles, online directories and telephone directories as we designate.

**8.4. Brand Fund.** You must contribute to the Brand Fund as provided in Section 9.3. The purpose of the Brand Fund is to support general recognition of the Locations, products, services and brand. The Brand Fund will operate as follows:

**8.4.1** We will have the right to direct all advertising, marketing, public relations, and other activities to promote, develop and enhance the Floral Image brand, with final discretion over strategic direction, creative concepts, the materials and endorsements to be used, and the geographic distribution and media placement. We may use the Brand Fund to pay costs and expenses as we determine in our sole discretion, including but not limited to: production of video, audio, written, online and mobile marketing materials; design, establishment, and maintenance of websites, social media, mobile applications and other electronic marketing; implementation of advertising programs, direct mail, and media advertising; marketing and sales training; conducting public relations, consumer research, product development, product testing, and test marketing programs; purchasing promotional items; sponsorship of sporting, charitable, or similar events; developing and implementing trade dress and design prototypes; fulfillment charges; salaries and expenses of employees of Floral Image and its affiliates who work for or on behalf of the Brand Fund; employing advertising agencies, design firms, public relations firms, accounting firms, and consultants; legal fees for advertising pre-clearance, defense of false advertising claims, and defense of any claims made regarding our administration of the Brand Fund; other administrative costs and overhead incurred in activities related to the administration and activities of the Brand Fund; and interest on any monies borrowed by the Brand Fund.

**8.4.2** We will make available to you any creative materials financed by the Brand Fund. If you request specific materials to be produced or customized for you, then once you approve the requested materials, you agree to pay or to reimburse us for any costs to reproduce the materials and/or to customize the materials for your use.

**8.4.3** We are not obligated, in administering the Brand Fund, to make expenditures for you that are equivalent or proportional to your contributions, or to ensure that any particular franchisee or Franchised Location benefits directly or pro rata from expenditures by the Brand Fund. You have no right to reduce or withhold contributions based on any alleged lack of benefits to the Franchised Business or based on failure by any other franchisee (with or without our permission) to make its contributions to the Brand Fund.

**8.4.4** We are not required to have an independent audit of the Brand Fund completed. We will prepare an unaudited statement of contributions and expenditures for the Brand Fund and make it available within 90 days after the close of our fiscal year to franchisees who make a written request for a copy.

**8.4.5** We have the right to incorporate, replace, change or dissolve the Brand Fund. If we decide to dissolve the Brand Fund, contributions will cease but the Brand Fund will continue in existence until all remaining funds have been spent.

**8.4.6** Nothing in this Agreement is intended or will be construed to impose a trust or fiduciary duty on Floral Image in connection with the Brand Fund, including, but not limited to, with respect to the collection of contributions, maintenance of the bank account, bookkeeping, and disbursement of monies from the Brand Fund. Except as expressly provided in this Section 8.2, we assume no direct or indirect liability or obligation to you with respect to maintenance, direction, or administration of the Brand Fund.

**8.5. Joint Marketing Programs and Cooperatives.** We have the right to organize: (1) co-marketing programs in which Franchised Locations and vendors (or other third parties) cross-promote each other's goods and services; (2) joint marketing efforts in which multiple Franchised Locations contribute to a specific ad or event; and/or (3) local or regional marketing co-operatives ("**Cooperatives**") that pool funds of Franchised Locations in a geographic area or with common characteristics on an ongoing basis to jointly promote the Licensed Marks and the Franchised Locations. The amount we require you to spend or contribute to joint marketing programs and/or a Cooperative will be credited to your obligation for Local Marketing under Section 8.4 or, at our option, to your Brand Fund obligation under Section 9.3, or any combination of the two. You must participate in each applicable joint marketing program and comply with the rules of the program.

**8.6. Approval Requirement.** All proposed advertising and promotional plans and materials that you intend to use must meet our standards and specifications and be submitted to us for approval at least thirty (30) days before their intended use. You must use the method(s) we specify to submit materials for approval. You do not have to submit samples of plans or materials that we prepared or that we approved within the last twelve (12) months unless we have communicated to you that they are no longer current. If we have not responded to your proposed advertising plans or materials within fifteen (15) days after your submission of the samples, you may begin using them in the form submitted. All advertising and promotion must be in the media and of the type and format that we approve, conducted in a dignified manner, and conform to our standards.

**8.7. Ownership of Advertising and Promotional Materials.** Floral Image and its affiliates own all copyrights and other rights to all existing and future advertising and promotional materials that contain any of the Licensed Marks or that otherwise relate to the Franchised Business, as well as any products, materials, and rights that result from any advertising, marketing, and promotional programs created, purchased, produced or conducted by or on behalf of Franchised Locations, the Brand Fund, or any Cooperative, regardless of who created the materials. No copyrights or other rights or interest in any tangible or intangible materials or in the Licensed Marks will vest in you as a result of any contribution to,

or participation in, any advertising, marketing, or promotional program. If you are deemed to have acquired any copyrights, contractual rights or common law rights in any advertising programs or materials, you agree to sign (and to cause your employees and agents to sign) such documents or instruments as Floral Image may request to effect assignment of such rights to Floral Image or its affiliates.

**8.8. Leads.** Except as provided in Section 2.6.1, Floral Image will refer to you without charge any customer leads for Authorized Services that Floral Image receives through its website or generates through other marketing activities, provided that Floral Image is able to determine that the potential service site is located in your Territory. If you do not respond to the potential customer within 1 business day, Floral Image may itself contact or service the customer and/or refer the customer to a Location outside of your Territory. If you fail to respond to 12 or more leads within any 12-month period, Floral Image will have the right to remove the Franchised Business from any of Floral Image's websites and other marketing channels, suspend any local landing pages for the Franchised Business, and/or terminate Floral Image's referral obligation under this Section 8.8. We may also offer you optional referral programs under which, if you choose to participate, you may be required to pay compensation for the leads and to satisfy response times that differ from those in this Section.

**8.9. Solicitation of New Franchisees.** We may from time to time develop advertising and promotional materials and displays for the solicitation of prospective franchisees. You agree to display all such materials as required by us from time to time.

**8.10. Media Appearances.** You shall not make any television or radio appearance, or make any statement to any public media, in connection with the Franchised Business or the Floral Image brand unless you obtain our prior written approval.

**8.11. Electronic Marketing and Electronic Communications.** Unless we have agreed to it in writing, you may not use, register, maintain, or sponsor any website, URL, social media, blog, messaging system, email account, username, text address, mobile application, or other digital, electronic, mobile or Internet presence that uses or displays any of the Licensed Marks (or any derivative thereof) or that promotes any services or products of the Franchised Business. The use of any digital or electronic medium constitutes advertising and promotion subject to our approval under Section 8.6. You agree not to post or transmit, or cause any other party to post or transmit, advertisements or solicitations by telephone, e-mail, text message, instant message, website, social media, mobile apps, VoIP, streaming media, or other electronic media that are inconsistent with our brand advertising guidelines and standards. The brand advertising standards may include the use of disclaimers, warnings, and other statements that we prescribe. You are responsible for ensuring that your employees understand the policies relating to the use of social media and you are responsible for their use of social media in accordance with such policies. We have the right to require that social media accounts, profiles, pages, and registrations that primarily promote the Licensed Marks or the Franchised Business be registered in Floral Image's name. For any such accounts that we permit to be registered in Franchisee's name, you agree to provide us with the current login credentials within five (5) days after opening the account or changing the credentials. You agree that we have the rights to: (i) access any social media accounts to take corrective action if the account or any postings are in violation of our policies; and (ii) take ownership of the accounts on expiration or termination of this Agreement and operate them thereafter as we see fit. We may offer to provide, or may require that you have, a website for your Franchised Business (which may be structured as a separate page of a consumer website(s) supported by the Brand Fund).

## **9. FEES**

**9.1. Territory Fee.** You must pay us a non-refundable initial territory fee in the amount shown in the Data Sheet. The initial territory fee is due when you sign this Agreement.

**9.2. Royalty.** Beginning at the earlier of the Opening Deadline or when the Franchised Business opens, you must pay us an ongoing royalty fee in the amount shown in the Data Sheet. Unless we designate a different period, the royalty fee will be paid on the schedule shown in the Data Sheet.

**9.3. Brand Fund Contribution.** You must contribute to the Brand Fund on an ongoing basis the amount shown in the Data Sheet. The Brand Fund contribution will be calculated for the same period and paid in the same manner as the royalty fee.

**9.4. Technology Fees.** You must pay fees as specified in the Data Sheet (“**Technology Fees**”) for the right to use technology systems that we designate for Franchised Locations, as well as to support development and operation of websites, email accounts, mobile applications, social media, portals, help desks, and other technology and communications channels. The specific systems, services and apps and the applicable fees will vary over time. The fees may be payable to us, directly to vendors, or a combination. Unless we designate a different period, the technology fees will be paid on the schedule shown in the Data Sheet. We can revise Technology Fees, subject to any limits stated in the Data Sheet.

**9.5. Payment Method.** For all amounts payable to us, you must use the payment method(s) that we designate from time to time. If we require payment by Automated Clearing House (ACH) or electronic funds transfer, you must designate an account at a commercial bank of your choice (the “**Account**”) from which we are able to make transfers. You agree to complete and submit to us an authorization for electronic funds transfer in the form that we or your financial institution may require. You agree to maintain sufficient funds in the Account to cover the amounts payable to us. If funds in the Account are insufficient to cover the amounts payable at the time we make our periodic electronic funds transfer, the amount of the shortfall will be deemed overdue. Additionally, if the electronic funds transfer payment request is returned due to insufficient funds, you must pay us a fee equal to the greater of: (a) \$50 or (b) the amount the bank charges us due to the insufficient funds. If we permit you to pay with a credit card, you agree to reimburse us for the resulting charges we incur, subject to applicable law.

**9.6. Late Reports and Estimated Payments.** If your Gross Revenue report is not received when due, we will have the right to estimate Gross Revenue and to draft from your Account the estimated amount due for royalties, Brand Fund contributions, and any other charges that are calculated based on Gross Revenue. When you provide the delinquent report(s), we will reconcile any difference between the estimated amount and the actual charges due for the period.

**9.7. Interest and Late Fees.** If any payment to us is overdue, you must pay us, in addition to the overdue amount, interest on the overdue amount from the date it was due until paid, at the rate of 12% per annum or the maximum rate permitted by law in the state where the Franchised Business is located, whichever is less. In addition, we have the right to charge a late fee of \$100 for the second occurrence of a payment or report that is more than thirty (30) days past due, \$200 for the third such occurrence, and \$300 for the fourth and each subsequent occurrence. The late fee is to compensate us for our administrative costs incurred in enforcing your payment and reporting obligations.

**9.8. No Set-off; Application of Payments.** Your obligation for timely payment of the fees in this Agreement is absolute and unconditional. You have no right to set off, deduct, delay, escrow, or withhold any payment based on our alleged non-performance of any obligations. We can apply payments received from you to royalty fees, Brand Fund contributions, technology fees, purchases from us or our affiliates, interest, late charges, or any other obligation in the order we choose, regardless of any designation you make.

**9.9. Taxes.** The payments that you are required to make to us pursuant to this Agreement must be the gross amount without deduction for any taxes, except for any non-resident income taxes that are assessed against us by taxing authorities in the jurisdiction where the Franchised Business is located and that you are obligated by law to withhold (“**Withholding Taxes**”). If you fail to withhold and pay any Withholding Taxes to the appropriate government authority, you must indemnify us and our affiliates for any penalties, interest, and expenses (including legal and accounting fees) resulting from your failure to withhold or to pay the taxes as required by law.

**9.10. Inflation Adjustment.** We have the right to adjust all fixed dollar amounts in this Agreement annually for inflation using the U.S. Consumer Price Index (1982-84=100; all items; CPI-U; all urban

consumers) as published by the U.S. Bureau of Labor Statistics (“BLS”). If the BLS no longer publishes this index, then we will designate a reasonable substitute measure.

## **10. REPORTS, FINANCIAL STATEMENTS, DATA RIGHTS, AND DATA SECURITY**

**10.1. Business Records and Reports.** You must use the technology systems we designate pursuant to Section 7.6 to schedule, perform, document, and bill all services performed by the Franchised Business. You must input into the designated systems complete contact details (including service address, billing address, email address, and phone number) and the associated invoices for all customers and locations you service. You must prepare and preserve for at least five (5) years from the dates of their preparation complete and accurate books, records, and accounts, in accordance with generally accepted accounting principles and in the form and manner we prescribe. Concurrently with each payment of the Royalty Fee, you must send us a report of Gross Revenue for the preceding period and supporting records as we may specify.

