Franchise Disclosure Document [FDD]

Christakos Franchise, LLC
an Arizona limited liability company
8865 E Bell Road Suite 102
Scottsdale, Arizona 85260
Direct Line: (480) 444-8080
Owner@The-Flower-Garage.com
www.The-Flower-Garage.com

The franchise offered is for the operation of a floral arranging business that also offers workshops that teach how to make floral arrangements. This is a service-oriented business that creates, delivers and sets up floral arrangements for all types of occasions while also performing workshops that empower people to make their own floral arrangements, under the name "The Flower Garage™." The Initial Franchise Fee is $25,000 with protected rights to operate in a specific area as defined by us. Additional franchises will be available for those franchisees who have bought at least one franchise, at a reduced fee of $12,500 for a second and any subsequent franchises thereafter. The total investment necessary to begin operation of a The Flower Garage™ franchise ranges from $36,125 to $74,200 which will depend on a number of factors that are fully discussed in Item 7. This includes the Initial Franchise Fee of $25,000 (as discussed in Item 5) 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 the 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:

Danielle Christakos, President
Christakos Franchise, LLC
8865 E Bell Road Suite 102
Scottsdale, Arizona 85260
(480) 444-8080

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 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: January 12, 2026

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 Exhibit G.
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 I 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 The Flower Garage 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 is it like to be a The Flower Garage franchisee?	Item 20 or Exhibit G and Exhibit H lists 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 the 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 B.

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 the franchisor by mediation, arbitration and/or litigation only in Arizona. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Arizona than in your own state.

2. **Governing Law.** The franchise agreement states that Arizona law governs the agreement, and this law may not provide the same protections and benefits as local laws. You may want to compare these laws.

3. **Territory.** You will not receive an exclusive territory. Your territory may face competition from other franchisees, from outlets owned by us or our affiliates or from other channels of distribution or competitive brands that we own as further described under Item 12 titled territory.

4. **Trademarks.** Our trademarks are not federally registered therefore they do not have as many legal benefits and rights as federally registered trademarks. If our right to use and license any of our trademarks is challenged, you may have to use an alternative trademark that is licensed to you by us. This may increase your expenses.

5. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both you and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

6. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

Franchise Disclosure Document [FDD]

Christakos Franchise, LLC

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS & AFFILIATES

The Franchisor is Christakos Franchise, LLC, an Arizona limited liability company, doing business as "The Flower Garage™." For ease of reference, Christakos Franchise, LLC will be referred to as "we," "us," "our," "CFL" or "Franchisor" in this Disclosure Document. We will refer to the person or entity who buys the franchise as "you," "your," or "Franchisee," throughout this Disclosure Document. If you are a corporation, limited liability company, partnership or other entity, certain provisions of the Franchise Agreement also apply to your shareholders, members, partners or owners and will be noted. Any such entity may be referred to as an "Entity" and those who own the Entity may be referred to as "Owners."

We are an Arizona limited liability company incorporated on June 3, 2025. We do business under the same name as our corporate name "Christakos Franchise, LLC" and may also use the name "The Flower Garage." Our principal business address is 8865 E Bell Road Suite 102, Scottsdale, Arizona 85260. We operate and sell franchises for the operation of a business known as "The Flower Garage™" (the "Business," "Franchise" or "Franchised Business"). We offer a franchise agreement ("Franchise Agreement") for the development and operation of a floral arranging business that also offers workshops that teach how to make floral arrangements, within a protected territory. This is the first time CFL has offered franchises of the type described in this Disclosure Document and CFL has never offered franchises in any other line of business. CFL began offering franchises October 10, 2025. Our agents for service of process are disclosed in Exhibit B.

Our Predecessors and Affiliates:

We have no parents. There is one operating business that offers similar services and products to a The Flower Garage™ Franchise being offered. The following is a list of CFL's predecessors and affiliates including principal addresses and number of locations for each.

Our predecessor, The Mobile Flower Bar, LLC began as an Arizona limited liability company that was formed on June 18, 2019, and later the name was changed to our affiliate, The Flower Garage, LLC ("TFG") an Arizona limited liability company filed on January 23, 2020. TFG shares the same physical address as us and operates one The Flower Garage™ business substantially similar to the Franchise Business being offered by us at the same address as us. We and TFG are independent entities and TFG does not assume any of our legal or other obligations or us of theirs. TFG does not offer franchises.

Our Business and the Franchises Offered:

The Flower Garage™ business model has been developed to offer hand-crafted floral arrangements for sale in all types of sizes and for any occasion in addition to performing workshops to educate and teach people how to make their own floral arrangements. The Flower Garage™ philosophy is that flowers bring people together to create unforgettable experiences through creativity, hospitality and floral magic. This is a home-based business that can be operated out of a garage; however, it can also be operated out of a warehouse or industrial space, office complex, strip center or free-standing structure (all of which must be approved by us). Each The Flower Garage™ Franchise in accordance with our standards, specifications, methods, techniques and procedures will offer floral arrangement services and products that include but are not limited to: creating custom floral arrangements in different sizes; producing floral arrangements for various events (such as: weddings, anniversaries, graduations, holidays, parties, funerals, etc.); onsite flower bar services, delivery services for all floral arrangements; providing onsite setup and tear down services for all events; and performing both private and public themed floral arrangement workshops at a designated location or onsite (such as: summer hues, back to school, bright tropical, succulent pumpkin and holiday wreath workshops and classes) using our proprietary curriculum ("Curriculum") in addition to offering for sale limited retail items (such as: vases, pots, tool kits, etc.) along with other floral-related

products and services approved by us. We may authorize you to offer additional products and/or services in the future such as: potted plants for sale, home décor items for sale, limited gift items for sale (such as greeting cards, frames and candles) in addition to other floral, plant or celebration-related services and products approved by us.

Competition includes local and national flower shops and floral design businesses operated by national chains, local chains and independent operators and to some extent event planning businesses offering similar services and products to those offered by The Flower Garage™ businesses. Generally, there is no seasonality to this business. The floral industry in general is highly competitive throughout the United States and the market is continuously changing and evolving. We plan controlled expansion into areas that we determine can support a The Flower Garage™ business to improve name recognition and our reputation through Franchised Businesses.

The Flower Garage™ business is characterized by our: services, themed workshops and Curriculum complemented with specific methods, processes, formulas and techniques when teaching workshops and performing services; specifications for equipment and products used in the Business, purchasing strategies, relationships with vendors and suppliers, safety and operational procedures, quality and uniformity of all services offered; build-out and design specifications with unique furnishings, schematics, layout, flooring specifications, unique décor, color scheme and signage (if you choose to operate out of a location); our website, franchise website housed within our national website and intranet system third-party software, photographs, videos, contracts and forms; guidelines for hiring, training and retaining employees; client acquisition and retention programs; advertising, marketing, social media and promotional strategies and materials; cost controls, management, administrative and record keeping procedures; The Flower Garage™ confidential operations manual ("Operations Manual") and other manuals and materials which are made available either in hard copy or electronically; all of which may be changed, improved and further developed by us periodically (collectively, the "System").

The System is identified by means of certain trade names, service marks, trademarks, slogans, logos, emblems, and indicia of origin, including the word mark "The Flower Garage" which is pending registration on the principal register of the United States Patent and Trademark Office, bearing the serial number 99257438. You will be licensed to use not only this mark and design, but also all other service marks, trademarks, slogans, logos, and emblems as we may designate for use in connection with the System (collectively, the "Marks" and each a "Mark").

Laws and Regulations:

Generally, there are no current governmental regulations or licenses that apply specifically to operating a floral arrangement business that also offers how-to workshops. You must comply with all local, state and federal laws and governing agencies that apply to your Business and to the public safety. Such laws and governing agencies include but are not limited to: the Resource Conservation and Recovery Act, the Clean Water Act, the Federal Water Pollution Control Act, Environmental Protection Agency ("EPA"), Occupational Safety and Health Administration ("OSHA") and all health and sanitation laws. You are responsible for checking the laws of the state, and local government in which you intend to conduct business to determine if you are required to obtain any permits or if there are any licensing or registration requirements and other statutes, codes, rules, regulations or ordinances specific to your Business. You must know such laws and regulations in your locality and must make sure that you and all your employees who work in your Business comply with any such laws and regulations as well as obtain any licenses, certifications or permits required by your locality for performing work in your Business. You should consider both their effect on your business and the cost of compliance. You are responsible for knowing all laws and regulations and obtaining all certifications, licenses and permits required by your locality.

In addition to laws and regulations that apply to businesses generally, there are consumer protection and privacy laws that exist in several states. Certain requirements, including compliance with federal and/or state solicitation, telemarketing (for example, the "do not call" registry), email solicitation, privacy and consumer credit and collection laws are generally applicable to all businesses that sell directly to the end-user. You must comply with all local, state and federal laws that apply to your Business and to the public. Those laws include Equal Employment Opportunity Commission ("EEOC"), Federal Trade Commission ("FTC"), pricing laws and employment laws. Such employment laws include regulations concerning wage rates, mandated employee benefits, employment taxes, worker safety, unemployment compensation, workers' compensation, child labor practices, disabled employees and discrimination in employment practices. There are also many state and local laws and regulations detailing how to define independent contractors for different purposes, such as tax, effect of applicable employment laws, unemployment compensation and workers' compensation that you are responsible for knowing. You will be subject to the Americans with Disabilities Act which prohibits practices that discriminate against physically and mentally challenged individuals regarding access to public accommodations and employment opportunities. There may be other laws and codes applicable to your business and we urge you to make further inquiries about those laws and codes.

It is your sole responsibility, to investigate, satisfy and remain in compliance with all local, state and federal laws in addition to obtaining and keeping in force all necessary licenses, registrations and permits required by public authorities, since they vary from place to place and can change over time. Although we monitor legal requirements that affect our franchisees and we make our information available to you, because of the number of potential state and local issues, we cannot guarantee that it will be complete, current and accurate. Therefore, we recommend that before signing the Franchise Agreement, you engage an attorney or other professional advisor to assist you in both determining what laws, ordinances and regulations may affect your establishment or operation of a The Flower Garage™ Business, and in complying with them. You are responsible for obtaining all licenses, registrations and permits required to operate your Business.

We have not offered franchises in other lines of business in the past. We do not engage in any business other than the offer of franchises. We currently do not engage the services of franchise brokers.

ITEM 2
BUSINESS EXPERIENCE

President/CEO: Danielle Christakos. Danielle has been serving as President since our inception in June 2025. From June 2019 to present, she has been serving as President for our affiliate, The Flower Garage, LLC based out of Scottsdale, Arizona.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

The Initial Franchise Fee for a single area Franchise ("Initial Franchise Fee") is $25,000 for a The Flower Garage™ business in a protected area. The protected area of a Franchise is determined once a specific location is identified and approved by us. The Initial Franchise Fee includes the development of a custom local affiliate website for your Franchise housed within our national website that will include a workshop calendar and booking functionality and may include access to our intranet system that provides ongoing news bulletins and templates for advertising materials to support your Business; web server setup for your website; access to a self-study program (and related materials) to be completed prior to attending our initial training program; our proprietary Operations Manual, a comprehensive five day training program at our corporate headquarters and up to two additional days of sales, marketing and operational assistance and guidance at your location. You must purchase and maintain an inventory of equipment, products and supplies from our approved vendors and/or suppliers and the cost for these items may not be refundable (as described in Item 7 and Item 8). You will be provided with a written list of approved equipment, products, supplies and services you are authorized to use, offer and sell and a written list of approved vendors and/or suppliers during the training program. At the time you sign your Franchise Agreement and anytime you are in good standing under your Franchise Agreement, you may purchase a second franchise and any additional franchises thereafter for $12,500 if we offer additional franchises to you and if you meet the following minimum conditions: (a) you must satisfy our then-current qualifications and training requirements; (b) you must not be in default of the Franchise Agreement; and (c) you must execute our then-current franchise agreement.

The Initial Franchise Fee is paid in a lump sum at the time the Franchise Agreement is signed, is nonrefundable and is deemed fully earned upon the opening of the Business for the deliverables described above and as provided in the Franchise Agreement. In certain states, as required by state authorities based on a review of our financial statements, we may defer our receipt of the Initial Franchise Fee and all other initial payments or deposit them into escrow until we have met our initial obligations to you (see state addenda in Exhibit D).