**10.2. Financial Statements and Tax Returns.** Within fifteen (15) days after the end of each calendar month, you must submit a statement of financial condition (a balance sheet) as of the end of the calendar month and a profit-and-loss statement for the month and for the fiscal year-to-date. The financial statements must be certified as correct and complete by the Key Person to the best of the Key Person’s knowledge. At our request, you must submit to us a copy of the federal and state tax returns for the Franchised Business for the most recently filed tax year.

**10.3. Parent and Guarantor Financial Statements.** At our request, you agree to furnish an annual statement of financial condition for each individual or corporate guarantor of Franchisee’s obligations to us and, if applicable, for each of Franchisee’s direct and indirect corporate parents.

**10.4. Access to Your Information Systems.** You must at our request make available all books, records, tax returns, accounting records, and supporting documents relating to the Franchised Business. You must give us independent access to (i) the information systems that we require you to use in the operation of your Franchised Business from time to time, and/or (ii) any other information systems that you use to store or process Confidential Information or to display the Licensed Marks. You must provide us with login credentials if necessary for that purpose. You must maintain an electronic connection with us at all times.

**10.5. Right to Examine or Audit.** We have the right on reasonable notice to examine and copy, at our expense, the books, records, accounts, and tax returns of the Franchised Business. We also have the right, at any time, to have an independent audit made of the books and records of the Franchised Business. You agree to cooperate with the persons making the examination or audit. If you or we discover, by means of an audit or otherwise, that there has been an underpayment of royalty fees or other amounts due, you must promptly pay the amount due, together with applicable late fees and interest. Your payment and our acceptance of the overdue amounts will not constitute a waiver of or prejudice our right to exercise any other remedy in this Agreement, including termination.

**10.6. Cost of Examination or Audit.** If we perform an examination or audit due to your failure to submit reports of Gross Revenue or required financial statements or your failure to maintain books and records as required, or if the cumulative Gross Revenue you report for any period of three consecutive months is more than 2% below the actual Gross Revenue for the period as determined by the examination or audit, then you agree to pay us the cost of the examination or audit, including the travel and lodging expenses for the examiners or auditors. For purposes of calculating the cost, we will use hourly rates for our personnel that are consistent with the rates of mid-level professionals of independent accounting firms.

**10.7. Rights to Customer Data.** To the extent permitted by applicable law, all Customer Data is deemed to be owned by Floral Image. We have the right to access all Customer Data, in whatever form existing and wherever maintained. Because we own the Customer Data, we can (subject to applicable law) share it with our affiliates, service providers, contracted third parties, or any other person, for any purpose, without notifying or compensating you, both during and after this Agreement, including for marketing and

cross-selling products and services. You have the right to use Customer Data while this Agreement or a Successor Franchise Agreement is in effect, but only in accordance with the policies that we establish from time to time. You may not sell, transfer, or use Customer Data for any purpose other than marketing Floral Image services and products. However, if you sell the Franchised Business, you may transfer the right to use Customer Data to the buyer for value.

**10.8. Privacy Laws.** You must comply with applicable laws pertaining to the collection, use, processing, protection, integrity, transfer of, consumer access to, correction of, and deletion of Personal Information. **“Personal Information”** means any information that, by itself or in conjunction with other information, may be used to specifically identify an individual, such as name, physical address, telephone number, e-mail address, social media accounts, and any other information as defined in applicable law. You must ensure that you collect Personal Information only with the express or implied consent of the individual. Where required by applicable law, you must provide a written privacy notice regarding your collection, use, and sharing of Personal Information and comply with the written privacy policy.

**10.9. Data and Network Security.** You must implement industry-standard administrative, physical, and technical security measures and devices to protect the Franchised Business, Customer Data, and Confidential Information from unauthorized access, acquisition, loss, destruction, disclosure or transfer. You are responsible for protecting your information systems and devices from computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, and attacks by hackers and other unauthorized intruders. This includes best efforts to secure your systems, including but not limited to the use of firewalls, access code protection, anti-virus systems, and backup systems. In the event of a known or suspected security breach, you agree to notify us promptly and comply with applicable laws regarding response to the breach. If you accept payment from customers by credit and/or debit card, you also agree to comply with the then-current Payment Card Industry Data Security Standards (PCI-DSS), as those standards may be revised by the PCI Security Standards Council, LLC (see [www.pcisecuritystandards.org](http://www.pcisecuritystandards.org)) or successor organization.

**10.10. Third Party Information.** Franchisee and the Owners hereby authorize Floral Image and its agents and representatives to make credit and background checks of Franchisee and the Owners and to make inquiries of Franchisee’s bank, suppliers, and trade creditors concerning the Franchised Business. Franchisee hereby directs such persons to provide Floral Image with information and copies of documents pertaining to the Franchised Business as Floral Image may reasonably request.

## **11. INSURANCE**

**11.1. Basic Requirements.** You must maintain the types and minimum amounts of insurance coverage we specify for Franchised Businesses, at your own expense. The policies must be written by carriers with an industry rating acceptable to us; must name Floral Image, its affiliates, and their respective officers, directors, shareholders, and employees as additional insureds as we direct; and must not have deductibles, exclusions or co-insurance that are unacceptable to us. Each insurance policy must contain a waiver by the insurance company of subrogation rights against Floral Image, its affiliates, and their successors and assigns. You must provide us with evidence of all required insurance coverage and payment of premiums at the times we require. As soon as practicable, but not to exceed fifteen (15) days following expiration of each insurance policy, you must furnish a copy of renewal or replacement insurance through valid certificates of insurance, and /or insurance policy documents identifying all required insurance coverages and associated provisions, and evidence of payment of the premium. Your obligation to obtain coverage is not limited by insurance that we maintain.

**11.2. Changes.** We have the right to increase the amounts of insurance coverage required and to require different or additional kinds of insurance. If you do not have the insurance required by this Agreement, we have the right (but no obligation) to obtain insurance on your behalf. If we do so, you agree to reimburse us for the cost of insurance, plus a reasonable fee for our services.

## 12. LICENSED MARKS AND COPYRIGHTS

**12.1. Identification of the Shop.** You must operate, advertise, and promote the Franchised Business only under the “Floral Image” name or as we otherwise designate. In conjunction with any use of the Licensed Marks, you must identify yourself to the public as an independent franchisee operating under authority of this Agreement

**12.2. Your Acknowledgments.** You acknowledge that: (a) the Licensed Marks are valid and serve to identify the floral arrangements and the Locations operating under the System; (b) your use of the Licensed Marks under this Agreement does not give you any ownership interest in the Licensed Marks; and (c) all goodwill associated with and identified by the Licensed Marks belongs exclusively to us and Floral Image Pty Ltd and its affiliates.

**12.3. Limitations on Use of the Licensed Marks.** You agree to:

**12.3.1** Use only the specific Licensed Marks designated by us and use them only in the manner we authorize;

**12.3.2** Use the Licensed Marks only for the operation of the Franchised Business in the Territory, and only for approved products and services and approved marketing and advertising; and

**12.3.3** Not use any of the Licensed Marks as part of your corporate or legal name or to incur any obligation or indebtedness on our behalf.

**12.4. Changes to the Licensed Marks.** We have the right on reasonable notice to change, discontinue, or substitute for any of the Licensed Marks and to adopt new Licensed Marks for use with the System. You agree to implement any such change at your own expense within the time we reasonably specify.

**12.5. Copyrighted Materials.** As part of this Agreement, we authorize you to use certain copyrighted or copyrightable materials owned by us, Floral Image Pty Ltd, and our affiliates (the “**Works**”), including but not limited to the Operations Manual, advertisements, promotional materials, vehicle wraps, signs, websites, apps, social media, loyalty cards, and trade dress. This Agreement does not confer any interest in the Works on you, other than the right to use them in the operation of the Franchised Business in compliance with the terms of this Agreement. If you prepare any adaptation, translation or other materials derived from the Works, whether or not we authorized it, the material will be our property and you hereby assign all of your right, title and interest in it to us.

**12.6. Third-Party Challenges.** You agree to notify us promptly of any unauthorized use of the Licensed Marks or Works that you suspect or of which you have knowledge. You also agree to inform us promptly of any challenge by any person to the validity of, our ownership of, or our right to license others to use any of the Licensed Marks or Works. We have the right, but no obligation, to initiate, direct and control any litigation or administrative proceeding relating to the Licensed Marks and Works. We will defend you against any third-party claim that your use of the Licensed Marks or Works infringes the rights of third parties. If you have used the Licensed Marks or Works in accordance with the terms of this Agreement, we will bear the cost of the defense (including the cost of any judgment or settlement), but otherwise you will bear the cost of defense (including the cost of any judgment or settlement). You agree to sign documents and render any other assistance as our counsel may deem advisable to protect our interests in the Licensed Marks and Works.

## 13. CONFIDENTIAL INFORMATION

**13.1. Nondisclosure.** You are prohibited, both during and after the term of this Agreement, from communicating or divulging Confidential Information to any unauthorized person and from using Confidential Information for your own benefit or for the benefit of any other person, other than for operation of the Franchised

Business. You may divulge Confidential Information only: (i) to your employees and agents who must have access in order to carry out their duties relating to the Franchised Business; and (ii) to your contractors and landlord with our prior written approval. All information that we designate as confidential will be deemed to be Confidential Information for purposes of this Agreement.

**13.2. Individuals Affiliated with the Franchised Business.** At our request, the Owners, Key Person, and any employees we designate are required to sign a separate Confidentiality and Non-Compete Agreement in the form of Appendix D to this Agreement. At our request, you are required to use best efforts to obtain signed confidentiality agreements from your landlord, contractors, and any other person outside of your organization to whom you wish to disclose any of our Confidential Information. The confidentiality agreements are required to be in a form satisfactory to us and identify us as a third party beneficiary with the independent right to enforce the agreement.

**13.3. Improvements.** You may not introduce any Improvement into the Franchised Business without our prior written consent. Any Improvement developed by you or any Owner, employee or agent of Franchisee is the property of Floral Image. At our request, you must provide us with information about the Improvement and sign any documents necessary to verify assignment of the Improvement to us, without compensation. We will have the right to use, disclose, and/or license the Improvement for use by others.

## **14. SALE OR ASSIGNMENT**

**14.1. No Transfer of Interest without Our Consent.** We have entered into this Agreement in reliance on the business skill, financial capacity, and personal character of Franchisee and its Owners. Accordingly, neither Franchisee nor the Owners may sell, assign, give away, pledge, or encumber, either voluntarily or by operation of law (such as through divorce or bankruptcy proceedings) any direct or indirect interest in this Agreement, in the assets of the Franchised Business, or in the equity ownership of Franchisee without obtaining our prior written consent. This section applies to any transfer that would occur by any mechanism, including but not limited to family financial planning, estate planning, transfer to a trust, corporate reorganization, issuance or offering of securities, employee ownership plans, divorce, new marriage, bankruptcy, or receivership. If Franchisee is a corporation, limited liability company, or other business entity, this Section also applies to the transfer of a direct or indirect ownership interest in Franchisee. We can approve or disapprove the proposed transferee in our sole discretion. If we approve the proposed transferee, we can still impose conditions on the transfer. Franchisee and the Owners agree that the conditions in Sections 14.2 through 14.7 below are reasonable and that they do not preclude other conditions that we may impose. Franchisee and the Owners agree to notify us in writing of each proposed transfer, to provide all information and documentation relating to the proposed transfer that we request, and to refrain from completing the transfer until we advise you that all requirements of this Section 14 have been satisfied. If we have not responded within sixty (60) days after receiving all requested information, we will be deemed to have refused consent. We have the right to communicate with and counsel Franchisee, the Owners, and the proposed transferee on any aspect of a proposed transfer. Unless otherwise agreed, we do not waive any claims against the transferring party if we approve the transfer. If we do not approve the transfer, you are required to continue to operate the Franchised Business in accordance with this Agreement.

**14.2. Transfer of Business.** The conditions set forth in this Section apply to: (i) a proposed transfer of this Agreement and/or substantially all of the assets of the Franchised Business, and (ii) a proposed transfer, alone or together with other previous, simultaneous or proposed transfers, of any direct or indirect equity ownership interest in Franchisee that would result in a change of control of Franchisee or the Franchised Business (“**Change of Control**”). Unless waived by Franchisor, the conditions are:

**14.2.1** Franchisee and the Owners must be in compliance with all obligations under this Agreement and any other agreement with us and our affiliates as of the date of the request for our approval of the transfer, or make arrangements satisfactory to us to come into compliance by the date of the transfer.

**14.2.2** The proposed transferee must:

(a) Demonstrate to our satisfaction that the proposed transferee and its owners and managers meet all of our then-current qualifications to become a Floral Image franchisee, which may include educational, managerial, and business standards; absence of involvement with Competing Businesses; good moral character, business reputation, and credit rating; and aptitude and ability to operate the Franchised Business. If the proposed transferee is already a Floral Image franchisee, that fact does not guarantee approval to become the operator of the Franchised Business. We have no less discretion with respect to a proposed transferee than we have with granting a new franchise.