We may choose to offer you an option to be awarded a The Flower Garage™ Franchise, on the terms set forth in the Option Agreement attached as Exhibit F ("Option"). Under the Option Agreement, you have six (6) months (the "Option Term") to enter into a Franchise Agreement for your first Franchised Business or additional Franchised Businesses. In exchange for the Option, you pay a nonrefundable fee of $5,000 ("Option Fee") that: (i) will be credited toward the Initial Franchise Fee if you exercise the Option to purchase an initial franchise during the Option Term; or (ii) will be credited toward the franchise fee for an additional franchise if you exercise your Option to buy an additional franchise during the Option Term following the purchase of the Option to buy an additional franchise. The Initial Franchise Fee upon exercise of an Option will be the same as the Initial Franchise Fee without an Option. Whether you buy an initial franchise or an additional one, you must complete the purchase during the Option Term of the Option Agreement.

The Option Fee is not refundable and is payable in full when you sign the Option Agreement, as applicable, except as provided in Exhibit F.

ITEM 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks

Royalties	A flat $500 per month starting immediately once your Business is open for operation	Due by the 5th day of each month for the previous month.	See Note 1
System Brand Fee	A flat $100 per month starting immediately once your Business is open for operation.	Due by the 5th day of each month for the previous month.	We may increase this fee upon 90 days' notice to you. However, your total contribution will not exceed $300 per month in any calendar year. See Note 2 and Item 11.
Interest and Late Charges	1.5% per month or maximum rate allowed by law, plus $25 provided the interest rate cannot exceed the maximum legal rate.	After due date of fees.	See Note 3
Additional Training	$250 per person per day or costs of third-party charges.	At time training is scheduled and/or additional assistance is requested by you.	While the Initial Franchise Fee includes the cost of our initial training program, the Initial Franchise Fee only covers training for up to three individuals. See Item 11. Additionally, this fee is applicable upon an approved transfer of the Franchise for the initial training program and additional training.
Costs and Attorney's Fees	Actual Costs	As Incurred	Payable as incurred by us in obtaining injunctive relief or the enforcement of any item of the Franchise Agreement. See Note 4
Indemnification	Actual Costs	On Demand	Payable as Incurred; See Note 4.
Website Edits, Updates, Changes, Maintenance and Promotion Fee	Currently at $65-$125 per hour that may be necessary to update and/or promote your website.	As Incurred	Payable to us, our affiliates and/or approved vendors. See Note 5
Product, Equipment and Vendor Assessment Fee	$100 per product or vendor $300 for equipment	On Demand	Payable to us. See Note 6
Renewal Fee	A flat $5,000 per Franchise	At the time of renewal for each franchise.	For a protected area.
Transfer Fee	A flat fee of $2,000 when you transfer a part of the Business (less than 49% of all the assets) or a flat fee of $5,000 when you transfer all the Business (more than 49% of all the assets). If transferee came from our lead database, you may be required to pay the then-current referral fee to us plus any costs associated with applicable broker fees.	At the time the transferee signs the Franchise Agreement in effect for transfer or sale.	Payable to us when the Franchise Agreement is signed or a material portion of the assets in the Business is transferred.

Resale Fee	Actual Costs	On Demand	If you ask and we agree to assist you in finding a buyer for your Business, you pay us a fee to cover our costs and expenses, including time committed by our personnel.
Temporary Management	Actual Costs	On Demand	Upon death or disability, a manager who completed our training, must be employed to operate the Business. If not done, we can appoint a manager for up to 90 days, renewable up to one year. All expenses, including head trainer or manager compensation, and all of his or her travel and living expenses will be charged against operating revenues. We also charge against those revenues, the amount of our expenses.
Conference Fee	Conference fee, travel, transportation, lodging, meals and incidental expenses in addition to compensation of the people you send to any conferences. Will vary under circumstances. There will be a registration fee for conferences not to exceed $1,000 per person although we will attempt to keep the cost down, so it does not exceed our cost.	As Incurred	As Incurred and payable to third parties and us. There may be an annual conference for all franchisees to attend and other conferences as needed. See Item 11, (13.iii) for more detail.
Refresher Training and/or Continuing Education	Will vary under circumstances. Refresher or continuing education is estimated not to exceed $250 per person per day plus your travel expenses or our expenses if we come to your location.	As Incurred	The location for refresher training and/or continuing education will be at our headquarters although we reserve the right to provide them over the Internet or phone.

Except as stated above, you pay all fees to us, and they are uniformly imposed. All fees are nonrefundable.

Note 1: The Royalty Fee obligation begins immediately once your Business is deemed open for operation and continues for the term of your Franchise. Your Business is deemed open for operation the day after you complete the initial training program. The Royalty Fee is due and payable monthly on the 5th day of each month for the previous calendar month and is to be received how we specify. The royalty fee is a flat $500 per calendar month for the entire term of your Franchise Agreement. If there are months in which you do not collect any revenues you will still be responsible for paying a royalty fee for that calendar month. If your Franchise Agreement is terminated, you may be required to continue such royalty payments for the term of your Franchise Agreement.

Royalty fees shall be payable by direct deposit from your account to us and all royalty fees are imposed by us only. See Electronic Funds Transfer Agreement attached as Schedule 1 of the Franchise Agreement. We reserve the right to change the time and manner of payment upon written notice to you. All royalty fees are non-refundable. All royalties are uniformly imposed, payable only to us and collected only by us.

Note 2: You will pay us a System Brand Fee contribution equal to a flat $100 per calendar month. The payment of the System Brand Fee begins immediately once your Business is deemed open for operation

(defined in Note 1) and is due on the 5th day of each month, then continues for the term of the Franchise Agreement. We may raise, discontinue or reduce the contribution, but your total contribution will not increase more than $300 per month to the flat fee minimum during the entire term of the Franchise Agreement. In addition, we will not increase the System Brand Fee contribution by more than $100 per month per year after a 90 day advance written notice to you. You pay the System Brand Fee contribution at the same time and under the same terms as the Royalty Fee described above. The System Brand Fee is collected by us and all System Brand Fees are non-refundable. System Brand Fees are uniformly imposed on all franchisees.

We will place the System Brand Fee contribution in a separate bank account. We may use this fund for marketing, local, regional, national or international advertising, public relations, promotions, surveys, test marketing, research and development administration (including all related expenses such as our salaries, accounting, collection, legal and other costs) and any media costs (including media production costs). We make the expenditures at our discretion. We do not represent that any particular level of expenditure will be made for particular programs or to benefit particular franchisees or franchised locations. We are not required to spend any amount on advertising in the area where you are located. We will not spend advertising funds from this account for activities that are principally a solicitation for the sale of franchises. There is no fiduciary relationship between us and you concerning any System Brand Fee contribution.

Note 3: Interest and late charges begin to accrue from the due date of payment. You must also pay any damages, expenses, collection costs and reasonable attorney fees we incur when you do not make the required payments, provided no interest shall exceed the maximum legal rate. All interest and late charges are payable only to us, collected only by us, uniformly imposed and non-refundable.

Note 4: You must protect, defend, indemnify and hold us harmless against any claims, lawsuits or losses arising out of your operation of the Franchised Business. If you default under the Franchise Agreement and we engage an attorney for collection or enforcement, you must pay all our damages and costs to the extent permitted by law. All indemnification costs are payable only to us and collected only by us. Indemnification costs will vary depending on the amount of damages and attorneys' fees that we incur to collect any amounts due and owing by you according to the Franchise Agreement, or to enforce the Franchise Agreement. Indemnification costs are non-refundable (Franchise Agreement Section XVIII).

Note 5: We, our affiliates and/or our approved vendors will complete all changes, updates and promotions to your website. Any requests for changes or updates to the content of your website and/or any type of website promotion you wish to do must be approved by us in writing and performed by us, our affiliates and/or our approved vendors. We will respond to you within 30 days of our receipt of your request for all website changes. The website maintenance and promotion fee is currently $65-$125 per hour and is payable to us, our affiliates or our approved vendors. We may change our website maintenance and promotion fee requirement upon 90 days' notice to you and you will be required to adhere to our new website maintenance and promotion fee requirements at your own expense. The fees may be changed in response to any increase in the United States Consumer Price Index, if we choose to offer additional features, if we choose to provide additional web pages, or if we believe that conditions in the overall economy or in the market for such services warrant any change in fees. Website maintenance and promotion fees are non-refundable and are uniformly imposed and collected only by us, our affiliates, or our approved vendors (Franchise Agreement Sections X.D and XII.I).

Note 6: You will be required to obtain our written approval for any unapproved product, piece of equipment, vendor and/or supplier that you wish to use in the operation of your Business (as described in Item 8) and you will be responsible for paying us an assessment fee. This fee is $100 for any single product, vendor and/or supplier you wish to offer, use and/or substitute in your Business. The fee for equipment testing is a minimum of $300 per piece or any reasonable amount we determine from time to time. We may waive these fees if the equipment, products, vendors and/or suppliers you select meet our requirements and

are added to our approved list of equipment, products, vendors and/or suppliers for all franchise locations. All product, equipment and vendor assessment fees are payable only to us and collected only by us. Product, equipment and vendor assessment fees are non-refundable and are uniformly imposed (Franchise Agreement Section X.E).

ITEM 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee	$25,000	$25,000	Lump sum; the Initial Franchise Fee is $25,000 for a defined territory which includes a self-study program, initial training program and a website with booking functionality. The Initial Franchise Fee is non-refundable.	At signing of the Franchise Agreement.	Franchisor See Item 5
Technology	$1,350	$3,000	As incurred for one computer or laptop, software, router, modem and a mobile phone.	Before Opening.	Payable to our approved vendors See Note 1
Equipment, Furnishings and Fixtures	$3,500	$10,000	As incurred; estimated expenses for all equipment, furnishings and fixtures necessary for the operation of your Business.	Before Opening.	Payable to our approved vendors See Note 2
Real Estate	$0	$4,200	As incurred; estimated expenses for either operating from home or leasing a 1,200 square foot warehouse or industrial space or space in an office complex, strip center or free standing structure. This estimate includes first month's rent plus a security deposit.	Before Opening.	Landlord See Note 3
Leasehold Improvements	$0	$9,500	As incurred; the costs to construct interior alterations, improvements which include flooring, lighting and decorating the facility will depend on the extent of the renovations needed to convert space into separate areas and any allowance you negotiate with the landlord for construction.	Before Opening	Landlord See Note 4
Utilities	$0	$300	As incurred; costs will vary due to policies of local utilities and this estimate includes a utility deposit.	Before Opening.	Local Utility Suppliers
Signage	$0	$400	Lump sum; estimated cost for the delivery and installation of exterior and interior signage (including door and window graphics) if you choose to operate out of a location. We specify and provide you with the guidelines in the Operations Manual. Signage expenses are not refundable.	Before Opening.	Approved Vendors
Start Up Inventory	$1,875	$2,500	Lump sum; estimates for a startup inventory of approved products and supplies necessary for your first month of operation.	Before Opening.	Payable to our approved vendors Note 5
Vehicle	$0	$6,000	As incurred; you must have a reliable passenger car, sports utility vehicle or van that meets our appearance standards for the operation of your Business.	Before Opening	Third Parties See Note 6

Vehicle Graphics	$0	$800	Lump sum; estimated costs if you choose to place approved graphics on your Vehicle. We specify and provide you with vehicle graphic guidelines in the Operations Manual.	Before Opening	Payable to approved vendors See Note 7
Staffing	$0	$1,100	As incurred; you may need to hire part-time assistants. The low-end estimate takes into account you do not hire any assistants, you perform all administrative duties and you are the manager. The high-end estimate takes into account that you hire one part-time assistant, you are the manager and you perform all administrative duties.	As incurred for your first month of operation.	Salaries and Expenses
Uniforms	$100	$250	Lump sum; this is an estimate for a minimum number of logoed shirts for your employees.	Before Opening.	Payable to us, our affiliates or approved vendors Note 8
Insurance	$250	$500	Lump sum; before commencing operations of the Business and as required by the insurance company.	Before Opening	Payable to third parties; See Note 9
Travel, Lodging and Meals for Initial Training Program	$800	$1,700	As incurred; training held at corporate headquarters. You are responsible for all costs associated with attending training such as travel, room and board for each person. Estimates provided are costs for one person. Additional training is available at your request for which an additional training fee of up to $250 per person per day may be required.	As Incurred.	See Item 11
Business Licenses, Permits, Registrations and other Professional Fees	$250	$950	As incurred; licenses, permits and registrations required to operate your Business and any professional legal and accounting fees incurred.	Before Opening.	Appropriate licensing authorities and Third Parties
Additional Funds (3 months)	$3,000	$8,000	As incurred; additional funds necessary for start-up of your Business which includes working capital.	Spent over the course of first three months.	Third Parties See Note 10
Total	**$36,125**	**$74,200**			

Except as provided below, other than security deposits and utility deposits, all payments and fees described in this Item 7 are non-refundable.