(b) At our option, sign our then-current standard form of Franchise Agreement (or the standard form most recently offered to new franchisees) and related documents. The new Franchise Agreement may include new or increased fees and may otherwise differ, without limitation, from the terms of this Agreement.

(c) Require all owners of a beneficial interest in the transferee to sign our then-current form of Personal Guarantee and our other then-current standard documents.

(d) Successfully complete our then-current training requirements.

(e) Make arrangements to modernize and upgrade the Franchised Business, at the transferee's expense, to comply with our then-current System Standards.

(f) If the proposed transferee is another Floral Image franchisee, the proposed transferee must not have any outstanding notice of default under any agreements with us and must have a good record of customer service and compliance with System Standards.

**14.2.3** Franchisee must pay us a transfer fee as specified in the Data Sheet.

**14.2.4** Franchisee and all Owners must sign a general release, in a form satisfactory to us, of all claims against us and our past, present and future affiliates, officers, directors, shareholders, agents and employees. Franchisee and the Owners will remain liable to us for all obligations arising before the effective date of the transfer.

**14.2.5** The price and other proposed terms of the transfer must not, in our reasonable business judgment, have the effect of negatively impacting the future viability of the Franchised Business.

**14.2.6** Any financing incurred in connection with the transfer must be expressly subordinated to the transferee's obligations to us.

**14.3. Transfer of Minority Ownership Interest.** For any proposal to admit a new Owner, to remove an existing Owner, to change the distribution of ownership shown on the cover page, or otherwise modify the ownership in a way that would not result in a Change of Control of Franchisee or the Franchised Business, Franchisee must give us advance notice and submit a copy of all documents and other information concerning the transfer that we may request. We will have a reasonable time (not less than forty-five (45) days) after we have received all requested information to evaluate the proposed transfer. We may withhold our consent or give our consent subject to the conditions in Section 14.2 that we deem to be applicable, except that, instead of a transfer fee, we will only charge the greater of \$2,500 or our actual external legal and administrative costs, plus applicable training fees for each new person that we determine needs training. Each proposed new owner is required to submit a personal application and sign a Personal Guarantee and our other then-current standard documents.

**14.4. Transfer on Death, Incapacity or Bankruptcy.** If Franchisee or any Owner dies, becomes incapacitated, or enters bankruptcy proceedings, that person's executor, administrator, personal representative, or trustee must apply to us in writing within 3 months after the event for consent to transfer the person's interest. The transfer will be subject to Sections 14.2 through 14.6, as applicable. In addition, if the deceased or incapacitated Owner is the Key Person, we will have the right (but no obligation) to take

over operation of the Franchised Business upon giving notice to the executor, administrator, personal representative, or trustee and to manage the Franchised Business until the transfer is completed. If we exercise this right, we can charge a reasonable management fee for our services. For purposes of this Section, "incapacity" means any physical or mental infirmity that will prevent the person from performing his or her obligations under this Agreement (i) for a period of thirty (30) or more consecutive days or (ii) for sixty (60) or more total days during a calendar year. In the case of transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the conditions of Section 14.2, the executor may transfer the decedent's interest to another successor that we have approved, subject to all of the terms and conditions for transfers contained in this Agreement. If an interest is not disposed of under this Section 14.4 within one year after the date of death or appointment of a personal representative or trustee, we can terminate this Agreement under Section 15.1.

**14.5. Non-Conforming Transfers.** Any purported transfer that is not in compliance with this Section 14 is null and void and constitutes a material breach of this Agreement, for which we may terminate this Agreement without opportunity to cure.

**14.6. Our Right of First Refusal.** We have the right, exercisable within thirty (30) days after receipt of the notice of a proposed transfer required by Section 14.1, to send written notice to you that we intend to purchase the interest proposed to be transferred, except that our right of first refusal will not apply if: (i) the sale would not result in a change of Control; or (ii) the interests would transfer only to an existing Owner or the spouse(s) and/or adult children of an Owner. The request for approval of transfer must include a true and complete copy of the term sheet, letter of intent, proposed purchase agreement, assignment document, description of financing or other contingencies, and any other documents we deem necessary to support a prudent business decision on whether to exercise the right of first refusal. We can assign our right of first refusal to someone else either before or after we exercise it.

**14.6.1** If the proposed transfer is a sale, we or our designee have the right to purchase on the same economic terms and conditions offered by the third party. Closing on our purchase must occur within sixty (60) days after the date of our notice to the seller electing to purchase the interest. If we cannot reasonably be expected to furnish the same type of consideration as the third-party, then we may substitute the equivalent in cash. If the parties cannot agree within thirty (30) days on the equivalent in cash, you and we will jointly designate and pay the cost of an independent appraiser, and the appraiser's determination will be final. We will have thirty (30) days after receipt of the appraiser's determination to decide whether to proceed with the purchase. We are entitled to receive, and Franchisee and the Owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the equity ownership a business entity, as applicable. Any material change in the third party's offer after we have elected not to purchase the seller's interest will constitute a new offer subject to the same right of first refusal as for the third party's initial offer.

**14.6.2** If a transfer is proposed to be made by gift, you and we will jointly designate, at our expense, an independent appraiser to determine the fair market value of the interest proposed to be transferred. We will have thirty (30) days after receipt of the appraiser's determination to decide whether to purchase the interest at the fair market value determined by the appraiser. If we decide to purchase, closing on the purchase will occur within forty-five (45) days after our notice to the transferor of our decision.

**14.6.3** If we elect not to exercise our rights under this Section, the transferor may complete the proposed transfer after complying with Sections 14.1 through 14.4, provided that the final sale price is not less than the price at which we were entitled to purchase. If we determine that the final sale price is less than the price at which we were entitled to purchase, we may refuse to give our consent to the transfer. Closing of the transfer to the third party must occur within sixty (60) days of our election not to exercise our rights. If closing does not occur within the 60-day period, the third party's offer will be treated as a new offer subject to our right of first refusal.

**14.7. Sale or Assignment by Franchisor.** We have the right to transfer or assign all or any portion of our rights or obligations under this Agreement to any person or legal entity, including the operator of a competing business or franchise system. The assignee will expressly assume our obligations and become

solely responsible for them from the effective date of assignment. We can sell our assets, sell securities in a public offering or in a private placement; merge with, acquire, or be acquired by another company; or undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring, without restriction and without affecting your obligations under this Agreement.

## **15. DEFAULT AND TERMINATION**

**15.1. Termination without Cure Period.** In addition to any other rights of termination set forth in this Agreement, and subject to applicable law, we will have the right to terminate this Agreement if any of the following events of default occurs, without providing you an opportunity to cure the default, effective immediately upon delivery of written notice to you:

**15.1.1** If at any time during the pre-opening training program, we conclude in our sole judgment that the Principal Owner or Key Person does not meet our standards for new Floral Image franchisees;

**15.1.2** If you do not open the Franchised Business by the Opening Deadline;

**15.1.3** If you close the Franchised Business for three (3) or more consecutive business days without our prior approval, express your intent to abandon the Franchised Business, or cease to operate the Franchised Business for any period in circumstances where it is reasonable to conclude that you do not intend to promptly resume operation of the Franchised Business;

**15.1.4** If you fail to pay any monies owed to us or our affiliates within seven (7) days after receipt of notice of delinquency from us;

**15.1.5** If you refuse to permit us to inspect the Franchised Business or your books, records, or accounts as provided in this Agreement;

**15.1.6** If you do not comply with the restrictions on competition in Section 17;

**15.1.7** If any transfer of interest in this Agreement, Franchisee, or the Franchised Business occurs that does not comply with Section 13, or if an interest is not disposed of under Section 13.4 within one year after the date of death or appointment of a personal representative or trustee;

**15.1.8** If you knowingly misuse or disclose to any unauthorized person any contents of the Operations Manual or other Confidential Information, or if your negligence results in disclosure;

**15.1.9** If you knowingly maintain false or misleading books or records, knowingly underreport sales, or knowingly submit any other false or misleading information to us;

**15.1.10** If you perpetrate common law fraud against us or any customer or supplier of the Franchised Business or knowingly permit your employee or agent to misappropriate any funds or property of any customers;

**15.1.11** If Franchisee, the Key Person, or any Owner is convicted of, pleads guilty to, or pleads no contest to a felony, a crime involving moral turpitude, or any other crime or offense that we reasonably believe is likely to have an adverse effect on the Licensed Marks or the goodwill associated with them. Once Franchisee, the Key Person, or the Owner has been arrested for or formally charged with a serious criminal offense, we will have the right: (i) to require that the individual(s) charged be removed from any active role in the Franchised Business pending final disposition of the charges; and (ii) if the person(s) charged include the Key Person, to take over operation of the Franchised Business and to manage it on your behalf pending final disposition of the charges. If we exercise the right in clause (ii), we may charge a reasonable management fee for our services;

**15.1.12** If Franchisee is insolvent or makes an assignment for the benefit of creditors; if a receiver is appointed for the Franchised Business; if execution is levied against your business assets; if a suit to foreclose any lien or mortgage is filed against you and not dismissed within sixty (60) days; or if your business entity is dissolved;

**15.1.13** If you lose the right to possession of the Approved Location, or otherwise forfeit the right to do business in the jurisdiction where the Franchised Business is located. However, if, through no fault of your own, your business premises are damaged or destroyed by an event such that repairs or reconstruction cannot be completed within sixty (60) days thereafter, then you will have thirty (30) days after that event in which to apply for our approval to relocate or reconstruct the business premises;

**15.1.14** If Franchisee, the Key Person or any Owner appears on any government list of “blocked” persons or its assets, property, or interests are “blocked” under any anti-terrorism law or similar law that prohibits us from doing business with Franchisee, the Key Person or the Owner;

**15.1.15** If you fail to maintain the insurance coverage required by Section 10, or fail to provide satisfactory evidence of insurance to us within forty-eight (48) hours of our request;

**15.1.16** If a business license or permit required for the operation of the Franchised Business is suspended or revoked and not restored within seven (7) days;

**15.1.17** If you misuse or make any unauthorized use of the Licensed Marks or engage in any conduct which we reasonably believe threatens to or actually impairs the Licensed Marks or our reputation, and you do not stop the cited activity within twenty-four (24) hours after notice from us;

**15.1.18** If you are in violation of any health, safety, or sanitation law or operate the Franchised Business in a manner that presents a health or safety hazard to your employees, customers, or the general public; or

**15.1.19** If you receive three or more notices of default under Section 15.2 within any 18-month period, whether or not the defaults are similar and whether or not they are cured.

**15.2.** Termination Following Expiration of Cure Period. Except as provided in Section 15.1 and elsewhere in this Agreement, we can terminate this Agreement only by giving you written notice of termination stating the nature of the default, at least thirty (30) days before the effective date of termination. If the default is not cured within the thirty (30) day period (or such longer period as applicable law may require) this Agreement will terminate without further notice to you, effective at the end of the cure period. Any material failure to comply with the requirements imposed by this Agreement (as supplemented by the Operations Manual) will be a material default under this Section 15.2.

**15.3.** Cross-Default. We have the right to treat a default under any other agreement that you or your affiliate have with us or our affiliate as a default under this Agreement, subject to any applicable provisions for notice and cure set forth in the other agreement. For purposes of this section, “affiliate” means a person or business entity controlling, controlled by, or under common control with Franchisee or Floral Image, as applicable.

**15.4.** Pre-Termination Options of Franchisor. In addition to any right we may have to terminate this Agreement or to bring a claim for damages based on your default, we will have the right to take the actions set out below and continue them until you have cured the default to our satisfaction. The taking of any of the actions permitted in this Section will not suspend or release you from any obligation that would otherwise be owed to us or our affiliates under this Agreement. We may:

**15.4.1** Remove the Franchised Business from all listings and advertising published or approved by us;

**15.4.2** Suspend services provided to you by us or our affiliates under this Agreement, including but not limited to inspections, training, marketing assistance, and the sale of products and supplies;

**15.4.3** Suspend your access to the Franchisee Portal and any technology systems we provide you access to, whether it is our technology or a third-party license; and/or

**15.4.4** Prohibit you from attending any meetings or seminars held or sponsored by us or taking place on our premises.

**15.5. Step In Rights.** If you fail to cure any default within the applicable cure period (if any), we have the right, but not the obligation, to assume temporary management of the Franchised Business using our own employees or contractors (which may include other franchisees) until such time as we determine that the default has been cured and you are otherwise in compliance with this Agreement. We retain the right to terminate this Agreement and our other remedies if the default remains uncured. If we exercise the rights described in this Section, you must give us access to your business premises, pay us (or our designee) a management fee of up to \$500 per day, and reimburse us (or our designee) for all costs and overhead, if any, incurred in connection with the temporary operation of your Franchised Business, including the costs of our personnel who supervise and staff the Franchised Business and their travel and lodging.

## **16. OBLIGATIONS UPON TERMINATION OR EXPIRATION**

**16.1. Liquidated Damages.** You and we recognize the difficulty of calculating damages caused by lost future royalties and Brand Fund contributions if this Agreement terminates due to your default, but we nevertheless recognize that such damages will arise and we have agreed to this Section as a compromise on the calculation of such damages. If we terminate this Agreement based on your default, you must pay us liquidated damages calculated as follows: (a) the average monthly Royalty fees and Brand Fund contributions due for the last twelve months before our delivery of notice of default, (b) multiplied by the lesser of 24 or the number of months remaining in the Agreement Term. The liquidated damages are to compensate for our lost future royalties and Brand Fund contributions, and therefore do not limit or replace (i) any amounts due to us relating to your operation of the Franchised Business prior to our notice of termination, including any damages caused by your default before termination; and (ii) any costs and expenses that you may owe us under Section 22 (Disputes).

**16.2. Our Rights to Acquire Franchise Assets.** Upon expiration or termination of this Agreement under any circumstances, you must:

**16.2.1** At our request, assign to us your interest in the lease or sublease for the Approved Location (or provide us with a commercially reasonable lease if you own the Approved Location), unless the Approved Location is your home. If we elect not to exercise our option to acquire the lease, you must make modifications or alterations to the Approved Location as necessary to comply with Section 15.2 and to distinguish the Approved Location from that of a Franchised Business.

**16.2.2** At our request, sell to us such of the equipment, vehicles, signs, furnishings, and fixtures of the Franchised Business as we may designate, at fair market value, and such of the inventory and supplies on hand as we may designate, at fair market wholesale value. If the parties cannot agree on the price of any such items within thirty (30) days, we will appoint an independent appraiser, and the appraiser's determination will be final. Floral Image and Franchisee will each pay one-half of the appraiser's fees and costs. We will have thirty (30) days after receipt of the appraiser's determination to decide whether to proceed with the purchase. If we exercise our option to purchase any items, we will have the right to set off any amount due to us or our affiliates from you against any payment for the items.

**16.2.3** At our request, provide us with complete data regarding any scheduled customer jobs that have not been completed, including a copy of the customer contract or order form, and all other information and access necessary for us (or our designee) to continue servicing the customer, within three

(3) days from our request and at no cost to us (since Customer Data is our property). To this end, each customer agreement must include a clause providing us the unconditional right (but not an obligation) to assume (directly or through a designee) the customer agreement upon the termination or expiration of this Agreement. You agree to facilitate our conversations with customers to ensure an orderly transition of the business operations. You agree to pay over to us (or our designee) any amounts (or a pro rata portion of any amounts) paid to you by customers for services that you have not yet performed.

We can exercise any or all of our options under Sections 16.2.1, 16.2.2 and 16.2.3: (a) within thirty (30) days after the expiration of the Agreement Term, in the case of expiration of this Agreement; and (b) in the case of termination of this Agreement, at any time between the date of delivery of written notice of termination and thirty (30) days after the effective date of termination (or after the court ruling upholding the termination, if termination is contested). We may assign these options to another person or entity. To preserve the value of these options, we may issue to you, and you must comply with, written instructions to refrain from, delay, or reverse any of the actions required of you under Section 16.3.

**16.3. De-identification.** Unless we have instructed you otherwise under Section 16.2, upon termination or expiration of this Agreement under any circumstances, you must:

**16.3.1** Cease operating the Franchised Business, withdraw all advertising that can be canceled, remove from the Approved Location and from service vehicles all signs, graphics, and other items that display Licensed Marks, and make any other changes that we request to dissociate yourself, the Approved Location, and the former Franchised Business from the System;

**16.3.2** Either permanently deactivate or, at our request, transfer to us all domain name registrations and other accounts, profiles, pages, usernames, and registrations by which you associate the Franchised Business with the Licensed Marks online or in any mobile network or other electronic marketing or communications channel, including but not limited to any social media, blog, messaging system, email domain, listserv, directory, or smart phone app, whether or not we authorized the particular usage or channel. If you do not voluntarily transfer these domain names, accounts, profiles, pages, usernames, and registrations, the registrars and hosts of any such electronic marketing or communications channels may accept this Agreement as evidence of our exclusive rights in the domain names, accounts, profiles, pages, usernames, and registrations and of our authority to direct their transfer on your behalf. When the domain names, accounts, profiles, pages, usernames, and registrations are transferred, all hosted content will also be transferred to us, including all data housed on the electronic marketing and communications channels as well as all members, friends, contacts and customers who are linked to the accounts or sites;

**16.3.3** Cease using the Confidential Information (including the Operations Manual), Customer Data, the Licensed Marks, the Works, and all other distinctive elements associated with the System, and return all materials in your possession or control, in any medium, that contain Confidential Information, bear any of the Licensed Marks, or constitute Works;

**16.3.4** Cancel any assumed name registration that contains any element or variation of the Licensed Marks, and furnish evidence satisfactory to us of compliance with this obligation within five (5) days after termination or expiration of this Agreement;

**16.3.5** Cease using the telephone number(s) of the Franchised Business, notify your telephone company and all listing agencies of the termination of your right to use the telephone numbers and listings for the Franchised Business, and transfer those number(s) and listings to us or our designee. If you do not voluntarily transfer these numbers and listings, we will present the signed copy of Appendix C to the telephone company and all listing agencies as evidence of our exclusive rights in the telephone numbers and directory listings and of our authority to direct their transfer on your behalf;

**16.3.6** At our request, return to us any and all Stock;

**16.3.7** Not directly or indirectly represent yourself to the public or hold yourself out as a present or former Floral Image franchisee; and

**16.3.8** Not use any reproduction, counterfeit, copy, or colorable imitation of the Licensed or the Works in connection with any other business that, in our opinion, is likely to cause confusion, mistake, or deception or to dilute our and/or our affiliates' rights in and to the Licensed Marks or the Works. You must not use any designation of origin or description or representation that falsely suggests or represents an association or connection with us.

You hereby appoint us as your attorney-in-fact to carry out the requirements of this Section 16 if you fail to do so within a reasonable time, which need not be more than fifteen (15) days. You agree that we will have the right to contact your landlord and other third parties to make any required changes that you fail to make. You agree to reimburse us on demand for any costs that we incur to carry out your obligations.

**16.4. Continuing Obligations.** After termination or expiration of this Agreement under any circumstances, you will remain liable to us for certain obligations. Among other things, you are required to:

**16.4.1** Promptly pay all sums owing to us and our affiliates;

**16.4.2** Permit access to and examination of books and records as provided in Section 9 to determine any amounts due;

**16.4.3** Protect the Confidential Information as provided in Section 12;

**16.4.4** Comply with the post-term restrictions on competition in Section 17.2; and

**16.4.5** Indemnify us as provided in Section 20.

## **17. RESTRICTIONS ON COMPETITION**

**17.1. During the Agreement Term.** The relationship established by this Agreement will give you access to valuable Confidential Information, training, and business opportunities that you and the Owners did not possess before entering into this Agreement. Accordingly, while this Agreement is in effect, except as we otherwise approve in writing, you and the Owners shall not, either directly or indirectly:

**17.1.1** Own, maintain, operate, engage in, invest in, be employed by, make loans to, provide any assistance to, or have any interest in any Competing Business. **“Competing Business”** means a business that provides fresh or artificial floral arrangements by sale or on rental to commercial, nonprofit, and residential customers.

**17.1.2** Appropriate or duplicate any part of the System for a purpose other than to operate the Franchised Business, or divert or attempt to divert any present or prospective business or customer to any Competing Business, or do anything else harmful to the goodwill associated with the Licensed Marks and the System.

**17.2. After Expiration, Termination or Transfer.** You agree that you will not, for a period of two (2) years from the date of: (a) a transfer permitted under Section 14 of this Agreement; (b) expiration of this Agreement; or (c) termination of this Agreement (regardless of the cause for termination):

**17.2.1** Own, maintain, operate, engage in, invest in, be employed by, make loans to, provide assistance to, or have any interest in any Competing Business that is located or serves customers: (i) within the Territory, (ii) within ten (10) miles of the perimeter of the Territory, or (iii) within the territory assigned to any other Company-Owned Location or Franchised Location then in operation; or

**17.2.2** Appropriate or duplicate any part of the System for a purpose other than to operate a Franchised Business under a valid agreement with us, or divert or attempt to divert any present or prospective business or customer to any Competing Business, or do anything else harmful to the goodwill associated with the Licensed Marks and the System.

**17.3. Enforcement.**

**17.3.1** Because a violation of this Section 17 would result in irreparable injury for which no adequate remedy at law may be available to us, we will have the right to seek an injunction, without the need to post bond, prohibiting any violation of this Section 17. Injunctive relief is in addition to any other remedies we may have.

**17.3.2** Neither you nor any person bound by the restrictions of this Section 17 may circumvent the restrictions by engaging in prohibited activity indirectly through any other person or entity.

**17.3.3** The Owners personally bind themselves to this Section 17 by signing this Agreement or the Personal Guarantee attached to this Agreement. With respect to the Owners, the time period in Section 17.2 will run from the expiration, termination, or Transfer of this Agreement or from the termination of the Owner's relationship with Franchisee, whichever occurs first.

**17.3.4** The time periods in Section 17.2 and Section 17.3.3 will be tolled for any period of time during which Franchisee or the restricted individual is in breach of the section and will resume only when Franchisee or such person begins or resumes compliance.

**17.3.5** The existence of any claim Franchisee or any Owner may have against Floral Image or its affiliates, whether or not arising under this Agreement, shall not constitute a defense to enforcement of the restrictions in this Section 17 or any separate confidentiality or non-competition agreement.

**17.3.6** We have the right to reduce the scope of any restriction in this Section 17, effective immediately upon written notice to Franchisee.

**18. BUSINESS ENTITY REQUIREMENTS**

**18.1. Ownership Information.** Franchisee and each Owner represents and warrants that the ownership information on the cover page is correct and complete as of the Agreement Date and will not be changed without first obtaining our consent as required by Section 13. You must maintain a current list of stockholders, general partners, limited partners, members, or other direct and indirect legal and beneficial owners (as applicable) and furnish the list to us upon request. If any Owner is a business entity, you must provide all information we request concerning that business entity and its owners.

**18.2. Personal Guarantee.** Every individual or entity that owns a direct or indirect equity interest of 10% or greater in Franchisee is required to guarantee Franchisee's performance of this Agreement by executing the Personal Guarantee attached to this Agreement. If a guarantor is a married individual and that individual's spouse is not an Owner, the guarantor must provide Floral Image with a Spouse's Acknowledgment in the form attached to the Personal Guarantee.

**18.3. Governing Documents.** At our request, you must furnish us with copies of Franchisee's articles of incorporation, bylaws, partnership agreement, certificate of formation, limited liability company operating agreement, stock certificates, corporate minutes, or other governing documents, as applicable. You must give us at least thirty (30) days prior written notice of any proposed amendments to your governing documents. Your governing documents must provide that your activities are confined exclusively to developing and operating the Franchised Business and other Franchised Locations. If any controlling Owner is a business entity, you must provide similar documents and information concerning that business entity as we may request.

**18.4. Control Arrangements.** Any voting trust, management agreement, or other arrangement affecting the power to direct and control the affairs of Franchisee requires our prior written consent. You are required to furnish any information and documentation that we may request concerning a proposed control arrangement.

## **19. RENEWAL**

**19.1. Renewal Terms.** Upon expiration of this Agreement, you will have the option to continue the franchise relationship with us for one (1) additional term of ten (10) years, subject to this Section. You must satisfy the following requirements as a condition of renewal:

**19.1.1** You must give us written notice of your desire to renew not less than six (6) months and not more than twelve (12) months before the end of the expiring term;

**19.1.2** You must not be in default of this Agreement or any other agreement with us, our affiliates, or our approved vendors at the time you give the notice in Section 18.1.1 or during the remainder of the expiring term;

**19.1.3** You must have a good record of customer service and of compliance with System Standards and your contractual obligations to us;

**19.1.4** You must be on good terms with us, including but not limited to having a good working relationship for day-to-day operations and not being in litigation or other adversarial legal proceedings with us;

**19.1.5** At our option, you must sign the then-current franchise agreement being offered to new Floral Image franchisees, except that we may or may not include a further renewal option (the "**Successor Franchise Agreement**"). The terms of the Successor Franchise Agreement may differ substantially from the terms of this Agreement, including increased fees, new fees, reconfiguration of the Territory, and different or higher Key Performance Indicators;

**19.1.6** You must pay us the renewal fee specified in the Data Sheet;

**19.1.7** Franchisee and all Owners must sign a general release, in a form we prescribe, of any and all claims against us, our affiliates, and our officers, directors, shareholders and employees;

**19.1.8** The Key Person and any Owners or employees we designate must successfully complete any additional or refresher training courses that we require;

**19.1.9** You must demonstrate that you have the right to remain in possession of the Approved Location for the full renewal term; and

**19.1.10** You must remodel or refurbish your business premises, replace or refresh Stock and service vehicles, and conform equipment and technology to our then-current System Standards for new Franchised Businesses before the end of the expiring term, or obtain our approval of arrangements to complete the work on a schedule satisfactory to us.