Note 1: You must purchase a variety of technology items for the operation of your Business as specified in the Operations Manual. Both the low and the high estimates represent current costs for: computers or laptops, merchant service equipment, software, modems, routers and a mobile phone. You must purchase only approved technology items that meet our specifications, which may change from time to time. All such items must be purchased through our approved vendors or suppliers and may not be refundable depending on the terms of the purchase agreement (Franchise Agreement Sections XII.H, XII.I and XX.I).

Note 2: This is an estimate for the items you will need for all equipment, furnishings and fixtures. You must purchase various pieces of equipment, furnishings and fixtures for the operation of the Franchised Business as specified in the Operations Manual. The type of equipment you will need to operate the Business includes, but is not limited to: commercial refrigeration units, one walk-in cooler and a shop vacuum. The furnishings and fixtures necessary to operate your Business include but are not limited to: desk, large tables that seat six, different types of chairs, various size racks, rolling tables and shelving units for the operation of your Business. The low end of this estimate represents operating the Business from

your home out of your garage taking into account that you purchase commercial refrigeration units, a shop vacuum, various size racks and rolling tables and already have and can use your own furnishings and fixtures. The high end of this estimate represents costs if you intend to operate your Business out of a small warehouse or industrial space, office complex, strip center or free-standing structure with approximately 1,200 square feet purchasing a walk-in cooler and a shop vacuum in addition to all furnishings and fixtures. We base our estimates on the costs that our affiliate incurred in opening its company-owned location. Actual equipment, furnishings and fixture cost may vary due to square footage. If applicable, you must also pay state and local sales tax on purchases of equipment, furnishings and fixtures. The sales taxes may range from 3%-10% of the purchase price and are not included in these estimates. You are responsible for paying all applicable sales taxes. You must purchase all equipment, furnishings and fixtures from our approved vendors and suppliers. You must purchase the equipment, furnishings and fixtures that meet our specifications, which may change from time to time. The cost of all equipment, furnishings and fixtures will depend on the condition of the equipment, furnishings and fixtures and other factors. You may be able to take advantage of tax benefits for the purchase of your equipment, furnishings and fixtures as you are encouraged to talk with a tax professional. Expenses for the equipment, furnishings and fixtures do not include shipping or delivery costs and may or may not be refundable depending on the terms of the manufacturer's or dealer's invoice or the purchase agreement (Franchise Agreement Sections XII.H, XII.I and XX.H).

Note 3: You are encouraged to operate your Business out of your home garage, however you can choose to operate out of a location (such as: a warehouse or industrial space, office complex, strip center or free-standing structure). The low end of the estimate represents operating out of your home garage, and the high end of this estimate represents leasing a space in an office complex of approximately 1,200 square feet at an average rent of $1.75 per square foot per month (approximately $21 per square foot annualized). We do not expect that you immediately lease a space in a strip center (retail space) or occupy a free-standing space for your Business; however, if you do so, upon our approval, your real estate expenses will be significantly higher than the above estimate. Real estate costs depend on location, size, visibility, economic conditions, accessibility and competitive market conditions. Our estimate includes first month's rent and a security deposit. These sums do not include common area maintenance fees which (if applicable) will vary depending on your location or any sums for the purchase of real property, as we do not expect you to buy real property. If you choose to operate out of a location, you may be able to reduce this expense if you are able to occupy a space in an existing location that complements another business. The space must be enclosed and separate from other businesses with its own locking door. We base our estimate on the costs that our affiliate incurs when leasing space for their company-owned location. Lease payments for periods of time that you occupy your premises may not be refundable. In the event you leave your leased premises before the termination of your lease, you may owe the landlord payment for the entire lease term depending on the terms and conditions of your lease. Whether or not any lease payments are refundable depends on the terms and conditions of your lease agreement (Franchise Agreement Sections XII.S, XII.T and XX.C).

Note 4: If you choose to lease a space rather than operate out of your home garage, we advise you to find a space needing minimal leasehold improvements; however, if operating out of a leased space you will be required to install black and white checkered tile flooring and build a faux flower wall according to our specifications. Leasehold costs will vary widely and may be significantly higher than what is projected in the table above depending on factors such as property location, the condition of the property and the extent of alterations required for the property. A typical The Flower Garage™ business that operates out of a space, other than from a home garage, has: one large open area that incorporates a small retail section and seating for workshops, an area used as a production area, storage space and bathrooms. The low estimate takes into account that you operate the Business out of your home garage and will not need any leasehold improvements. The high estimate takes into consideration you lease a space and will need to install flooring, build a faux flower wall, add walls to separate space, modify the electrical and the HVAC system (which would entail contractor costs) and paint according to our specifications. The high estimate does not take into consideration having to add bathrooms or building out a complete facility from an empty shell which

could significantly increase your costs. We base our estimates on the costs that our affiliate incurred in building out their company-owned location. You should investigate all these costs in the area in which you wish to establish a The Flower Garage™ business. We will provide you with standard layouts and design options for your Business; however, if building out a complete facility from an empty shell it is your responsibility to hire an architect to create a complete set of drawings based on the size of your facility and local permitting requirements. Architect and permitting costs are not included in this estimate. You may incur greater or lesser leasehold improvement costs depending on your ability to negotiate leasehold improvements with your landlord. Whether or not any leasehold improvements or build out expenses are refundable depends on the terms and conditions of your contracts with construction and mechanical contractors, as well as your lease agreement (Franchise Agreement Sections XII.S and XII.T).

Note 5: You must purchase products and supplies for the general operation of your Business as specified in the Operations Manual. You must purchase only approved products and supplies and you must purchase such items that meet our specifications, which may change from time to time. The types of products and supplies includes, but is not limited to: flowers, flower food, vases, pots, hand tools (scissors, rose strippers, clippers, etc.), buckets, watering cans, trash receptacles, packaging materials (such as: brown paper, ribbons, etc.), retail items for sale (such as a small inventory of vases, pots, tool kits, etc.) in addition to cleaning supplies, general office supplies and other products or supplies as specified by us. We will provide you with a written list of approved products you must use and offer for sale and a written list of approved vendors and/or suppliers you must purchase products and supplies from to operate your Business. All items mentioned above must be purchased through our approved vendors and/or suppliers, except all advertising and promotional materials and miscellaneous forms must be purchased directly from us or our affiliate. Whether or not any of the purchases for products and supplies are refundable depends on the terms of the invoice or purchase agreement with suppliers (Franchise Agreement Sections XII.I and XX.I).

Note 6: You must have a reliable passenger car, sports utility vehicle or van ("Vehicle") for your Business to transport flowers for events and perform workshops. You can use or purchase any type of used or new Vehicle for your Business; however, we require that all Vehicles meet our appearance standards. We will provide you with a written list of Vehicle appearance standards during your initial training program. If you have a Vehicle, we do not expect that you will need to purchase a used or new Vehicle for your Business, however you can choose to do so. The low end of the estimate is taking into account that you may be able to use your existing Vehicle so long as such Vehicle meets our appearance standards. The high end of the estimate is an estimated down payment for purchasing a used or new Vehicle which is approximately $6,000 per Vehicle. Your costs for a new Vehicle may be reduced if you choose to lease rather than purchase. The purchase agreement price will vary from dealer to dealer, and the terms of your loan, including the interest rate and term, may vary depending on your credit worthiness, changes in credit markets and other factors which are not under our control. We can't give you any guarantees or make any representations as to the terms, conditions or otherwise of any financing for your Vehicle. You may elect to purchase additional Vehicles to keep up with the growth of your Business. Whether or not payments made for the purchase of your Vehicle is refundable depends on the terms and conditions offered by your dealer (Franchise Agreement Sections XII.H, XII.U and XX.H).

Note 7: If you choose to place graphics on your Vehicle, you must place our approved graphics on your Vehicle. We will provide you with specifications for all such graphics during the training program. Whether or not payments made for vehicle graphics are refundable depends on the terms and conditions offered by the vendor (Franchise Agreement Sections XII.H, XII.U and XX.H).

Note 8: You must purchase and maintain an inventory of approved uniforms for the operation of your Business. You must purchase logoed t-shirts for your employees from our approved vendors. All uniforms must meet our specifications, which may change from time to time. You will need a minimum inventory of t-shirts that incorporate our logo and approved graphics for your employees; however, the number of uniforms you will need will vary depending upon the number of employees you hire. This estimate does

not include any laundry costs or shipping costs which (if applicable) are your responsibility. Whether or not any of the purchases for uniforms are refundable depends on the terms of the invoice or purchase agreement with suppliers (Franchise Agreement Sections XII.I and XX.I).

Note 9: This estimated amount represents your first twelve months pre-paid insurance premiums that do not take into account workers' compensation insurance which may vary greatly by state, payroll and classification. You must obtain and keep general liability insurance and product liability insurance (coverage to protect against claims of injury from products that you distribute) with a minimum policy limit of $1,000,000 per occurrence and $2,000,000 aggregate or in amounts we may require, to reflect inflation, identification of new risks, changes in law or other relevant changes in circumstances. You are also required to obtain property and casualty insurance that covers the assets of the Business, "All Risk" insurance coverage for property that is not included in other insurance policies, business interruption insurance and automotive liability insurance with a minimum policy limit of $1,000,000 including uninsured motorist/minimum of $100,000 or what is in accordance with your state guidelines or an amount we reasonably specify. Due to varying factors that affect the cost of workers' compensation and auto insurance, the cost of workers' compensation and auto insurance is not included in this estimate. We may change insurance requirements on reasonable notice to you. We base our estimates on the insurance costs incurred by our affiliate at its company-owned location. Whether or not insurance premiums are refundable depends on the terms of your insurance policies. In general, the cost of insurance coverage will vary depending on the carrier's charges, terms of payment and your claims history (Franchise Agreement Section XIII).

You may need other insurance such as: tenant's liability insurance, statutory workers' compensation insurance (if applicable), professional liability insurance (coverage to protect against claims of negligence), employer's liability insurance, employment practices liability insurance, employee dishonesty insurance and cyber liability insurance. All such insurance coverage is optional; however, we may require you to obtain some of these coverages in the future with liability limits of amounts we may reasonably specify. We may change these insurance requirements on reasonable notice to you. There are no other insurance requirements. Whether or not any insurance premiums are refundable depends on the terms and conditions of your insurance policies.

Note 10: The estimate includes minimum working capital for the startup of your Business. This also includes estimates of miscellaneous startup costs such as: rent for an additional two months (not applicable if operating out of your home garage and if you are leasing a small warehouse or industrial space, your first month's rent is included in the table above), purchasing additional technology items, equipment, furnishings, fixtures, products and supplies; shipping and delivery costs, fuel expenses, Vehicle maintenance, workers' compensation insurance payments (if applicable), tax deposits, prepaid expenses, additional permits, architect fees, legal fees, accounting fees and other miscellaneous costs.

Total Estimated Initial Investment. The total estimated initial investment is an estimate only of the range of startup expenses you may incur. We relied on our principals' combined experience when preparing these figures. We base our estimates on the costs that our affiliate incurred in operating its company-owned location. The actual amount of funds you will need depends on a variety of factors, including, but not limited to, the time of year when you start your Business, if you choose to lease a space rather than operate out of your home garage; if you purchase additional equipment, furnishings, fixtures, products and supplies; if you use your own Vehicle or purchase a used or new Vehicle; number of employees you hire, prevailing wage rates, implementation of a marketing plan, supply chain disruptions, your own management skill, economic conditions, competition in your area and other factors. The estimate of initial investment funds is based on an owner-operated business and does not include salaries or benefits for full-time employees. As your Business grows, you may choose to hire additional employees to carry out support service tasks.

These figures are just estimates and we cannot guarantee that you will not have higher costs. Competitive conditions described in Item 1 will affect these costs. This estimate of startup costs is

calculated for a period of one month (except as stated otherwise), with additional operating capital to be available as may be needed during the initial phase. These costs do not include your Royalties and System Brand Fees which begin immediately either once you start collecting any fees for services, selling products or when your Business is physically open for operation (whichever comes first). These fees should be included in your projections of overall operations costs beginning with your first month of operation. We acknowledge that you may choose to invest additional funds into your Business during the first three months of operation, and sometimes longer, but we cannot estimate or promise when, or whether, you will achieve positive cash flow or profits. These amounts are estimates only and specific amounts will vary with local market conditions, which are outside our control. You should review the figures carefully with a business advisor and identify your individual expenses along with cash flow projections before making any decision to buy the Franchise.

We do not offer financing, directly or indirectly, for any part of the initial investment for a Franchise. The availability and terms of third-party financing will depend on factors such as the availability of financing generally, your creditworthiness, collateral you may have, and the lending policies of financial institutions. The estimate does not include any finance charges, interest, or debt service obligation, or your living expenses. You should have sufficient capital or other means to pay for your living expenses for at least six months.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We may offer or designate others to offer certain equipment, furnishings, products, supplies or services and we may become approved suppliers or the only approved supplier(s) for such items. The equipment, products, supplies and services include: equipment (such as: commercial refrigeration units, one walk-in cooler, etc. as described in Item 7), furnishings and fixtures, flooring (if you choose to operate of out of a location rather than from your home garage) technology items (such as: computers, laptops, printers, modems, etc.), products (such as: flowers, flower food, vases, pots, buckets, hand tools, etc. as described in Item 7), supplies (such as: packaging materials, cleaning products, office supplies, etc.), uniforms, signage (if applicable), Vehicle (including vehicle graphics), third party software, promotional merchandise, printed advertising materials, merchant service providers, software support service providers, shows and event marketing opportunities and vendor, co-branding, affinity programs. You cannot purchase unapproved equipment, products, supplies and services from any vendors and/or suppliers that are not on our pre-approved list without our written permission. We will provide you with: a written list of approved equipment, products and supplies you can use and offer for sale in your Business; recommended procedures and strategies when purchasing equipment, products and supplies for your Business; and a written list of approved vendors and/or suppliers to purchase such items from during our initial training program. Currently we are not the only approved supplier of such equipment, products, supplies or services that you are required to use for the operation of your Business, except you must purchase all advertising, promotional and marketing materials, miscellaneous forms and updates from us or our affiliate. As of the date of this Disclosure Document, all updates to such promotional and marketing materials are optional, but we may in the future mandate that you purchase certain updates at your expense. We require this in order for you to offer services and sell products from our approved services, products and equipment list. If we develop proprietary products, equipment or software in the future, you must purchase such products, equipment and/or software from us, our affiliates or approved suppliers. We may become approved suppliers or the only approved supplier(s) for other equipment, products and services. We have negotiated purchase arrangements with vendors and/or suppliers on the approved equipment, product and supplies list for the benefit of you in the areas of costs and customer support. There are no supply contracts at this time. None of our officers or directors owns any interest in any vendor or supplier other than us.

You are required to adhere to the standards and specifications established periodically by us with respect to your Business, equipment, products and services used, sold and offered; our Curriculum;

administrative and operational procedures, level of service standards, uniforms, Vehicle appearance standards (including vehicle graphics), advertising, vendors, and suppliers used in the operation of your Business. You must operate the Business in strict conformity with the methods, standards and specifications that we prescribe in the franchise training program, Operations Manual or otherwise in writing. You must maintain in sufficient supply, use, sell and offer at all times only the equipment, products, services and Curriculum that meet our standards and specifications. We may change our standards and specifications, as a result of experience or changes in the marketplace and we will issue such changes to all franchisees. You must not deviate from these standards and specifications by offering non-conforming services or by the use of non-conforming curriculum, equipment, products, supplies or services, without obtaining our prior written consent. You are not permitted to: use any unapproved curriculum; use any equipment, products, supplies or services of an unapproved vendor; purchase any type of equipment, products and supplies from an unapproved supplier; or offer any services and/or sell any products not approved by us, unless you first submit a written request to us for approval and agree to be responsible for all product, vendor and equipment assessment fees as described in Item 6. We will use our best efforts to advise you within 30 days either by email or any other form of written communication whether such services, products, equipment, vendors or suppliers are approved as set forth below.

We base our specifications for all equipment, furnishing, product, vendor and supplier approvals on our discretionary determination of demand, relevance to the System, price, value, quality, durability, reliability, accuracy of product claims, safety, warranty, prompt attention to complaints, product recalls, reputation, frequency of delivery, appearance and contributions or other benefits to us and/or any marketing fund. A list of approved vendors and suppliers from whom all equipment, products, supplies and services may be purchased will be provided to you and may be amended by us periodically. We have the right to disapprove your equipment, product and/or supply sources that are not on our approved vendor list. We may require vendors and/or suppliers to provide certain information, sign a nondisclosure agreement and agree to guarantee our level of quality and produce sufficient samples to allow us to test the sample at your expense. We may require you to submit to us sufficient specifications, photographs, drawings or other information and samples to determine whether the items meet our specifications. We may require third party testing, in which case you will pay the actual cost of the tests in addition to the product, equipment and assessment fee described in Item 6. We may issue specifications in manuals or directives, in writing or orally, and we may modify them at any time. Our response to an adequate request to approve a piece of equipment, product, vendor and/or supplier will be made within 30 days after we receive it. Approval may be revoked in our sole discretion where an approved piece of equipment, product, vendor and/or supplier does not adhere to our specifications described above. We will notify you either by email or any other written form of communication of our approval of, disapproval of or revocation of any prior approval of any equipment, furnishing, product, vendor or supplier.

You must use, offer and sell only the equipment, Curriculum, products and perform only the services that we specify in writing, which may be amended or modified by us periodically. If any product, piece of equipment, service (including any type of package, program or workshop), vendor or supplier is not authorized by us, you are prohibited from using, offering, selling or performing it in your Business. You are not required to maintain any minimum inventory of products or equipment in your Business. If we require you to maintain a minimum inventory of products or equipment, we will notify you by email or any other form of written communication and you will be given ninety (90) days to comply with such requirements at your cost. We will provide you with a written list of: approved equipment, products and services you are authorized to use, offer, sell and perform in your Business after signing the Franchise Agreement and during the initial training program. We will enforce these limitations by using "secret shoppers" or unannounced on-site visits to your Business on a regular basis. When we make visits to your Business, such as to assist you, we may also take that opportunity to visibly inspect your inventory and observe you performing services to determine if unauthorized services (for example, unauthorized workshops) are being offered or performed; if our Curriculum is being used or unauthorized curriculum is being used; and if unauthorized equipment or products are being used or sold. In addition, we expect to

receive information from other The Flower Garage™ businesses or clients reporting that unauthorized services are being offered or performed and if unauthorized equipment or products are being used or sold in your Business. You must permit us or our agents, at any reasonable time, to remove any product or piece of equipment from your Business free of charge for testing by us or by an independent laboratory, to determine whether such items meet our then-current standards and specifications. Besides any other remedies we may have, we may require you to pay for the testing, as described above, if we have not previously approved the supplier of the item or if the product or piece of equipment fails to conform to our specifications. We reserve the right to take whatever action we deem necessary in our absolute and sole discretion to prevent you from using, offering, selling or performing unauthorized curriculum, equipment, products, supplies or services, including seeking injunctive relief or terminating your Franchise Agreement.

We may derive profit through markups of the prices charged to you for equipment, products, supplies or services we supply. We may derive revenue through license fees, promotional fees, advertising allowances, rebates, commissions or other monies paid by approved suppliers. We do not know the precise basis of these payments because we have never previously collected them. If we require you to buy from us, the equipment or product's price and quality will be comparable to similar equipment and products from other sources. We may take a portion of that income to spend on advertising or place it in a separate franchisee advertising account. If we require you to buy products or services from a vendor that pays such allowances, at our discretion we may spend all such fees on related advertising or place them in the separate franchisee advertising account, described in Item 11 below. No such revenues were received from required purchases made by franchisees in the prior fiscal year.

To maintain uniform quality standards, all equipment, products, services, Vehicle (including graphics), flooring and signage (if operating out of a location), advertising, trademark usage, trade dress, dress code and other products and services you use to operate the Franchised Business must meet our standards and specifications as set forth in our Operations Manual. In addition, you must participate in and cooperate with promotional programs, any rewards or loyalty programs, gift certificate or gift card programs we may establish and follow our requirements and guidelines. We will require you to use specific Curriculum, operational forms, contracts, checklists and promotional items; and we may require you to use or contribute to specific software providers, merchant service providers, promotional items, vendor discounts, allowances and rebates.

If you choose to operate out of a location, we may provide specifications for the construction, build out and leasehold improvements of your Business. Regardless of how you operate your Business we maintain specifications for vehicle graphics. If you choose to operate out of a location, you must install specific flooring and a faux flower wall and may not install or permit to be installed on the Business premises any décor, signage, games, vending machines or other items without our written consent or that do not comply with our specifications. These specifications may include minimum standards for quality, appearance, performance, delivery, safety, durability, appearance, size, color, design, material and other characteristics. Some of these specifications are contained in our Operations Manual and others will be set forth in periodic written notices to our franchisees. In some cases, our specifications may involve confidential and proprietary information, and such specifications will only be made available to a supplier who agrees to sign a confidentiality agreement with us. We develop these specifications either through our research and development staff or with a particular manufacturer and these specifications may be modified periodically through written notices to our franchisees.

Our primary methods of communication with franchisees are through emails, text messaging, announcements or newsletters we may periodically publish and through our intranet system provided to all franchisees on our website. You are responsible for knowing all of the information contained in the emails, text messages, announcements and/or newsletters and our intranet system and complying with any

standards and specifications provided within them. We may establish and change the standards and specifications for the operation of your Business through our emails, text messages, announcements or newsletters and intranet system.

All marketing and promotion of your Franchise by you in any medium must be conducted in a professional and dignified manner and must conform to our specified standards and requirements that we prescribe in our Operations Manual. You must submit samples of all advertising or promotional plans and materials (including photographs and videos) that you desire to use to us for approval if such has not been prepared or previously approved by us. You may not use any marketing or promotional materials (including photographs or video presentations) that we have not approved or that we have disapproved. This includes any promotion over the Internet to promote events at your Business. You must submit a request to us for any type of website and/or Internet promotion you wish to do in addition to any edits, changes or updates to your website. Internet promotions, edits, changes or updates to your website must be done by us, our affiliates or approved vendors with our consent. We may charge a fee for this approval (as described in Item 6). Upon approval of your request, you may be responsible for any website maintenance cost. Our response to your request for such advertising or promotional plans and materials and Internet promotions, edits, changes or updates to your website will be made within 30 days after we receive it. We will notify you by email or any other written form of communication of our approval or disapproval. You must not conduct any advertising without our written permission, in any social media such as X (formally known as Twitter), Facebook, LinkedIn, Pinterest, Yelp, TikTok and others (currently franchisees are authorized to participate on Facebook, TikTok and Instagram). You must also supervise your employees to assure they do not post any material on Social Media sites or any internet sites, regarding us, your Franchise or the System whatsoever. We will provide you with our written standards and guidelines for using social networking sites during the initial franchise training program.

You must have and/or purchase technology items, equipment, furnishings and fixtures, flooring and signage (if operating out of a location), products, supplies, uniforms and a Vehicle (vehicle graphics are optional) for the operation of your Business. If you operate out of your home garage, we expect you to be able to use your existing technology items, furnishings and fixtures. You may also be able to use your existing Vehicle so long as such Vehicle meets our Vehicle appearance standards; otherwise, you will need to purchase or lease a new or used Vehicle for your Business. We will provide you with a written list of Vehicle appearance standards (including vehicle graphic specifications) after signing the Franchise Agreement. Vehicle appearance standards are outlined in the Operations Manual and are based on our sole judgment and discretion based on the experience of our company-owned business. Failure to adhere to our Vehicle appearance and vehicle graphic standards (if you choose to put graphics on your Vehicle) may put you in default under your Franchise Agreement. It is estimated that all your initial expenditures from us, our affiliates or the vendors that we specify and/or approve that meet our standards and specifications will be approximately 15%-35% of your total initial investment, depending on whether you choose to use your own or purchase a Vehicle and whether or not you operate out of your home garage or out of a location. During the operation of the Franchised Business, required purchases for equipment, products and services from us, our affiliates, or the vendors that we specify and approve (not including royalties or labor costs) are estimated to represent approximately 15%-30% of your total monthly purchases in the continuing operation of your Business (depends on the number of events and workshops you perform).