**19.2. Holdover Over.** If Franchisee does not sign a Successor Franchise Agreement by the end of the expiring term and continues to operate after the expiration date, then Floral Image may treat this Agreement either as (i) expired as of the Expiration Date, with Franchisee then operating without a franchise to do so and in violation of Floral Image's rights; or (ii) continued on a month-to-month basis ("**Holdover Period**") until one party provides the other with written notice of termination of the Holdover Period, in which case the Holdover Period will terminate thirty (30) days after the date of the notice. In the case of clause (ii), all obligations of Franchisee shall remain in full force and effect during the Holdover Period as if this

Agreement had not expired, and all obligations and restrictions imposed on Franchisee upon expiration of this Agreement shall be deemed to take effect upon termination of the Holdover Period.

## **20. INDEMNIFICATION**

You agree to indemnify Floral Image, its affiliates, and their respective past, present, and future officers, directors, shareholders, employees, and agents (collectively, “**Protected Parties**”) for, and at our option defend the Protected Parties against: (i) any third-party claims arising directly or indirectly from, as a result of, or in connection with your activities under this Agreement (including third-party claims alleging negligence of the Protected Parties, but not claims determined by a court to have been caused solely by the gross negligence or willful misconduct of the Protected Parties) (collectively, “**Claims**”); and (ii) any liabilities, damages, losses, and expenses the Protected Parties incur as a result of such Claims, including but not limited to attorneys’ fees, costs of investigation, settlement costs, fines, civil penalties, and interest charges (collectively, “**Expenses**”). With respect to any threatened or actual litigation, proceeding, or dispute that could directly or indirectly affect any of the Protected Parties, the Protected Parties will have the right (subject to the terms of Franchisee’s applicable insurance policies) to: (i) choose counsel; (ii) direct, manage, and control the handling of the matter; and (iii) settle any Claim on behalf of the Protected Parties. Your obligations under this Section are not limited by the amount of your insurance coverage. This Section will survive the expiration or termination of this Agreement.

## **21. NOTICES**

All notices related to this Agreement must be in writing and delivered in person or sent by certified mail, by national commercial delivery service, or by other written or electronic means which affords the sender reliable evidence of delivery or attempted delivery. For the avoidance of doubt, our delivery of notice to the business email address that we have on file for you will constitute effective notice unless we receive a non-delivery message. This Section does not apply to changes to the Operations Manual or any written instructions that we furnish to you relating to operational matters.

## **22. GENERAL PROVISIONS**

**22.1. Notice of Suit.** You must notify us promptly of any legal proceeding or any order of a court or government agency that may adversely affect the operation or financial condition of the Franchised Business.

**22.2. Nature of Relationship.** The relationship between Floral Image and Franchisee is that of independent contractors. This Agreement does not create a fiduciary or other special relationship or make you or us an agent, legal representative, joint venturer, partner, employee or servant of each other for any purpose. You are not authorized to make any contract, agreement, warranty or representation on our behalf or to create any obligation, express or implied, in our name. We will not assume liability for any such action or for your acts or omissions or any claim or judgment against you.

**22.3. Required Use of Legal Name.** All legal documents, contracts, invoices, payroll forms, purchase orders, filings, permits, licenses, and other materials between Franchisee and customers, employees, contractors, landlords, vendors, suppliers, government agencies, and other third parties must identify Franchisee by its own company or legal name and, if the document requires a signature, be signed by Franchisee in its own company or legal name.

**22.4. Severability.** If a court or government agency determines that any provision of this Agreement is invalid or contrary to applicable law, the invalidity will not impair the operation of any other provision of this Agreement that remains otherwise intelligible. The latter will continue to be given full force and effect and the invalid provision(s) will be deemed not to be a part of this Agreement.

**22.5. No Implied Waiver.** No failure to exercise any right reserved to us in this Agreement or to insist on your strict compliance with any obligation or condition in this Agreement, and no custom or practice

of the parties, will constitute a waiver of our right to exercise any right or to demand your compliance with this Agreement. Our waiver of any particular default will not affect or impair our rights with respect to any subsequent default. Our delay or forbearance in exercising any right arising out of your breach or default will not prevent us from exercising the right, declaring any subsequent breach or default, or terminating this Agreement.

**22.6. No Implied Third Party Beneficiaries.** Nothing in this Agreement is intended to confer any rights or remedies on any person or legal entity other than Franchisee and us.

**22.7. No Implied Consent.** Whenever this Agreement requires our prior approval or consent, you must make a timely written request, and the approval or consent must be obtained in writing and signed by an authorized officer of Floral Image. We make no warranties or guarantees and assume no liability or obligation to you by providing any waiver, approval, consent or suggestion in connection with this Agreement.

**22.8. Survival of Obligations.** All obligations that expressly or by reasonable implication are to be performed, in whole or in part, after the expiration, termination, or assignment of this Agreement will survive expiration, termination, or assignment.

**22.9. Entire Agreement.** This Agreement and its Appendices constitute the entire agreement between Floral Image and Franchisee and the Owners concerning the Franchised Business. It supersedes all prior agreements, negotiations, representations, and correspondence concerning the same subject matter, except that nothing in this Agreement is intended to disclaim any representations made in any Franchise Disclosure Document that you received from us in connection with this Agreement. No amendment, change, or variance from this Agreement will be binding unless agreed to in writing and signed by authorized representatives of each party.

## **23. DISPUTES**

**23.1. Governing Law.** This Agreement and the relationship between Floral Image and Franchisee and the Owners is governed by the laws of the State of Georgia, except that if a provision of this Agreement would not be enforceable under the laws of Georgia, and if the Franchised Business is located outside of Georgia and the provision would be enforceable under the laws of the state in which the Franchised Business is located, then that provision will be governed by the laws of the state in which the Franchised Business is located. In the event of any conflict of law question, the laws applicable under this section will prevail, without regard to the application of any conflict-of-law rules. This Section 23.1 is not intended to subject this Agreement or our relationship with you to any Georgia statute or regulation that would not apply by its own terms without considering this Section.

**23.2. Mediation.** Except as provided in Section 23.3, before filing litigation, any dispute between Floral Image and Franchisee and/or the Owners must be submitted to non-binding mediation administered by a recognized and reputable mediation service. If Floral Image and Franchisee have not agreed on a mediator within 30 days after submission of the dispute to the mediation service, the mediation service shall appoint a neutral mediator with experience in franchise disputes. Participants in the mediation must sign a confidentiality agreement before participating in the proceeding. The mediation will take place in the city where Floral Image has its principal office at the time the demand for mediation is issued. Once a party has submitted a dispute to mediation, the obligation to attend will be binding on all parties. Floral Image and Franchisee will each bear one-half of the expenses for the mediation service and mediator.

**23.3. Provisional or Declaratory Relief.** Nothing in Section 23.2 or elsewhere in this Agreement restricts Floral Image's right to seek a restraining order, preliminary injunction, specific performance or declaratory relief in court, under the applicable court rules, against conduct or threatened conduct for which no adequate remedy at law may be available or which Floral Image believes may cause Floral Image or its affiliates irreparable harm.

**23.4. Time Limit on Filing.** Any claim or action arising out of or relating to this Agreement or the relationship between Floral Image and Franchisee and the Owners will be barred unless filed in court and served within two (2) years from the date the complaining party knew or should have known of the facts giving rise to the claim.

**23.5. Venue for Litigation.** Franchisee and the Owners must file any lawsuit against Floral Image only in the federal district court for the district in which Floral Image has its principal office at the time the complaint is filed (or in the closest state court if the federal court lacks subject matter jurisdiction). We may file a lawsuit against Franchisee or the Owners in the federal or state court where Floral Image has its principal office or in the federal or state court where the Franchised Business is located. The parties irrevocably submit to the jurisdiction of such courts and waive all objections to personal jurisdiction and venue for purposes of carrying out this provision.

**23.6. Waiver of Jury Trial.** We, you, and the Owners irrevocably waive trial by jury in any action, proceeding, or counterclaim.

**23.7. Waiver of Exemplary Damages.** Franchisee and the Owners, on the one hand, and Floral Image on the other, waive any right to or claim of punitive or exemplary damages against the other, except that we do not waive our right to: (i) statutory, punitive or exemplary damages for violation of the Lanham Act, trademark infringement or dilution, copyright infringement, or unauthorized disclosure of confidential information or trade secrets; or (ii) indemnification from Franchisee under Section 20 for any such damages claimed or awarded against Protected Parties.

**23.8. Class Action Waiver.** TO THE EXTENT PERMITTED BY LAW, FRANCHISEE AND THE OWNERS WAIVE THE RIGHT TO SEEK CERTIFICATION OF A CLASS IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM AGAINST US.

**23.9. Costs and Legal Fees.** In connection with any failure by Franchisee to comply with this Agreement, regardless of whether there is any legal proceeding to enforce the terms of this Agreement, Franchisee must reimburse Floral Image, upon demand, for the costs and expenses incurred by Floral Image as a result of such failure and Floral Image's enforcement of this Agreement. Floral Image's costs and expenses include, without limitation, accountants', attorneys', attorneys' assistants and expert witness fees, cost of investigation and proof of facts, court costs, other litigation expenses, and travel expenses. If Franchisee initiates a legal proceeding against Floral Image and/or its affiliates, and if Franchisee does not prevail in obtaining the relief Franchisee was seeking in the legal proceedings, then Franchisee must reimburse Floral Image and its affiliates for the costs and expenses incurred by them as a result of the legal proceedings, including, without limitation, accountants', attorneys', attorneys' assistants and expert witness fees, cost of investigation and proof of facts, court costs, other litigation expenses and travel expenses, whether incurred prior to, in preparation for, in contemplation of, or in connection with the legal proceedings. This section will survive termination or expiration of this Agreement.

**23.10. Remedies are Cumulative.** Except as otherwise provided in this Section 23, no right or remedy under this Agreement is exclusive of any other right or remedy.

**FLORAL IMAGE (USA), LLC**

**FRANCHISEE (Print name of company):**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## PERSONAL GUARANTEE

As an inducement to Floral Image (USA), LLC (“**Franchisor**”) to sign a Floral Image Franchise Agreement (the “**Agreement**”) with \_\_\_\_\_ (“**Franchisee**”), the undersigned individuals (collectively, the “**Guarantors**”), jointly and severally, unconditionally guarantee to Franchisor, its affiliates, and their successors and assigns (collectively, the “**Floral Image Group**”) that all of Franchisee’s obligations under the Agreement and under other agreements or arrangements between Franchisee and the Floral Image Group will be punctually paid and performed.

1. Guarantee. Upon demand by Franchisor, the Guarantors will immediately make each contribution or payment required of Franchisee under the Agreement and under other agreements or arrangements between Franchisee and the Floral Image Group. Each Guarantor waives any right to require the Floral Image Group to: (a) proceed against Franchisee or any other Guarantor for any contribution or payment required under the Agreement; (b) proceed against or exhaust any security from Franchisee or any other Guarantor; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee or any other Guarantor. Without affecting the obligations of the Guarantors under this Guarantee, the Floral Image Group may, without notice to the Guarantors, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee. The Guarantors waive notice of amendment of the Agreement and notice of demand for contribution or payment and agree to be bound by any and all such amendments and changes to the Agreement.

2. Indemnity. The Guarantors agree to indemnify the Floral Image Group against any and all losses, damages, liabilities, costs, and expenses (including attorneys’ fees, costs of investigation, court costs, and arbitration fees and expenses) arising out of or in connection with any failure by Franchisee to perform any obligation under the Agreement or any other agreement between Franchisee and the Floral Image Group.

3. Other Personal Obligations. The Guarantors agree to be bound personally by all obligations of the Franchisee in the Agreement, including but not limited to non-compete restrictions, confidentiality provisions, governing law and dispute resolution provisions, and restrictions on sale or transfer of interest in Franchisee or the Franchised Business. Except as expressly authorized by the Agreement, the Guarantors may not make use of any of the intellectual property rights licensed under the Agreement. The Guarantors may not disclose to any third party or make use of any trade secrets, know-how, systems or methods of which Guarantors may acquire knowledge by virtue of training they may have received from Franchisor, their involvement in the business, or their ownership interest in Franchisee.

4. Survival of Obligations. Upon the death of a Guarantor, the Guarantor’s estate will be bound by this Guarantee, but only for obligations existing at the time of death. The obligations of the surviving Guarantors will continue in full force and effect.