We do not provide material benefits (for example renewal or additional franchises) to you based solely on your use of designated or approved sources. We do not belong to or require you to belong to any purchasing or distribution cooperatives, although we retain the right to establish them and to require your membership therein.

If you choose to open a location for your franchise under a lease, per the Franchise Agreement, you must submit the proposed lease to us for approval before it is signed. We have the option to require that the lease be subject to one or both of the following: (i) be collaterally assigned to us by a collateral assignment

agreement in a form and substance reasonably acceptable to us in order to secure performance of your liabilities and obligations to us, and/or (ii) contain the following terms and conditions:

1. The lessor must agree that without its consent, the lease and your right, title and interest under the lease may be assigned by you, to our designee or us (provided such assignment shall not relieve you of your obligations under the lease or cause us or our designee to have any obligations or liability under the lease).

2. The lessor must provide written notice to us (at the same time it gives such notice to you) of any default by you under the lease and we must have, after the expiration of the period during which you may cure such default, an additional 15 days to cure, at our sole option, any such default and, upon the curing of such default, the right to enter upon the leased premises and assume your rights under the lease as if the lease had been assigned by you to us.

3. You are required to furnish complete copies of all insurance policies required by the Franchise Agreement and by the lease, to us, or such other evidence of insurance coverage and payment of premiums as we request or permit or under the lease.

Before you open a The Flower Garage™ Business for operation, you must obtain the insurance coverage for the Business as specified below. The insurance coverage must be maintained during the term of the Franchise Agreement and you must provide evidence of insurance to us that insurance has been obtained from a responsible carrier or carriers acceptable to us.

1. General Liability Insurance, including broad form contractual liability, broad form property damage, personal injury, advertising injury, completed operations and fire damage coverage, in the amount of $1,000,000 per occurrence and $2,000,000 aggregate;

2. Product liability insurance that covers you for damages that result in injury from products that you distribute with a minimum policy limit of $1,000,000 per occurrence and $2,000,000 aggregate or an amount we reasonably specify;

3. Property and casualty insurance that covers you for damages or losses to the Business with a minimum policy limit of $1,000,000 per occurrence or an amount we reasonable specify;

4. "All Risks" coverage for the full cost of replacement of the Business premises and all other property in which we may have an interest with no coinsurance clause;

5. Business Interruption insurance in such amount as will reimburse you for direct or indirect loss of earnings attributed to all perils commonly insured against by prudent business owners or attributable to prevention of access to the Business, with coverage for a period of interruption of 180 days and such longer period as we may specify periodically. Business interruption insurance is optional; however, we may require you to obtain this coverage in the future with liability limits in amounts we may reasonably specify which will relate to the right to be reimbursed for direct or indirect loss of earnings attributed to all perils commonly insured against by prudent business owners;

6. Automobile liability coverage, including coverage of owned, non-owned and hired vehicles, with coverage in amounts not less than $1,000,000 for hired and non-owned coverage including uninsured motorist with a minimum of $100,000 limit or what is in accordance with your state guidelines;

7. Employer liability insurance (optional) that covers you and your Business against claims made by employees who have been injured on the job a minimum policy limit of $1,000,000 or an amount we reasonably specify;

8. Professional liability insurance (optional) that covers you for damages that you create that do not result in property or bodily injury with a minimum policy limit of $1,000,000 and $2,000,000 aggregate or an amount we reasonably specify;

9. Workers' compensation insurance in amounts provided by applicable law or, if permissible under applicable law, any legally appropriate alternative providing substantially similar compensation to injured workers, subject to the conditions set forth in the Franchise Agreement.

10. Employment practices liability insurance (optional) that covers you and your Business against claims made by employees, former employees or potential employees for discrimination, wrongful termination, sexual harassment and other employment related obligations;

11. Crime insurance (optional) for employee dishonesty in the amount of $10,000 combined single limit;

12. Tenant's liability insurance;

13. Any other Insurance required by the state or locality in which the Business is located and operated in such amounts as required by statute; and

14. Other insurance coverage, as we, your state or the landlord may reasonably require.

With regard to any construction, renovation, or remodeling of the Business (if applicable), you may be required to maintain builder's risks insurance and performance and completion bonds in forms and amounts, and written by a carrier or carriers, satisfactory to us. All of the policies must name us and our affiliates, as additional insureds and must include a waiver of subrogation in favor of all those parties.

All insurance coverage shall be taken out in your name and shall name us an additional insured and be placed with insurers designated by us or acceptable by us. You must furnish us with certified copies of each of the insurance policies described above either prior to attending our initial training program, the date your Business is deemed open for operation or no later than 60 days following the date that the Franchise Agreement is executed (whichever comes first). You must purchase "A" rating insurance policies. Each such policy shall provide that it cannot be canceled without 30 days' prior written notice to us and that we shall receive at least 30 days' prior written notice of its expiration or possible earlier termination. You shall promptly refer all claims or potential claims against you or us to each of us and our insurer.

The cost of insurance purchased in accordance with our specifications is expected to represent approximately 1% of your total investment in connection with the establishment of your Business and less than 2% of your total purchases during the operation of your Business. These percentages do not include workers' compensation insurance that will vary with the payroll amount and category of employees.

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise agreement 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 Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	Sections XII.S and XX.C. of Franchise Agreement	Items 7, 11 and 12
(b) Pre-opening purchases/leases	Section VIII of Franchise Agreement	Items 7 and 8
(c) Site development and other pre-opening requirements	Sections VIII, XII.T, XX.C. of Franchise Agreement	Items 6, 7, 11
(d) Initial and ongoing training	Section XX.A. of Franchise Agreement	Item 11
(e) Opening	Sections IX.B and XII.G of Franchise Agreement	Item 11
(f) Fees	Sections IX and X of Franchise Agreement	Items 5, 6 and 7
(g) Compliance with standards and policies (Operations Manual)	Sections XII.A and XII.H. of Franchise Agreement	Items 8, 11 and 16
(h) Trademarks and proprietary information	Sections XV and XVI of Franchise Agreement	Items 13 and 14
(i) Restrictions on products/services offered	Section XII.I. of Franchise Agreement	Items 8 and 16
(j) Warranty and customer service requirements	Not Applicable	Not Applicable
(k) Territory development and sales quotes	Section VI of Franchise Agreement	Item 12
(l) On-going product/services purchases	Section XII.I. of Franchise Agreement	Item 8
(m) Maintenance, appearance and remodeling requirements	Section XII.E. of Franchise Agreement	Item 11
(n) Insurance	Section XIII of Franchise Agreement	Items 6 and 7

(o) Advertising	Sections X.B, X.C, XII.L and XX.J of Franchise Agreement	Items 6, 7, and 11
(p) Indemnification	Section XVIII of Franchise Agreement	Item 6
(q) Owner's participation/ management/staffing	Sections XII.F and XII.K. of Franchise Agreement	Items 11 and 15
(r) Records/reports	Section XIV of Franchise Agreement	Items 6 and 11
(s) Inspections/audits	Sections XII.Q and XIV.B. of Franchise Agreement	Items 6 and 11
(t) Transfer	Section XXII of Franchise Agreement	Items 6 and 17
(u) Renewal	Section VII.B. of Franchise Agreement	Items 6 and 17
(v) Post-termination Obligations	Section XXIV of Franchise Agreement	Item 17
(w) Non-competition covenants	Section XIX of Franchise Agreement	Item 17
(x) Dispute Resolution	Sections XXV.C. and XXV.D of Franchise Agreement	Item 17

ITEM 10
FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

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

Except as listed below, we [Christakos Franchise, LLC] are not required to provide you with any assistance.

Before you open your Business, we will:

(1) If you and we have not already agreed upon a site for your Business operations that meets our requirements, we will provide you with assistance in locating a site. Whether you choose to operate the Business out of your home garage or if you choose to open a location (such as a small office, warehouse, or industrial space), you must select the site of your Business within the Territory provided in the Franchise Agreement. We do not generally own the site and lease it back to you; however, we retain the rights to do so in the future. We must accept the site if we feel in our sole discretion that it meets or exceeds our standards, but our acceptance does not ensure that your Business will be profitable at the

approved location. The factors that we consider in acceptance of the site include: population density, location, cost, freeway access, neighborhood and physical characteristics of the premises such as size, configuration, and layout. We evaluate each proposed site and accept or reject each one on a case-by-case basis and will notify you by email or any other form of written communication of our acceptance or rejection of any proposed site within 30 days after we receive your request (Franchise Agreement, Sections XII.S and XX.C).

Neither we nor any of our employees have special expertise in selecting sites; we make no representations that your Business will be profitable or successful by being located at the approved site. Any approval is intended only to indicate that the proposed site meets our minimum criteria based upon our general business experience.

(2) Insert the accepted site into your Franchise Agreement. However, the acceptance of a location and entering it on your Franchise Agreement by us is conditioned upon our determination, in our reasonable judgment, that:

(i) the site which you have submitted for the Business is a suitable site based upon criteria we establish periodically; and

(ii) you and your Owners are in compliance with the Franchise Agreement.

(3) Approve your execution of the lease for your Business, if applicable. You must submit the lease to us for our approval at least ten days before you sign the agreement. You must send us a signed copy of the lease within five days of both parties signing the lease. We do not offer legal services to you and you should consult your independent legal counsel for a legal review of the lease (Franchise Agreement, Sections XII.S and XX.C).

(4) Offer you guidance when obtaining licenses, registrations and applying for permits if required by your locality to operate your Business. It is your responsibility to comply with all laws, ordinances and regulations as you are responsible for obtaining all necessary approvals, registrations, licenses and permits to operate your Business (Franchise Agreement Section XX.A).

(5) If you choose to lease a space for your Business, we will inform you of any mandated specifications, architectural and design plans, signage (if you choose to have signage for the exterior of your Business), décor, designs and layouts for the Business at the accepted location. We may provide you with suggested plans and guidelines for the layout and design of your Business and you may need to hire an architect to create a complete set of drawings based on your building size and local permitting requirements. You will be required to conform your site to local zoning ordinances, regulations, fire, health and building codes. We may, if needed, review your final set of drawings. It is your responsibility to comply with all laws, ordinances, regulations, zoning and building codes for your Business (Franchise Agreement, Sections XII.T and XX.D).

(6) Provide you with a written list of Vehicle appearance standards (which include our vehicle graphic specifications). You are responsible for the cost of the Vehicle and the purchase, installation and cost of all graphics (if you choose to put graphics on your Vehicle). We do not install any graphics on your Vehicles (Franchise Agreement, Sections XII.H, XII.I, XII.U, XX.A and XX.H).

(7) Provide you with: a written list of approved equipment, products and services you are authorized to use, offer, sell and perform (as described in Item 8); and a written list of approved vendors and suppliers to purchase equipment, products, supplies and services from. You are responsible for the cost, delivery, installation and maintenance of these items as they are necessary for the operation of your Business. You are required to purchase all items listed above either from us, our affiliates and/or our approved vendors (Franchise Agreement Sections XII.I, XX.A, XX.D and XX.I).

(7) Provide you with specifications for all equipment and technology items (as described in Item 8) necessary to operate the Business. You are obligated to purchase, use and upgrade all equipment, technology items and any third-party software necessary for the operation of your Business. We will deliver the specifications, but not the above items, and you are responsible for purchasing and installing these items (Franchise Agreement Sections XII.I, XX.A and XX.H).

(8) Provide you with all recommended guidelines when hiring employees and engaging independent contractors (if you choose to use independent contractors). You are responsible for all day-to-day activities, including hiring, training, disciplining and/or firing your employees and managing your independent contractors. At no time will you, your employees, independent contractors or agents be deemed an employee of ours. You are responsible for all employees you hire (and independent contractors you engage), determining their compensation, benefits, tax withholding, social security contribution withholding, Medicare withholding, and their behavior during the operation of your Business (Franchise Agreement Sections XII.F, XX.A and XX.E).

(9) Offer certain training programs designed to assist you, any Owner or manager of your Business. We may provide continuing education to you, any Owner or manager of your Business. We may also require that you, any Owner or manager(s) complete supplemental and refresher training programs during the term of the Franchise Agreement (Franchise Agreement, Section XX.A).

(10) Provide you with a self-study program (and related materials) immediately after executing the Franchise Agreement intended to help you prepare for our initial training program. We will provide an initial training program within sixty days after signing the Franchise Agreement, prior to your Business is deemed opened for operation (as defined in Item 6), designated to assist you, any Owner or manager in the operation of your Business, at no additional charge. The initial training program is designated for a maximum of three people per Franchise. If more than three people attend the training, we may impose a training fee of $250 per person for each day of training (Franchise Agreement, Sections XII.U and XX.A).

(11) Advise you of operating challenges faced by other The Flower Garage™ businesses disclosed by reports submitted to us or inspections made by us. We will furnish to you such guidance and assistance in connection with the operation of your Business, as we deem appropriate. Such guidance and advice will include methods and operating procedures utilized by other The Flower Garage™ businesses including: sales, how to attract clients and client retention; how to use our Curriculum, teaching techniques, suggested rates services and products; how to efficiently execute events and workshops; advertising, marketing, networking and promotional strategies; general administrative and operating procedures, level of service and cleanliness standards; hiring guidelines, bookkeeping, accounting, merchandising and inventory control methods. You must pay all costs and expenses associated with these items. Additional guidance and assistance may be made

available to you at your written request and in our sole discretion at fees and charges established by us (Franchise Agreement, Sections XII.H, XX.A and XX.E).

(12) Loan to you during the term of the Franchise Agreement one copy of our confidential Operations Manual, which may include other manuals or other written materials for the operation of a The Flower Garage™ business, containing mandatory and suggested specifications, standards and operating procedures required by us and information relative to your other obligations under the Franchise Agreement. We have the right to add to, and otherwise modify, any manual, including the Operations Manual, to reflect changes in authorized equipment, products and services, as well as changes in specifications, standards and operating procedures of a The Flower Garage™ Business. You must keep the Operations Manual confidential and current and may not copy any part of the Operations Manual. The Operations Manual contains 145 pages and the table of contents for the Operations Manual, as of our last fiscal year end is included with this Disclosure Document as Exhibit E (Franchise Agreement, Section XX.G).

(13) Deliver to you a website that includes a workshop calendar and booking functionality and may include access to our intranet system that houses different operational, advertising and marketing materials to support your Business (Franchise Agreement Sections IX.A, XX.A and XX.B).

(14) Approve or disapprove any promotions, edits, changes or updates to your website. All modifications to your website must be performed by us, our affiliates or approved vendors and you will be responsible for all related costs (Franchise Agreement, Sections IX.A, X.G, XX.A and XX.B).

(15) Approve or disapprove samples of all local advertising and promotional materials not prepared or previously approved by us which are submitted by you (Franchise Agreement, Sections XII.L, XX.A and XX.J).

(16) Provide up to two days of sales, marketing and operational assistance and guidance to you and your staff at your Business location. Such assistance will be provided to you as part of our initial training program and at our cost (Franchise Agreement Section XX.A).

During your operation of your Business, we may:

(1) Provide additional on-site supervision and assistance as we deem necessary and in our discretion. Additional visits are for the purpose of advising you with respect to: our Curriculum and standards for implementation, executing events and workshops, operational, administrative, marketing and sales matters related to your Business. You will be responsible for the transportation, room and board and miscellaneous expenses incurred by our personnel during the visits, which will take place per the terms of the Franchise Agreement, or at your request, and at times and dates selected by us (Franchise Agreement, Sections XII.Q and XX.A).

(2) Provide to you, any Owner or manager, refresher and/or continuing education meetings at locations designated by us, which we expect to be our headquarters with a fee not to exceed $250 per person per day plus your expenses, which can vary from area to area. We reserve the right to increase the per day fee a reasonable amount based on reasonable criteria (Franchise Agreement, Section XX.A).

(3) Conduct quarterly meetings or an annual convention at such place as shall be designated by us, at our current fees which can change based on our cost (Franchise Agreement, Section XX.A).

(4) Establish a franchisee elected peer group whose main purpose is to mentor and support each other.

(5) Provide to you an intranet system, free of charge, to answer questions from you or your staff (during regular business hours, Arizona Time Zone). In addition, you will be able to send us questions and suggestions using Internet email (Franchise Agreement, Sections XII.H and XX.A).

During your operation of your Business, we will:

(1) Continue to consult with you at no additional charge regarding: our Curriculum, procedures, policies and the execution of our services; equipment, products and services you are authorized to use and offer; changes in the industry, sales, marketing and promotional programs as well as provide assistance to you to resolve operational problems that you may encounter outside the scope of the Operations Manual (Franchise Agreement, Sections XII.V and XX.A).

(2) Provide you with updated written lists of approved services and products you are authorized to offer and sell; updated equipment, products and services (as described in Item 8) you are authorized to use and offer for use in the operation of your Business; and updated Vehicle appearance standards (including vehicle graphic specifications). We will also provide you with the Curriculum you are authorized to use. We will train you on how to use our Curriculum and strategies for purchasing all items for the operation of your Business. We will also continue to add and approve new vendors and suppliers and provide you with updated and current lists of such approved vendors and suppliers that you are allowed to use to purchase such items from for your Business. We will provide you with specifications and guidelines, but not the actual items as you are responsible for purchasing such items. We will continue to review and approve or disapprove any piece of equipment, furnishing, product, supply, service, vendor or supplier you wish to use, offer or sell in the operation of your Business (Franchise Agreement, Sections XII.H, XII.I, XII.J, XX.H and XX.I).

(3) Provide you with updated minimum inventory requirements (currently not in effect) and suggested rates for all services and pricing for all products you offer in the Business. We will establish minimum and maximum rates and/or prices you can charge to the extent allowed by law. We will continue to research new services, equipment and products for the System as we deem necessary (Franchise Agreement, Section XX.K).

(4) Provide a dedicated telephone line, only for our franchisees, to answer questions from you or your staff (during regular business hours Arizona Time Zone). You will be able to contact us for questions, suggestions and guidance (Franchise Agreement Sections VII.V and XX.A).

(5) Review and approve advertising and promotional materials in addition to any promotions, edits, changes or updates to your website that you submit to us, by notifying you in writing or by email of such approval or disapproval (Franchise Agreement, Sections XII.L, XII.H and XX.J).

(6) Provide continuing education to you, any Owner or manager of your Business as noted in paragraph 13 (iii) below. We may require that you, any Owner or manager to complete supplemental and refresher training programs during the term of the Franchise Agreement (Franchise Agreement, Section XX.A).

(7) Offer assistance in establishing and using administrative, record keeping and accounting procedures in accordance with our Operations Manual and various policies communicated by us to you in writing from time to time (Franchise Agreement, Section XX.A).

(8) Provide you with all update and upgrade requirements for your technology items and all related software in response to changes in the Operations Manual or changes in our policies that are communicated to you in writing. You are required to purchase such items to operate your Business. The cost of such items will range from $1,350 to $3,000 (see Item 7). The cost for hardware and software upgrades for such items is estimated to be approximately $250 per year. If we develop proprietary software in the future, we will provide you with update and upgrade requirements, however, we are not obligated to provide any upgrades to any third-party software programs. We are not obligated to provide maintenance or repairs to any piece of equipment, technology item, hardware or software that you use in the operation of your Business. You are responsible for the installation of all technology-related hardware and software. We are not obligated to provide maintenance and repairs to any of the technology items that you use in the operation of your Business. We reserve the right to have independent access to all information that you store in any computer, laptop or software used for the Business, and there are no contractual limits to our rights to such access (Franchise Agreement Sections XII.H, XII.I, XIV.A and XX.A).

(9) Reserve the right at our discretion to institute, maintain, and administer a System Brand Fund (referred to as the "Fund" or "System Brand Fund") to support ongoing technology and new equipment, furnishing, product or curriculum development to be made available to franchisees, and such national advertising (including media production costs) as we, in our sole discretion, may deem appropriate to promote The Flower Garage™ name to benefit all franchised businesses as described in Item 6. We will direct all such programs and will have sole discretion over the creative concepts, materials and endorsements and media used in such programs, and the placement or allocation of such programs. The source of the advertising will come from our advertising department or may in the future come from a national or local advertising agency. We reserve the right to determine in our sole discretion the composition of all geographic territories and market areas for the implementation and development of such programs. The advertising programs may be national, regional, or local at our sole discretion. We are not obligated to spend a specific dollar amount on advertising in your territory (Franchise Agreement, Section X.B).

(i) You will pay us a flat $100 per calendar month for the System Brand contribution, paid to us, as designated in the Franchise Agreement. We may raise, discontinue, or reduce the contribution, but your total contribution will not increase by more than $300 per month in any calendar year for the entire term of the Franchise Agreement. Increase to contributions will not exceed $100 per month per calendar year with a 90 day advance written notice to you of any such increase. Contributions are due by the fifth day of the month (for the prior month) which will start immediately once your Business is deemed open for operation. Refer to Item 6 for the definition of when your Business is deemed open for operation (as described in Item 6).

(ii) The contributions will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the Fund and its programs, including conducting evaluation of new equipment, products, services and technologies; product, furnishing and/or equipment development, market research, media production costs, preparing advertising, promotional and marketing materials, and collecting and accounting for contributions to the Fund. Usage of the Fund will include ongoing development of the national website and development of new equipment, products, supplies and services to be made available to franchisees. The media in which advertisements may be disseminated include print ads, signs, billboards, internet, radio, and television and may be conducted on a regional or national basis. We may spend on behalf of the Fund, in any fiscal year an amount greater or lesser than the aggregate contribution of all The Flower Garage™ franchises in that year, and the Fund may borrow from us or others to cover deficits; or invest any surplus for future use.

(iii) In the future, we may form a franchisee-elected Franchisee Advisory Council or cooperative whose sole purpose is to advise on System Brand Fund usage and advertising policies. We retain all operational and decision-making authority concerning advertising and the Franchisee Advisory Council will serve only in an advisory capacity. The membership of any Franchisee Advisory Council will be national in scope. The Franchisee Advisory Council will not be separately incorporated, and therefore, it will not have any written documents. If one is formed, we will have the power to select and approve the members and to form, change, dissolve or merge the Franchisee Advisory Council as described below.

(iv) Neither we nor any Franchisee Advisory Council will undertake any obligation to ensure that expenditures by the Fund in or affecting any geographic area are proportionate or equivalent to contributions to the Fund by franchisees operating in such geographic area or that you or your Business will benefit directly or in proportion to your contribution to the Fund. Neither the Fund nor we shall be liable to you with respect to the maintenance, direction, or administration of the Fund, including without limitation, with respect to contributions, expenditures, investments or borrowings, except for acts constituting willful misconduct. When the Fund is established and activated, all The Flower Garage™ businesses owned by us, or our affiliate must contribute to the Fund in the same proportion as all franchisees.

(v) Any businesses we or our affiliate owns will have the same voting rights as franchisee members. We administer the Fund, which is not audited. If contributions paid into the Fund are not spent in the fiscal year in which they accrue, we can use the remaining amounts for the same purposes in future years. All interest earned on monies contributed to the Fund may be used to pay advertising and technology development costs before other assets of the Fund are expended. We will prepare an annual unaudited statement of monies collected and costs incurred by the Fund and furnish it to you upon written request. All financial statements will be available 120 days after the end of our fiscal year. We reserve the right not to spend all of the funds in the System Brand Fund in any one year and such funds may be accrued into the next year. The System Brand Fund has not been established before the issuance date of this Disclosure Document.

(vi) We expect to receive advertising and promotional allowances and fees from third party vendors and advertisers who enter into cooperative advertising programs with franchisees and us. For example, suppliers may pay promotional allowances for joint advertising and promotional materials. We may disclose the identity of vendors who pay the promotional allowances to you upon request. In addition, if we require you to buy items from a vendor who pays these allowances, we may place the funds in the Fund or spend it on related promotions. Our obligation to provide advertising and marketing will be limited in cost to the amount of contributions and promotional allowances from third parties actually paid into the Fund.

(10) We do not now, but may require you to join, participate in and pay into, one or more franchisee marketing councils for your region, determined by the penetration area of local advertising media used (for example, the area of a regional newspaper's circulation). Because we have not yet formed any franchisee marketing councils, we do not know how the area, or the membership of any franchisee marketing council will be determined. Because we have not formed any franchisee marketing councils, we have not determined whether or not any of our company-owned businesses will be contributing to any advertising spent by any franchisee marketing council. In the event that we choose to establish a franchisee marketing council, we will be responsible for administering it. If we do create any franchisee marketing councils, they must operate in accordance with bylaws (or an operating agreement if it is a limited liability company). If we do create any franchisee marketing councils, the franchisee marketing council will prepare annual financial statements that you can review, but which will be unaudited. We will have the right to form, dissolve, and merge any specific franchisee marketing council. Even though we have not yet formed any franchisee marketing councils, we may require that all franchisees within close proximity to a consumer show, convention or exhibition where celebratory or event planning-related services and products are being offered or sold to participate in the cost and benefit of the show. We reserve the right to issue binding policies to coordinate marketing councils and/or advertising cooperative programs. We intend to direct and coordinate all franchisee Internet advertising. All such programs and policies are our proprietary trade secrets.