5. Spouse’s Acknowledgment. If a Guarantor is a married individual and that individual’s spouse is not an Owner of Franchisee or the Franchised Business, the Guarantor will provide Franchisor with a Spouse’s Acknowledgment in the form attached to this Personal Guarantee.

**GUARANTOR:**

Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**GUARANTOR:**

Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## SPOUSE ACKNOWLEDGMENT

My name is \_\_\_\_\_.

I am the spouse of \_\_\_\_\_.

I am aware that:

- my spouse is investing in a Floral Image franchise;
- in connection with the franchise, my spouse is signing a Franchise Agreement, personal guarantee, and/or other documents that involve financial obligations to Floral Image (USA), LLC and affiliates (the “**Franchise Documents**”); and
- Floral Image (USA), LLC and its affiliates are relying on all assets of my spouse, including jointly owned marital property, in accepting my spouse’s obligations under the Franchise Documents.

I understand the financial obligations undertaken by my spouse in connection with the franchise. I understand the effect of this Spouse Acknowledgment on our jointly owned marital property.

I understand that this Spouse Acknowledgment does not subject my separate, non-marital property to my spouse’s financial obligations under the Franchise Documents.

I understand that my spouse is bound personally by the following provisions of the Franchise Agreement, and I agree to be bound by them as well: (i) the confidentiality obligations in Section 13; (ii) the non-competition covenants in 17; and (iii) the governing law and dispute resolution provisions in Section 23.

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

**APPENDIX A TO FRANCHISE AGREEMENT  
DATA SHEET**

SECTION REFERENCE	SUBJECT	FRANCHISEE'S INFORMATION
Sections 1.2 and 4.2	Approved Location	[insert address]
Section 1.14	Key Person	[insert name]
Section 1.17	Opening Deadline	[insert date]
Section 1.20	Territory	<p>The Territory consists of the following zip code areas:</p> <p><b>[List specific zip codes]</b></p> <p>The assigned zip code areas are depicted on the attached map.</p>
Section 4.2	Relocation Fee	\$1,000 plus reimbursement of any out-of-pocket costs Floral Image reasonably incurs in reviewing, approving, and documenting your relocation to the new site.
Section 4.4	Opening Stock	50 small displays, 150 medium displays, and 50 large displays
Sections 4.7 and 8.2	Pre-Opening/Grand Opening Marketing	Minimum of \$15,000
Section 6.3	Lease Rates	<p>The monthly payment is determined by a tiered leasing schedule based on the number of units you have under lease:</p> <ul style="list-style-type: none"> <li>• <b>Tier 1:</b> Up to 400 units, the monthly lease rate is \$8 for a small display, \$10 for a medium display, and \$11 for a large display, per unit.</li> <li>• <b>Tier 2:</b> For units from 401 to 500, the monthly lease rate is reduced to \$7 for a small display, \$9 for a medium display, and \$10 for a large display, per unit.</li> <li>• <b>Tier 3:</b> For any units over 500, the monthly lease rate is further reduced to \$6 for a small display, \$8 for a medium display, and \$9 for a large display, per unit.</li> </ul> <p>We reserve the right to adjust the lease rates annually. Changes in lease rates will not apply to units of Stock you already have under lease; they will only apply to new orders.</p>
Section 6.6	Stock Replenishment	<p>The formula for the minimum level of inventory required in each territory is:</p> <p>Units on Hire + 100 Trial Units + 50 in Storage</p>

Section 7.16	Key Performance Indicators	[insert]
Section 8.3	Local Marketing	The approved marketing plan for each year sets the minimum amount you must spend in that year.
Section 9.1	Territory Fee	[insert]
Section 9.2	Royalty	<p>8% of Gross Revenue or the applicable Minimum Royalty, whichever is greater, due on the 15<sup>th</sup> of each month based on the Gross Revenue of the prior month</p> <p>“Minimum Royalty” means the following monthly amounts:</p> <ul style="list-style-type: none"> <li>• \$500 per month starting at the 12th month of operation; and</li> <li>• \$1,000 per month starting at the 24th month of operation and thereafter.</li> </ul> <p>The applicable Minimum Royalty is per territory and determined by measuring from the “Original Opening Date” of the Franchised Business, which means the date on which you or any prior owner or predecessor operator of the Franchised Business first opened the Franchised Business.</p>
Section 9.3	Brand Fund Contribution	<p>2% of Gross Revenue</p> <p>We can set the Brand Fund Contribution rate at any amount up to 2% of Gross Revenue.</p>
Section 9.4	Technology Fees	<p>As of the Agreement Date, the Technology Fee is \$795 per month</p> <p>We can revise the Technology Fees annually.</p>
Section 14.2	Transfer Fee	10% of the purchase price of the Franchised Business, plus our actual costs for legal fees
Section 19.1	Renewal Fee	\$5,000

**APPENDIX B TO FRANCHISE AGREEMENT  
TELEPHONE NUMBER AND INTERNET AGREEMENT**

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(Name of Telephone Company)

---

(Address)

---

(City, State, Zip)

---

(Office Telephone Number(s))

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This TELEPHONE NUMBER AND INTERNET AGREEMENT, ASSIGNMENT AND POWER OF ATTORNEY ("**Assignment**") is made pursuant to the terms of the Franchise Agreement dated \_\_\_\_\_ ("**Agreement**") by and between Floral Image USA, LLC ("**Franchisor**") and \_\_\_\_\_ ("**Franchisee**"), authorizing Franchisee to use Franchisor's Licensed Marks and System in the operation of a business (the "**Franchised Business**") in and for the Territory. Capitalized terms used herein without a definition have the meaning assigned to them in the Agreement.

For value received, Franchisee irrevocably assigns to Franchisor all telephone listings and numbers at any time used by Franchisee in any printed or internet telephone directory in connection with the operation of the Franchised Business, whether now-existing or adopted by Franchisee in the future (collectively "Telephone Listings") and all email addresses, domain names, social media accounts and comparable electronic identities that use the Marks or any portion of them at any time used by Franchisee in connection with any Internet directory, website or similar item in connection with the operation of the Franchised Business, whether now-existing or adopted by Franchisee in the future (collectively "Internet Listings" and together with the Telephone Listings, the "Listings"). From time to time upon Franchisor's request, Franchisee agrees to promptly provide a complete list of all Listings to Franchisor (in such format and level of detail as required by Franchisor).

Franchisee shall have the right to use the Listings only in connection with advertising the Franchised Business in the Territory. Franchisee agrees to pay all amounts pertaining to the use of the Listings incurred by it when due. Upon expiration or termination of the Agreement for any reason, Franchisee's right of use of the Listings shall terminate. In the event of termination or expiration of the Agreement, Franchisee agrees to pay all amounts owed in connection with the Listings, including all sums owed under existing contracts for telephone directory advertising and to immediately, at Franchisor's request, (i) take any other action as may be necessary to transfer the Listings and numbers to Franchisor or Franchisor's designated agent, (ii) install and maintain, at Franchisee's sole expense, an intercept message, in a form and manner acceptable to Franchisor, on any or all of the Listings; (iii) disconnect the Listings; and/or (iv) cooperate with Franchisor or its designated agent in the removal or relisting of any telephone directory or directory assistance listing, Internet directory, website or advertising, whether published or online.

Franchisee agrees that Franchisor may require that all telephone numbers and telephone and internet equipment and service must be owned or provided by Franchisor or a supplier approved by Franchisor and that Franchisor has the right to require Franchisee to "port" or transfer to Franchisor or an

approved call routing and tracking vendor all phone numbers associated with the Franchised Business or published in any print or online directory, advertisement, marketing or promotion associated with the Marks.

Franchisee appoints Franchisor as Franchisee's attorney-in-fact, to act in Franchisee's place, for the purpose of assigning any Listings to Franchisor or Franchisor's designated agent or taking any other actions required of Franchisee under this Assignment. Franchisee grants Franchisor full authority to act in any manner proper or necessary to the exercise of the foregoing powers, including full power of substitution and execution or completion of any documents required or requested by any telephone or other company to transfer such Listings, and Franchisee ratifies every act that Franchisor may lawfully perform in exercising those powers. This power of attorney shall be effective for a period of two (2) years from the date of expiration, cancellation or termination of Franchisee's rights under the Agreement for any reason. Franchisee intends that this power of attorney be coupled with an interest. Franchisee declares this power of attorney to be irrevocable and renounces all rights to revoke it or to appoint another person to perform the acts referred to in this instrument. This power of attorney shall not be affected by the subsequent incapacity of Franchisee. This power of attorney is created to secure performance of a duty to Franchisor and is for consideration.

**FRANCHISEE (Print name of company):**

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**APPENDIX C TO FRANCHISE AGREEMENT  
CONFIDENTIALITY AND NON-COMPETE AGREEMENT**

[Name of Franchisee] (“**Franchisee**”) has entered into a Floral Image Franchise Agreement (the “**Franchise Agreement**”) with Floral Image USA, LLC (“**Floral Image**”). Under the Franchise Agreement, Floral Image can require certain individuals affiliated with the Franchisee to bind themselves personally to the confidentiality obligations and noncompetition restrictions in the Franchise Agreement. You agree as follows:

1. You are signing this Agreement for the benefit of both Franchisee and Floral Image, as a condition of your employment by, ownership interest in, or other role with Franchisee. Floral Image has the right to enforce this Agreement directly against you.
2. You will or might gain access to Confidential Information (as defined in the Franchise Agreement) as a result of your role with Franchisee. You agree that you will: (a) not use the Confidential Information in any other business or capacity; (b) use your best efforts to maintain the confidentiality of the Confidential Information; and (c) not make unauthorized copies of any Confidential Information. If your relationship with Franchisee ends, these obligations continue, but you are required to return to Floral Image any materials in your possession or control that contain Confidential Information.
3. While the Franchise Agreement is in effect and you continue in your role with Franchisee, you will not, directly or indirectly (such as through an affiliate or a family member) own, operate, engage in, be employed by, provide assistance to, or have any economic interest in any Competing Business. “**Competing Business**” means a business that provides fresh or artificial floral arrangements by sale or on rental to commercial, nonprofit, and residential customers.
4. For two (2) years after (i) your relationship with Franchisee ends; (ii) the expiration or termination of the Franchise Agreement; or (iii) the approved transfer of the Franchise Agreement to a new franchisee, whichever comes first, you will not, without Floral Image’s consent (which Floral Image can withhold at its discretion) either directly or indirectly (such as through an affiliate or a family member) own, operate, engage in, be employed by, make loans to, provide assistance to, or have any economic interest in any Competing Business that is located or serves customers (i) within the Territory, (ii) within ten (10) miles of the perimeter of the Territory, or (iii) within the Territory of any other then-existing Company-Owned Location or Franchised Location. The time period above will be tolled for any period of time during which you are in breach of this section and will resume only when you begin or resume compliance.
5. You represent that enforcement of the restrictions contained in Paragraphs 3 and 4 will not deprive you of the ability to earn a living. If a court rules that any of these restrictions is unenforceable by virtue of its scope or in terms of geographic area, type of business activity prohibited, and/or length of time, you agree to comply with any lesser restriction deemed enforceable by the court. If Floral Image or Franchisee initiates a legal proceeding to enforce this Agreement and prevails in the proceeding, you agree to reimburse Floral Image or Franchisee for its enforcement costs and expenses, including attorneys’ fees.

**NAME:** \_\_\_\_\_ Relationship to Franchisee: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## EXHIBIT B

### List of State Franchise Administrators

We may register our franchise offering in some or all of the states listed below. This Exhibit lists the state agencies that have responsibility for the review, registration, and oversight of franchise offerings in these states.