(11) You are not required to spend any minimum amount each month on local advertising and promotion for your Business.

You will not use any independent advertising or sales promotion programs in any media (including electronic) without our prior review and written approval. We will approve or disapprove in writing the materials you submit to us within thirty (30) days, if we do not respond within such period, all such materials will be deemed automatically disapproved. You will make reasonable efforts to participate in and cooperate with all advertising programs selected by us or by any approved group of franchisees, except that you may not need to follow or maintain any sales price or suggested promotional pricing. You are responsible for any expenses of this independent advertising.

Unless we approve otherwise in writing, you may not establish a separate Website and will only have one website, as we designate and approve, within our website. The term "Website" includes: Internet and World Wide Web home pages, as well as other electronic sites (such as business citations, Google and Bing business listings, social networking sites like Facebook, Instagram, X (formerly known as Twitter), LinkedIn, Pinterest, Yelp, TikTok, blogs and other applications). You must provide us with all login and password information for all Websites and acknowledge that we have the right to monitor, remove,

edit and delete any content (including posts) as we consider appropriate. You must comply with our requirements regarding selling, advertising, discussing or disseminating any information, or otherwise having a presence on a Website, regarding the Business. If we approve another Website for you (currently franchisees are authorized to participate on Facebook, TikTok and Instagram), we will provide you with guidelines for establishing and maintaining such other Websites and while participating on our approved Websites each of the following provisions will apply: (i) you may neither establish nor use any Website without our prior written approval; (ii) before establishing any Website, you must submit to us, for our prior written approval, a sample of the proposed Website, including its domain name, format, visible content (including, without limitation, proposed screen shots), and non-visible content (including meta-tags), in the form and manner we may require and all such work (except for social networking sites) must be performed by us, our affiliates or approved vendors (as described in Item 8); (iii) you must not use or modify a Website (except for social networking sites) without our prior written approval; (iv) you must comply with the standards and specifications for Websites that we may periodically prescribe in the Operations Manual or otherwise in writing; (v) if we require, you must establish hyperlinks to our website and other Websites; (vi) you must not engage in any link building activities unless approved by us; and (vii) we may revoke our approval at any time by providing written or email notice to you of such revocation.

(12) Your Business is deemed open for operation the day after completing our initial training program which must be completed within 60 days of signing the Franchise Agreement. Factors that may affect this length of time include: securing a location for your Business that is approved by us (if not operating from your home garage), negotiation of a lease agreement (if applicable), if you are able to use your own Vehicle or if you need to purchase a Vehicle; time of year you open the Business, satisfactory completion of our initial training program by you (or your Owners) and availability of equipment, products and supplies necessary for you to begin operating your Business. If you choose to open a location (such as a small office, warehouse, or industrial space) for your Business, you must acquire or lease, at your expense, commercial real estate that is properly zoned for the use of your Business under the Franchise Agreement within the timeframe mentioned above (not applicable if home-based). If opening a location, you must submit to us, in the form we specify, a copy of the location plan and other such information or materials we may require, together with an option contract, letter of intent, or other evidence satisfactory to us which confirms your favorable prospects for obtaining the location. We will have 30 days following receipt of this information and materials from you to approve or disapprove the proposed location of your Business and will notify you of the same by e-mail or other form of written communication. Failure to open your Business for operation within 60 days from signing the Franchise Agreement (as mentioned above) will constitute a default under the Franchise Agreement, for which we may terminate the Franchise Agreement. Such default notice, under which we may terminate the Franchise Agreement, shall be given to you in writing.

(13) Before the opening of your Franchise and regardless of whether you operate out of your home garage or out of a location (such as a small office, warehouse, or industrial space), you, any Owner and/or manager you designate are required to attend our five-day franchise training program at our corporate headquarters in Scottsdale, Arizona unless such headquarters is moved. We maintain a regular calendar for the training program, and the trainings are held approximately six to eight times per year (or more frequently if needed). The training program is included in your Initial Franchise Fee. You are responsible for all costs associated with attending the program such as travel, room and board.

(i) If you, any Owner or proposed manager does not satisfactorily complete our training program, we will notify you, and you may then select and enroll a substitute person in our training program. If, during the training program we determine, in our sole discretion, that you, any Owner or manager you appoint are not qualified to manage a The Flower Garage™ Business, you can appoint someone else to be trained at your expense. If such persons do not satisfactorily complete our training program, we have the right to require you to send a replacement and if such replacement person is still not qualified, we have the right to terminate the Franchise Agreement. The criteria that we will use to determine whether or not we deem you, any Owner or manager is qualified to manage a The Flower Garage™ Business includes, but is not limited to, lack of skill or business experience; inability to comprehend concepts; if it is determined that the person's personality makes it difficult to obtain clients or teach workshops; or if you are unable to obtain the appropriate licenses or permits as required by your state or locality to operate a The Flower Garage™ Business. We will send you a written termination notice upon our determination of qualification.

(ii) After the completion of the initial training program by you, any Owner or manager, we will provide training to any new manager of your Business at your request for which an additional training fee of up to $250 per day per person may be required. The trainee(s) will be responsible for all costs related to attending training such as travel, room and board. In addition, we have the right to require that you, any Owner or manager complete supplemental and refresher training programs during the term of the Franchise Agreement, to be held at our corporate headquarters (currently in Scottsdale, Arizona). There may be additional costs for supplemental and refresher training programs. You are responsible for all costs associated with attending such training opportunities we may provide for you such as travel, room and board.

(iii) After the opening of your Franchise, we will provide to you, any Owner and manager, access to information and support through our intranet system online (if we implement an intranet system in the future). Support will also be available from our corporate headquarters and we may provide regularly scheduled conference calls or webinars that will require your participation. We may provide refresher training and continuing education programs either through phone, web based ("webinars"), video or at locations designated by us (most likely at our headquarters). Such refresher or continuing education sessions (other than by phone, webinars or video) may have a registration charge to you which will not exceed $250 per person per day. You are responsible for costs associated with you attending the programs such as travel, room and board or our expenses if we come to you. The refresher and/or continuing education programs will normally not exceed one day and we expect to at least have quarterly programs subject to special need. The content will cover particular aspects including but not limited to: updates, changes and additions to our Curriculum, service standards, new workshops and products or changes to the services and products you are authorized to perform and offer; best practices for hiring employees and engaging independent contractors (if you choose to use independent contractors), operational guidelines, strategies for using our Curriculum, safety, website and software developments, advertising and marketing promotions; vendor and supplier relationship updates, industry developments, sales and marketing, administration and so forth. We may conduct an annual convention at such place as shall be designated by us for all franchisees. A registration fee for each participant may be required, which we will

work in good faith to maintain at our cost as such fee will not exceed $1,000 per person and you will be responsible for costs associated with attending the convention such as travel, room and board. The fees charged above may be increased based on the increase of actual costs incurred by us.

(iv) We will immediately schedule our initial training program after signing the Franchise Agreement and you must complete our initial training program within 60 days after signing the Franchise Agreement. The training curriculum for our initial training program is fully detailed in the Operations Manual and will change periodically. Our training team will include directors from our corporate office, members of our website development team, members from our approved vendors, suppliers and service providers.

TRAINING SCHEDULE: AT CORPORATE OFFICES

The Flower Garage™ Franchise training program includes an Operations Manual, hands-on training, videos, role play and demos. This training curriculum is fully detailed in the Operations Manual and will change periodically.

TRAINING PROGRAM

The Operations Manual will detail all aspects of Franchise operations presented in training and serve as an ongoing reference. Updates to the Operations Manual will be made available to you through various means including online. All of the training sessions will be taught by Danielle Christakos who has over 25 years of floral, event planning and business management experience whose background is described in Item 2 above. Occasionally, different guest speakers may make an appearance at the training program to provide information about various pieces of equipment, products and services used and offered by us. For example, some speakers may be our employees, franchisees, vendors or industry experts.

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Instruction	Location
The Flower Garage™ Mission, Philosophy, Culture and Vision*	1 Hour		Presentation	Corporate headquarters in Scottsdale, Arizona or as we otherwise specify.
Overview of Approved Services and Workshops	1 Hour		Presentation, Operations Manual and Various Speakers	Corporate headquarters in Scottsdale, Arizona or as we otherwise specify
Approved Products, Vendors and Suppliers	1 Hour		Presentation, Operations Manual and Various Speakers	Corporate headquarters in Scottsdale, Arizona or as we otherwise specify.
Floral Packages and Pricing Guidelines	2 Hours		Presentation, Operations Manual and Various Speakers	Corporate headquarters in Scottsdale, Arizona or as we otherwise specify
Purchasing, Inventory Management and Cost Control	2 Hours		Presentation, Operations Manual and Various Speakers	Corporate headquarters in Scottsdale, Arizona or as we otherwise specify
Floral Arrangement Education, Skills and Production	1 Hour	8 Hours	Presentation, Operations Manual, Demos, On the Job Training and Various Speakers	Corporate headquarters in Scottsdale, Arizona or as we otherwise specify

Planning, Executing and Managing Different Events	3 Hours		Presentation, Operations Manual and Various Speakers	Corporate headquarters in Scottsdale, Arizona or as we otherwise specify
Themed Workshops and Curriculum		8 Hours	Presentation, Operations Manual, Role Play, On the Job Training and Various Speakers	Corporate headquarters in Scottsdale, Arizona or as we otherwise specify
Determining Rates for Services and Workshops and Prices for Packages and Retail Products	4 Hours		Presentation, Operations Manual and Various Speakers	Corporate headquarters in Scottsdale, Arizona or as we otherwise specify
Flower Bar Services, Setup and Execution	2 Hours		Presentation, Operations Manual, On the Job Training and Various Speakers	Corporate headquarters in Scottsdale, Arizona or as we otherwise specify
Managing Labor Costs for Events and Workshops	1 Hour		Presentation, Operations Manual and Various Speakers	Corporate headquarters in Scottsdale, Arizona or as we otherwise specify
Customer Service Standards, Managing Expectations, Safety and Security	1 Hour		Presentation, Operations Manual and Various Speakers	Corporate headquarters in Scottsdale, Arizona or as we otherwise specify
Advertising, Marketing and Promoting Your Business	3 Hours		Sales Training Presentation, Various Speakers, Marketing Plan and Creation	Corporate headquarters in Scottsdale, Arizona or as we otherwise specify
Recommendations for Hiring and Managing Employees	1 Hour		Presentation, Operations Manual and Various Speakers	Corporate headquarters in Scottsdale, Arizona or as we otherwise specify
Technology and Software Training**	3 Hours		Presentation, Operations Manual and Various Speakers	Corporate headquarters in Scottsdale, Arizona or as we otherwise specify
Administrative and Record Keeping Responsibilities	2 Hours		Presentation, Operations Manual and Various Speakers	Corporate headquarters in Scottsdale, Arizona or as we otherwise specify
Total Hours***	28 Hours	16 Hours		

* Prior to attending our initial training program, we expect you to complete approximately six hours of self-study at your own pace utilizing materials and videos we provide to you.

**Additional software training may be provided to franchisees and may be performed by our approved vendors after the initial training is completed.

*** The actual hours of classroom and on-the-job training may vary. For example, it may take less time to cover a subject in a smaller class than in a larger class and depending on your experience.

Additional Assistance:

In addition to the initial training program mentioned above, we will provide up to two days of assistance and guidance to you at your location for sales, marketing and operational assistance at our cost.

For your second and subsequent Business that you open, we will (at your option) provide the same type of assistance and guidance at your location; however, you will be responsible for all costs and expenses incurred by us, including, but not limited to, compensation for our staff and travel expenses. We will provide you with invoices for amounts you owe us, and we may require you to pre-pay all or a portion of our expenses.