<p>CALIFORNIA          Commissioner of Financial Protection and Innovation          Department of Financial Protection and Innovation          320 West Fourth Street, Suite 750          Los Angeles, California 90013-2344          (213) 576-7500 / Toll Free: (866) 275-2677</p>	<p>NEW YORK          New York State Department of Law          Investor Protection Bureau          28 Liberty Street, 21<sup>st</sup> Floor          New York, New York 10005          (212) 416-8285</p>
<p>HAWAII          Commissioner of Securities          Department of Commerce &amp; Consumer Affairs          Business Registration Division          Securities Compliance Branch          335 Merchant Street, Room 203          Honolulu, Hawaii 96813 / (808) 586-2722</p>	<p>NORTH DAKOTA          North Dakota Insurance &amp; Securities Department          600 East Boulevard Avenue          Bismarck, North Dakota 58505-0510          (701) 328-291</p>
<p>ILLINOIS          Illinois Office of the Attorney General          Franchise Bureau          500 South Second Street          Springfield, Illinois 62706          (217) 782-4465</p>	<p>RHODE ISLAND          Department of Business Regulation          Securities Division, Building 69, First Floor          John O. Pastore Center          1511 Pontiac Avenue          Cranston, Rhode Island 02920          (401) 462-9527</p>
<p>INDIANA          Secretary of State          Franchise Section          302 West Washington, Room E-111          Indianapolis, Indiana 46204 / (317) 232-6681</p>	<p>SOUTH DAKOTA          Division of Insurance          Securities Regulation          124 South Euclid Avenue, 2<sup>nd</sup> Floor          Pierre, South Dakota 57501 / (605) 773-3563</p>
<p>MARYLAND          Office of the Attorney General          Securities Division          200 St. Paul Place          Baltimore, Maryland 21202-2020          (410) 576-6360</p>	<p>VIRGINIA          State Corporation Commission          Division of Securities and Retail Franchising          1300 East Main Street, 9th Floor          Richmond, Virginia 23219          (804) 371-9051</p>
<p>MICHIGAN          Michigan Attorney General's Office          Corporate Oversight Division, Franchise Section          525 West Ottawa Street          G. Mennen Williams Building, 1<sup>st</sup> Floor          Lansing, Michigan 48913          (517) 335-7567</p>	<p>WASHINGTON          Department of Financial Institutions          Securities Division          PO Box 41200          Olympia, Washington 98504-1200          (360) 902-8760</p>
<p>MINNESOTA          Minnesota Department of Commerce          85 7<sup>th</sup> Place East, Suite 280          St. Paul, Minnesota 55101          (651) 539-1600</p>	<p>WISCONSIN          Division of Securities          4822 Madison Yards Way, North Tower          Madison, Wisconsin 53705          (608) 266-2139</p>

EXHIBIT C

Agents for Service of Process

We may register our franchise offering in some or all of the states listed below. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

<p>CALIFORNIA          Commissioner of Financial Protection and Innovation          Department of Financial Protection and Innovation          320 West Fourth Street, Suite 750          Los Angeles, California 90013-2344          (213) 576-7500 / Toll Free: (866) 275-2677</p>	<p>NEW YORK          New York State Department of Law          Investor Protection Bureau          28 Liberty Street, 21<sup>st</sup> Floor          New York, New York 10005          (212) 416-8285</p>
<p>HAWAII          Commissioner of Securities          Department of Commerce &amp; Consumer Affairs          Business Registration Division          Securities Compliance Branch          335 Merchant Street, Room 203          Honolulu, Hawaii 96813 / (808) 586-2722</p>	<p>NORTH DAKOTA          North Dakota Insurance Commissioner          North Dakota Insurance &amp; Securities Department          600 East Boulevard Avenue          Bismarck, North Dakota 58505-0510          (701) 328-2910</p>
<p>ILLINOIS          Illinois Office of the Attorney General          Franchise Bureau          500 South Second Street          Springfield, Illinois 62706          (217) 782-4465</p>	<p>RHODE ISLAND          Department of Business Regulation          Securities Division, Building 69, First Floor          John O. Pastore Center          1511 Pontiac Avenue          Cranston, Rhode Island 02920 / (401) 462-9527</p>
<p>INDIANA          Secretary of State          Franchise Section          302 West Washington, Room E-111          Indianapolis, Indiana 46204 / (317) 232-6681</p>	<p>SOUTH DAKOTA          Division of Insurance          Securities Regulation          124 South Euclid Avenue, 2<sup>nd</sup> Floor          Pierre, South Dakota 57501 / (605) 773-3563</p>
<p>MARYLAND          Office of the Attorney General          Securities Division          200 St. Paul Place          Baltimore, Maryland 21202-2020          (410) 576-6360</p>	<p>VIRGINIA          State Corporation Commission          Division of Securities and Retail Franchising          1300 East Main Street, 9th Floor          Richmond, Virginia 23219          (804) 371-9051</p>
<p>MICHIGAN          Michigan Attorney General's Office          Corporate Oversight Division, Franchise Section          525 West Ottawa Street          G. Mennen Williams Building, 1<sup>st</sup> Floor          Lansing, Michigan 48913 / (517) 335-7567</p>	<p>WASHINGTON          Department of Financial Institutions          Securities Division – 3<sup>rd</sup> Floor          150 Israel Road, Southwest          Tumwater, Washington 98501          (360) 902-8760</p>
<p>MINNESOTA          Minnesota Department of Commerce          85 7<sup>th</sup> Place East, Suite 280          St. Paul, Minnesota 55101          (651) 539-1600</p>	<p>WISCONSIN          Division of Securities          4822 Madison Yards Way, North Tower          Madison, Wisconsin 53705          (608) 266-2139</p>

EXHIBIT D

FLORAL IMAGE FRANCHISEES IN THE USA  
As of December 31, 2024

Territory	Business Owner	Contact
UNITED STATES		
CALIFORNIA		
Los Angeles	Grange and Torquay LLC 1732 Aviation Boulevard, Suite 221 Redondo Beach CA 90278	Patrick Guillory - <a href="mailto:USfranchise@floralimage.com">USfranchise@floralimage.com</a>  This location was purchased by Floral Image US Holdings, LLC on January 1, 2025.
FLORIDA		
Tampa	NNNN LLC 11800 Dr MLK Jr St Nth, Unit 2105E St Petersburg FL 33716 USA	Patrick Guillory - <a href="mailto:USfranchise@floralimage.com">USfranchise@floralimage.com</a>  The business owner of this location passed away in March 2025. This location is now closed.
TEXAS		
Austin	Yorktown HC LLC 16238 Ranch Road 620 N Suite F #316 Austin, TX 78717	Danny Drake - <a href="mailto:Danny@floralimage.com">Danny@floralimage.com</a>
Houston	Tranquility Brays LLC 526 Kingwood Dr, P.O Box 304 Kingwood TX 77339 USA	Jennifer Barta - <a href="mailto:Jennifer@floralimage.com">Jennifer@floralimage.com</a>
San Antonio	Alamo Rose LLC 20079 Stone Oak Pkwy #1105 San Antonio, TX 78258	Danny Drake - <a href="mailto:Danny@floralimage.com">Danny@floralimage.com</a>

Territory	Business Owner	Contact
OREGON		
Portland	Transpacific Edge, LLC 2050 Beavercreek Road 101-332 Oregon City, OR 97045	Kyla Field - Kyla@floralimage.com
WASHINGTON		
Seattle	Bonnville LLC 5706 17th Ave NW, Suite 70495 Seattle, WA 98107	Shae Tully - Shae@floralimage.com Aaron Taylor - Aaron@floralimage.com
CANADA		
Toronto	Gostwyck Limited 207 Weston Road Toronto M6N 4Z3 Ontario Canada	Jesse Stevenson - Jesse@floralimage.com
Vancouver	Lifelike Stylz Rentals Inc P.O. Box 2479 Station Terminal Vancouver, B.C. V6B3W7	Shae Tully - Shae@floralimage.com Aaron Taylor - Aaron@floralimage.com

COMPANY-OWNED FLORAL IMAGE BUSINESSES  
As of December 31, 2024

We have the following affiliates that operate Floral Image locations in the USA:

- Floral Image US Holdings, LLC is a wholly owned subsidiary of FINA and operates the Floral Image locations in Atlanta and Ft. Lauderdale.
- Floral Image OZ Partnership, LLC is a 50/50 joint venture between FINA and Floral Image Australia, with FINA as the sole manager of the LLC. Floral Image OZ Partnership owns and manages ten Floral Image locations in the USA.

In this disclosure document, we refer to the locations operated by our affiliates as “company-owned outlets.”

Territory	Business Owner
ARIZONA	
Phoenix	Floral Image OZ Partnership, LLC Patrick Guillory - CEO Floral Image North America  4400 North Scottsdale Road STE 9, PMB 812 Scottsdale, AZ 85251 844-356-7259
CALIFORNIA	
Orange County	Floral Image OZ Partnership, LLC Patrick Guillory - CEO Floral Image North America  1927 Harbor Blvd PMB 666 Costa Mesa, CA 92627 844-356-7254
San Diego	Floral Image OZ Partnership, LLC Patrick Guillory - CEO Floral Image North America  9450 Scranton Road, STE 108, Box 131 San Diego, CA 92121 844-230-7155
San Francisco	Floral Image OZ Partnership, LLC Patrick Guillory - CEO Floral Image North America  855 Jefferson Ave, PO Box 2161 Redwood City, CA 94064-2161 844-650-1860
COLORADO	
Denver	Floral Image OZ Partnership, LLC Patrick Guillory - CEO Floral Image North America  7262 Meade St., PO Box 882 Westminster, CO 80036-0872 844-935-6725

FLORIDA	
Fort Lauderdale	Floral Image US Holdings, LLC Patrick Guillory - CEO Floral Image North America  4302 Hollywood Blvd, PMB 76 Hollywood, FL 33021 833-930-7200
GEORGIA	
Atlanta	Floral Image US Holdings, LLC Patrick Guillory - CEO Floral Image North America  931 Monroe Drive NE, Ste A 102-502 Atlanta, GA 30308 888-214-4744
ILLINOIS	
Chicago	Floral Image US Holdings, LLC Patrick Guillory - CEO Floral Image North America  516 North Ogden Avenue, STE 181 Chicago, IL 60642 844-635-6725
NEW JERSEY	
Middletown	Floral Image OZ Partnership, LLC Patrick Guillory - CEO Floral Image North America  1601 NJ-35, PO Box 4152 Middletown, NJ 7748 844-225-1411
NEW YORK	
Westwood	Floral Image OZ Partnership, LLC Patrick Guillory - CEO Floral Image North America  700-76 Broadway Westwood, NJ 7675 855-245-9966

TEXAS	
Fort Worth	Floral Image OZ Partnership, LLC Patrick Guillory - CEO Floral Image North America  2830 South Hulen St, PMB 351 Fort Worth, TX 76109 844-265-1623
Dallas	Floral Image OZ Partnership, LLC Patrick Guillory - CEO Floral Image North America  605 Sherman ST, Suite D Richardson, TX 75081 844-356-7256

EXHIBIT E

USA FRANCHISEES WHO EXITED A FRANCHISE IN 2024

None.

EXHIBIT F

Financial Statements

**FLORAL IMAGE USA LLC  
FINANCIAL STATEMENTS  
DECEMBER 31, 2024 & 2023**

**FLORAL IMAGE USA LLC  
TABLE OF CONTENTS**

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<b>Statement of Cash Flows</b>	<b>Page 5</b>
<b>Footnotes</b>	<b>Page 6-7</b>

# MUHAMMAD ZUBAIRY, CPA PC

Certified Public Accountant

646.327.7013

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
Floral Image USA LLC

### **Opinion**

We have audited the financial statements of Floral Image USA LLC "The Company" which comprise the balance sheet as of December 31, 2024 and 2023, and the related statements of operations, and changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Floral Image USA LLC as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Floral Image USA LLC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Floral Image USA LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Floral Image USA LLC's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Floral Image USA LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Muhammad Zubairy, CPA PC  
Westbury, NY  
June 25, 2025

**FLORAL IMAGE USA LLC  
BALANCE SHEET**

	<u>ASSETS</u>	
	<u>YEARS ENDED DECEMBER 31</u>	
	<u>2024</u>	<u>2023</u>
<b>Current Assets</b>		
Cash	\$ 32,174	\$ 42,901
Accounts receivables	471,046	221,565
Due from related parties	—	40,194
<b>Total Current Assets</b>	<b>503,220</b>	<b>304,660</b>
<b>Goodwill</b>	<b>508,000</b>	<b>508,000</b>
<b>Total Assets</b>	<b>\$ 1,011,220</b>	<b>\$ 812,660</b>
 <u>LIABILITIES AND MEMBERS' EQUITY (DEFICIT)</u>		
<b>Current Liabilities</b>		
Accounts payables and accrued expenses	\$ 86,409	\$ 54,280
Due to related party	341,424	236,090
Loan	3,047	7,791
<b>Total Current Liabilities</b>	<b>430,880</b>	<b>298,161</b>
<b>Members' Equity (Deficit)</b>	<b>580,340</b>	<b>514,499</b>
<b>Total Members' Equity (Deficit)</b>	<b>\$ 1,011,220</b>	<b>\$ 812,660</b>

See notes to financial statements

**FLORAL IMAGE USA LLC**  
**STATEMENTS OF OPERATIONS AND SHAREHOLDER'S EQUITY**

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	<b>YEARS ENDED DECEMBER 31</b>	
	<u>2024</u>	<u>2023</u>
Revenues	<u>\$ 501,556</u>	<u>\$ 513,674</u>
Operating Expenses	<u>193,008</u>	<u>156,584</u>
Net (Loss)	308,548	357,090
Shareholder's Equity - Beginning	514,499	1,491,672
Shareholder's Contribution (Distributions)	<u>(242,707)</u>	<u>(1,334,263)</u>
Shareholder's Equity - Ending	<u><u>\$ 580,340</u></u>	<u><u>\$ 514,499</u></u>

See notes to financial statements

**FLORAL IMAGE USA LLC**  
**STATEMENTS OF CASH FLOWS**

	YEARS ENDED DECEMBER 31	
	2024	2023
<b>Cash Flows from Operating Activities</b>		
Net income	\$ 308,548	\$ 357,090
Adjustments to reconcile net income to cash provided by operating activities:		
Changes in assets and liabilities;		
Accounts receivable	(249,481)	(68,945)
Due from related party	40,194	1,932,427
Accounts payables and accrued expenses	32,129	11,693
Due to related party	105,334	236,090
Loan	(4,744)	(649,623)
Deferred revenue		(58,566)
	<u>231,980</u>	<u>1,760,166</u>
<b>Cash Flows from Investing Activities:</b>		
Purchase of Goodwill	—	(508,000)
	<u>—</u>	<u>(508,000)</u>
<b>Cash Flows from Financing Activities:</b>		
Shareholder's contribution (distributions)	(242,707)	(1,334,263)
<b>Net Increase in Cash</b>	(10,727)	(82,097)
<b>Cash - Beginning of Year</b>	<u>42,901</u>	<u>124,998</u>
<b>Cash - End of Year</b>	<u>\$ 32,174</u>	<u>\$ 42,901</u>

See notes to financial statements

# FLORAL IMAGE USA LLC

## NOTES TO FINANCIAL STATEMENTS

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### 1. THE COMPANY

Floral Image USA LLC is a Delaware limited liability company organized in 2012 to offer franchisees the opportunity to own and operate a Australian-based floral arrangement shop that specializes in high-quality lifelike arrangements for corporate and residential arrangements utilizing the method created by trademark Floral Image.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting**-The accompanying financial statements have been prepared on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to disbursement of cash.

**Franchise Arrangements**-The Company's franchise arrangements generally include a license which provides for payments of initial fees as well as continuing royalties to the Company based upon a percentage of sales. Under this arrangement, franchisees are granted the right to operate for a specified number of years.

**Concentration of Credit Risk**-Financial instruments that potentially expose the Company to concentration of credit risk primarily consist of cash and cash equivalents. The balances in the Company's cash accounts did not exceed the Federal Deposit Insurance Company's (FDIC) insurance limit of \$250,000. The Company maintains its cash and cash equivalents with accredited financial institutions.

**Use of Estimates**-The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Taxes on Income**- The Company's entity was organized as a limited liability company. Accordingly, under the internal revenue code, all taxable income or losses flow through to its member. Therefore, no income tax expense or liability is recorded in the accompanying financial statements.

### 3. REVENUE RECOGNITION

The Company will record revenue in accordance Accounting Standards Board ("FASB") and Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). The transaction price attributable to performance obligations will be recognized as the performance obligations are satisfied. The portion of the franchise fee, if any, that is not attributable to a distinct performance obligation will be amortized over the life of the related franchise agreements. Commissions paid for franchises will be amortized over the life of the franchise agreement.

### 4. RELATED PARTY TRANSACTIONS

The Company from time to time receives advances from related parties. The company had a due to related party balance of \$341,424 and \$236,090 for the years ended December 31, 2024 and 2023, respectively.

The Company from time to time make advances to related parties. The company had due from related parties balance of \$0 and \$40,194 for the years ended December 31, 2024 and 2023, respectively.

**FLORAL IMAGE USA LLC**  
**NOTES TO FINANCIAL STATEMENTS**

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**5. GOODWILL**

Effective January 1, 2023 FINA (through Floral Image NA Master, LLC) purchased 90% interest of the Company (Floral Image USA), in existing franchisees and trademark for Floral Image USA in the amount of \$420,000. Fifty percent of which was paid as of the closing date and remaining 50% was paid as a loan in 24 payments of \$8,750 after the closing date. The Company recognized \$508,000 in goodwill upon purchase. The Company did not record impairment as of December 31, 2023 and 2024, respectively.

**6. SUBSEQUENT EVENTS**

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required further adjustment or disclosure in the financial statements. Subsequent events have been evaluated through June 25, 2025, the date the financial statements were available to be issued.

## EXHIBIT G

### Table of Contents of Operations Manual

#### Book 1: Welcome and Overview

1. Welcome, 2
2. Introduction, 3
3. How to use your Operations Manual, 5

#### Book 2: Operational Requirements

1. Overview, 2
2. Obligations, 2
3. Operating the Franchise, 3
4. Technology, 5
5. Brand, 5

#### Book 3: Stock Ordering Processes

1. Product Disclosure Statement, 3
2. Warranty, 4
3. Returns Policy, 5
4. International Shipping Outline, 7
5. Product Ordering, 9
6. Quality Concern Procedures, 11
7. Cold Climate Guidelines, 12

#### Book 4: Setting up & Loading Your Van

1. Van Models, 3
2. Van Wrap, 3
3. Setting up Your Van, 4
4. Loading your Van, 5
5. Van Set Up Checklist, 9

#### Book 5: Brand, Marketing & Communications

1. The Floral Image Brand, 3
2. Brand Guidelines and Marketing Toolkit, 4
3. Website, 5
4. Social Media, 6
5. Uniform, 7
6. Communication Guidelines, 8

#### Book 6: Sales & Customer Service

1. Introduction, 3
2. Foundations of Success, 4
3. The Sales Process, 8
4. Quick Reference Guide, 35

## Table of Contents of Operations Manual... continued

5. Industry Spilt of Top Global Customers, 36
6. Customer Conversion Rates, 36

### Book 7: Flowers, Maintenance & Presentation

1. Fashioning, 4
2. Cleaning, 6
3. Sanitising, 10
4. Repairing & Refreshing, 15
5. Replacement, 19
6. Disposal, 20

### Book 8: Technology

1. Salesforce Overview, 3
2. Salesforce Working with Floral Image, 4
3. Data Management and Global Strategy, 5
4. Ongoing Development and Investment, 5
5. Electronic Direct Mail (EDMs), 6
6. Technical Processes & Training, 7
7. Internal Communications Platform, 7
8. Synergy App & Web Portal, 8

### Book 9: Invoicing and Financial Management

1. Basic Book-Keeping, 2
2. Essential Groundwork, 3
3. Invoicing, 4
4. Debt Recovery, 6
5. Financial Management, 7

### Book 10: Workplace, Health & Safety

1. What is Workplace, Health & Safety (WH&S)?, 2
2. WH&S and Floral Image, 3

Total Pages: 131 pages

## EXHIBIT H

### State-Specific Disclosures and State-Required Contract Addenda

We may register our franchise offering in some or all of the states listed on the State Effective Dates page that appears immediately before the Receipt pages of this disclosure document. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will include appropriate state-specific disclosures and/or addenda to our contracts, as required by state law. See the following pages for state-specific disclosures and/or contract addenda as of the date of this disclosure document.

EXHIBIT I

SAMPLE OF RELEASE TO BE SIGNED WHEN YOU RENEW OR SELL THE FRANCHISE

THIS RELEASE is executed on \_\_\_\_\_ by \_\_\_\_\_ ("Franchisee" or "you") and by \_\_\_\_\_ and \_\_\_\_\_ (the "Owners") as an express condition of transfer or renewal of the Franchise Agreement dated \_\_\_\_\_ between FLORAL IMAGE USA LLC ("Floral Image") and Franchisee.

**1. Release.** You and each of the Owners, on behalf of yourselves and all past, present and future parents, subsidiaries, shareholders, members, partners, managers, directors, officers, employees, successors, assigns, agents and legal representatives, and any of the aforementioned persons' heirs, executors, administrators or personal representatives, and all other persons acting on your behalf or claiming under you (collectively, the "Franchisee Releasors"), hereby release and forever discharge Floral Image, its affiliates, and their respective past and present officers, directors, shareholders, members, parents, subsidiaries, affiliates, agents, employees, attorneys, insurers, representatives, predecessors, successors, and assigns, and each of them, from any and all claims, debts, liabilities, demands, obligations, costs, expenses, suits, actions, and causes of action, of whatever nature, known or unknown, suspected or unsuspected, vested or contingent (collectively, "Claims") that the Franchisee Releasors ever had, now have, or may in the future have, arising out of or relating to any act, omission or event occurring on or before the date of this Release.

**2. Risk of changed facts.** You and the Owners understand that the facts in respect of which the release in Section 1 is given may turn out to be different from the facts that you and the Owners now know or believe to be true. You and the Owners, on behalf of yourselves and the Franchisee Releasors, hereby accept and assume the risk of the facts turning out to be different and agree that the release will nevertheless be effective in all respects and not subject to termination or rescission by virtue of any such difference in facts.

**3. No prior assignment.** You and the Owners, for yourselves and on behalf of the Franchisee Releasors, represent and warrant that the Franchisee Releasors have not assigned or transferred, or purported to assign or transfer, any Claim released under Section 1 above to any person or business entity that is not a Franchisee Releasor.

**4. Covenant not to sue.** You and the Owners, for yourselves and on behalf of the Franchisee Releasors, covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under Section 1 with respect to any Claim released under Section 1.

**5. Complete defense.** You and each of the Owners: (i) acknowledges that this General Release will be a complete defense to any Claim released under Section 1 above; and (ii) consents to the entry of a temporary or permanent injunction to prevent or end the assertion of any such Claim.

**6. Authorization.** The person who executes this General Release on behalf of Franchisee represents and warrants that Franchisee has authorized that person to enter into this General Release on behalf of Franchisee. Franchisee represents and warrants that it has the authority to enter into this General Release not only on its own behalf, but also on behalf of the other persons and entities to be bound by its signature.

FRANCHISEE

\_\_\_\_\_

By:

\_\_\_\_\_  
Witness

OWNERS

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Witness

## State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This disclosure document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

STATE	EFFECTIVE DATE
California	Not filed
Hawaii	Not filed
Illinois	Not filed
Indiana	Not filed
Maryland	Not filed
Michigan	Not filed
Minnesota	Not filed
New York	Not filed
North Dakota	Not filed
Rhode Island	Not filed
South Dakota	Not filed
Virginia	Not filed
Washington	Not filed
Wisconsin	Not filed

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

## RECEIPT

This disclosure document summarizes provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Floral Image USA LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or 14 days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Floral Image USA LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agencies listed in Exhibit B.

Issuance date: November 25, 2025

The franchisor is Floral Image USA LLC, located at 6470 E. Johns Xing, Ste 160, Johns Creek, Georgia 30097, tel. 855-6FLORAL. The franchise seller for this offering is Patrick Guillory at the same address, email USfranchise@floralimage.com. Any additional franchise sellers involved in offering the franchise are listed below: \_\_\_\_\_.

Floral Image USA LLC authorizes the respective state agencies identified in Exhibit C to receive service of process for it in the particular state.

I received a Franchise Disclosure Document dated November 25, 2025 that included the following Exhibits:

- |  |   |
|--|---|
| A Franchise Agreement                            | G Financial Statements  |
| B List of State Administrators                   | H Table of Contents for Operations Manual                             |
| C Agents for Service of Process                  | I State-specific Disclosures and Contract Addenda                     |
| D USA Franchisees as of 12/31/2024               | J Sample of Release to be signed when you renew or sell the Franchise |
| E USA Franchisees Who Exited a Franchise in 2024 |   |

\_\_\_\_\_  
Date Received

\_\_\_\_\_  
Prospective Franchisee

\_\_\_\_\_  
Name (please print)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*This copy to be retained by Prospective Franchisee*

## RECEIPT

This disclosure document summarizes provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Floral Image USA LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or 14 days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Floral Image USA LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agencies listed in Exhibit B.

Issuance date: November 25, 2025

The franchisor is Floral Image USA LLC, located at 6470 E. Johns Xing, Ste 160, Johns Creek, Georgia 30097, tel. 855-6FLORAL. The franchise seller for this offering is Patrick Guillory at the same address, email USfranchise@floralimage.com. Any additional franchise sellers involved in offering the franchise are listed below: \_\_\_\_\_.

Floral Image USA LLC authorizes the respective state agencies identified in Exhibit C to receive service of process for it in the particular state.

I received a Franchise Disclosure Document dated November 25, 2025 that included the following Exhibits:

- |  |   |
|--|---|
| A Franchise Agreement                            | G Financial Statements  |
| B List of State Administrators                   | H Table of Contents for Operations Manual                             |
| C Agents for Service of Process                  | I State-specific Disclosures and Contract Addenda                     |
| D USA Franchisees as of 12/31/2024               | J Sample of Release to be signed when you renew or sell the Franchise |
| E USA Franchisees Who Exited a Franchise in 2024 |   |

\_\_\_\_\_  
Date Received

\_\_\_\_\_  
Prospective Franchisee

\_\_\_\_\_  
Name (please print)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*This copy to be retained by Floral Image USA LLC*