Ongoing Training:

We will provide you with announcements and/or newsletters that will contain ongoing training relating to your Business. We will also provide you with access to additional or refresher training programs that may be conducted through the telephone, webinars or video training at no cost to you. In very rare instances, we may periodically require that you or your Owners (if you are an entity) and/or your manager complete additional training or refresher training programs to correct, improve and/or enhance the operations of your Business. Such additional or refresher training programs may be conducted through the telephone, webinars, video training or at annual conferences. Anyone attending additional or refresher training programs (training other than by telephone, webinars or video training) will be subject to an additional training fee and all costs associated with attending the training program such as travel, room and board (as described in paragraph 13 (iv) above).

ITEM 12
TERRITORY

You must operate your single The Flower Garage™ Business within the specific area identified in your Franchise Agreement. You will not receive an exclusive territory and you may face competition from other franchisees, company-owned businesses we operate or from other channels of distribution or competitive brands that we control. You are awarded a protected territory ("Territory") of a defined population as much as 500,000 persons which means it may be less than such amount and you must operate your Franchise within the Territory. We reserve the right to grant a Territory that is smaller than the population area defined above, in order to account for more densely populated areas. We will determine your Territory based on the most recently published data from U.S. Census Bureau or other sources as we may indicate to you. You will have the only The Flower Garage™ business within your Territory. All services must be performed within your Territory. You may also conduct business at large group promotional gatherings (such as: tradeshows, home shows, expos, promotional events, etc.) to promote services and sell products as long as such large group promotional gatherings are within your Territory. However, you may be able to conduct business at large group promotional gatherings or perform services in unassigned geographic areas outside your Territory so long as you have written permission by us. We shall approve or deny your request to either conduct business at large group promotional gatherings or to perform services in unassigned geographic areas outside your Territory, which approval is in our sole discretion, within three business days of receipt of your written request and we will respond by email or any other form of written communication (as further described below). In addition, you must not perform Target Marketing outside your Territory, as described below, and you can directly market and solicit to anyone within the accepted Territory that has been entered in your Franchise Agreement or made part thereof by an addendum attached to your Franchise Agreement.

We can neither establish a company-owned business, franchise nor license any other person or entity to locate a The Flower Garage™ business within your Territory during the term of the Franchise Agreement.

Your licensed Territory is determined by zip code, population, demographics of the surrounding area, topography, our own assessment of business potential (such as number of: wedding venues, resorts, country clubs, historic landmarks, etc. that are in the area), competition, market penetration or other conditions important to the successful operation of a The Flower Garage™ business. Your licensed Territory

is determined by us once a location is chosen and will not be altered even if there is a population increase or decrease. It will also not be affected by the number of clients you retain, your revenues or your sales volume. Certain locations, such as major metropolitan areas may have smaller territories of densely populated areas.

Whether you operate out of your home or a small office, warehouse or industrial space, we must approve the site in which you intend to operate your Business which must be within your protected Territory, in writing, before your Business is open for operation. You may not relocate your Business without our prior written consent, which we will not unreasonably withhold or delay.

You must sign a separate Franchise Agreement for each additional Business. You have no rights to operate your Business out of any other site other than the site accepted by us or to operate any additional Businesses. You must submit a separate application for each Franchised Business to be established by you. You must pay the fee for each additional acquisition mentioned in Item 5 and be in compliance with all of the terms and conditions of the Franchise Agreement. We will evaluate your proposed location of any additional The Flower Garage™ Business based on the criteria described in Items 11 and 12 above.

The Territory described above will affect where you and our other franchisees may solicit business, provide services and sell products. If other geographical areas are unassigned, we have the right to sell or assign it, or part of it, at any time, without notice to you and you might not have the right of first refusal or option to buy the territory that was formally unassigned. You are encouraged to directly market for clients located within your Territory to promote services and sell products. You can perform services for anyone so long as such services are performed from within your Territory. You can sell products to anyone from anywhere even if such clients are within another franchisee's territory so long as your sales do not result from any direct solicitation activities by you and the products you sell are being sold from your Business, at events or workshops within your Territory or at large group promotional gatherings within your defined Territory. In addition, in the future, we may allow you and other franchisees or company-owned businesses to promote services and sell products through alternative channels of distribution (such as on Websites). If you are granted permission to promote services and/or sell any products through an alternative channel of distribution, per our written approval, all services must be performed within your Territory and you can sell products to anyone from anywhere without compensation to the other franchisee or company-owned business. We, other franchisees, and company-owned businesses reserve the same right to promote services and/or sell products through alternative channels of distribution (such as on Websites) to anyone from anywhere (so long as such services are performed within our/their respective areas) without compensation to you. Therefore, although you may be the only The Flower Garage ™ business physically located in your Territory, you do not receive an exclusive territory. You are prohibited from soliciting and marketing in general by any means outside of your respective Territory and you must not engage in target marketing ("Target Marketing") within the territory of another The Flower Garage™ business (franchise and/or a company/affiliate owned business). Target Marketing means a concerted effort by a franchisee to solicit and obtain clients through any type of advertisement or marketing, directed at all or a portion of another franchisee's territory or company-owned business area or any unassigned area. We will use commercially reasonable efforts to enforce this requirement regarding Target Marketing if you or any other franchisee violates it.

If you are asked to conduct business at a large group promotional gathering (such as: tradeshows, home shows, expos, promotional events, etc.) to promote services and/or sell products or you are asked to perform services (such as events or workshops) in another geographical area in which there is another franchisee or company-owned business, you must immediately refer that request to The Flower Garage™ business in that geographical area or directly to us. If the other franchisee or company-owned business gives you written permission to conduct business at such large group promotional gathering or determines it is in the best interest of the client for you to perform services, then you can proceed to conduct business at such large group promotional gathering or immediately perform services for the client. If there is not a The

Flower Garage™ franchise or company-owned business in the geographical area where you wish to conduct business at a large group promotional gathering or to perform services, then you must submit a request to us asking to conduct business at such large group promotional gathering or perform services and upon our written approval you can proceed. We shall approve or deny your request to conduct business at such large group promotional gatherings, perform services and sell products in other areas not owned by other franchisees or us, which approval is in our sole discretion, within three business days of your written request. Our response to your request will be made by email or any other form of written communication. Approval may be revoked in our sole discretion. However, you must be prepared to immediately cease conducting such large group promotional gathering and/or performing services in that unassigned area when it is otherwise assigned or franchised. We and other franchisees must refer large group promotional gatherings and clients that are within your Territory to you and also reserve the same right to sell products to anyone who comes from anywhere and also to perform services for clients who may be within your defined Territory if it is determined by you to be in the client's best interest.

If during the term of the Franchise Agreement, you are unable to promptly and properly provide services to any of your clients due to excessive work or other cause, you must refer that client to another franchise in the System, company-owned location or to us. If you fail to refer large group promotional gatherings or clients as set forth herein, we will have the right to terminate the Franchise Agreement. For any default of the Franchise Agreement, as an alternative to termination, we may modify or completely eliminate any rights that you may have with respect to the protected status of your Territory, effective ten days after delivery of written notice to you. In addition, we may modify or eliminate completely, the Territory (Franchise Agreement Sections VI and XXIII.F).

We encourage The Flower Garage™ businesses, when owned by different individuals, to work out a referral relationship and advertising strategy or arrangement if they are within close proximity of each other. We must be notified of all such arrangements.

We have the exclusive right to negotiate and enter into agreements or approve forms of agreements to perform services and provide products to any business or organization which owns, manages, controls or otherwise has responsibility for locations in more than one area whose presence is not confined to any one particular franchisee's territory regardless of the contract amount of services to be performed or products to be provided (a "National Account"). After we sign a contract with a National Account, we may, at our option, provide you the option to perform services and/or provide products at negotiated rates under the National Account contract. If you choose not to perform services and/or provide such products at the negotiated rates, there will be no consequence and if you choose not to perform services and/or provide products to a National Account, then we may perform services and/or provide the products directly ourselves, or through another franchisee or third party even if the services to be performed and/or products sold are within your Territory without compensation to you.

We reserve the right to issue binding policies to coordinate marketing councils and/or advertising cooperative programs. For example, we may require that all franchisees within close proximity to large group promotional gatherings (such as shows, conventions or exhibitions) where floral, wedding or celebratory event-related services or products are being offered or sold to participate in the cost and benefit of the show. We intend to direct and coordinate all franchisee Internet advertising. All such programs and policies are our proprietary trade secrets. In such programs, we may require the client that is acquired through such programs to be served by the closest or other franchisee and you will not be charged or receive any type of referral fee.

Any rights not expressly granted to you are reserved to us. Such rights reserved to us include, but are not limited to the right to:

(1) Advertise, market and sell The Flower Garage™ services and branded and/or trademarked products in your Territory;

(2) Advertise, offer and sell services and/or products to promote the System through the Internet no matter where the person is based to brand the System and/or fulfill the demand in your Territory;

(3) Sell, offer or distribute anywhere services or products to persons or businesses located anywhere through any alternative or other channel of distribution, other than local business operations (franchised or owned by us) providing services and products under the Marks and System and on any terms and conditions we deem appropriate. We have this right whether or not we are using the Marks or System or are acting inside or outside the Territory designated on your Franchise Agreement;

(4) Develop, manufacture and distribute any labeled product that has been branded with our Mark or logo or different branded products through any outlet located anywhere (including, by way of illustration, discount warehouses, retail stores, over the Internet and/or similar venues) and on any terms and conditions we deem appropriate. If we decide to develop and distribute products, you will receive no compensation from us for such sales inside your Territory unless agreed otherwise in writing by us;

(5) Implement advertising cooperative programs which may allow us or others to solicit or sell to anyone located anywhere. We also reserve the right to issue mandatory policies to coordinate such advertising cooperative programs;

(6) Own and/or operate ourselves or authorize others to own and/or operate (a) any business located outside the Territory as designated on your Franchise Agreement, whether or not using the Marks and/or System, (b) any business anywhere, whether using the Marks and/or System or not, which is not substantially similar to the business franchised to you under the Franchise Agreement and/or (c) any business anywhere which does not use the Marks; and

(7) Acquire, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with businesses located anywhere, including arrangements in which we are acquired, and/or company-owned, franchised or other businesses (including your own The Flower Garage™ Business) are converted to another format or we acquire a similar business which will be maintained under the System or otherwise. If we acquire or merge with a business similar to a The Flower Garage™ business within your Territory, we will make commercially reasonable efforts to maintain the protected status of your Territory. You will be required to fully participate in any conversion subject to any person/entity merging with, or acquiring us or when we acquire, reimbursing you for reasonable costs directly related to the conversion.

We are not responsible for paying any compensation to you concerning the sale of services, or products by use over the Internet, World Wide Web, other similar venues, by alternative means of distribution, advertising cooperative programs, outlets, businesses that are or are not substantially similar to the Franchised Business or any business that does not use the Marks. For clarity, the Franchise Agreement grants you no rights to offer and provide services, sell or distribute products through any alternative channels of distribution (other than our approved list of channels of distribution) without our permission or share in any of the proceeds from our activities through alternative channels of distribution.

We have not established other franchises or company-owned businesses, except as disclosed in Item 1 of this Franchise Disclosure Document, offering similar services or selling products under a trade name or trademark different from The Flower Garage™ Marks.

ITEM 13
TRADEMARKS

Under the Franchise Agreement, we grant you the nonexclusive right to use the Marks in connection with the operation of your Franchise. Our principal trademark is "The Flower Garage" as it appears on the first page of this Disclosure Document. We have the right to use and to license others to use the Marks and under any other trade name, trademarks, taglines, service marks and logos currently used or that may hereafter be used in the operation of the Business. You must use the Marks only for the operation of your Franchise and in the manner authorized by us.

The word mark "The Flower Garage" is pending registration on the Principal Register of the United States Patent and Trademark Office (referred to as "USPTO") bearing the serial number 99257438 dated June 27, 2025 owned by our affiliate, The Flower Garage, LLC and is licensed to us and sublicensed to you. We also claim common law rights in our trademarks based on our prior use. We do not yet have a federal registration for our trademarks. Therefore, our trademarks do not have many of the legal benefits and rights as a federally registered trademark. If our right to use any of our Marks is successfully challenged, you may have to change to an alternative trademark, which may increase your expenses.

There are no presently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor any pending infringement, opposition or cancellation proceeding or material litigation involving the Marks. We have not yet filed an affidavit of use because our trademark applications were recently filed and do not need an affidavit. We do intend to renew all of our trademark registrations.

There are no effective agreements that limit our right to sublicense you the trademarks, other than a perpetual, exclusive, non-transferable, worldwide, royalty free license to use, sub-license and display the Marks from The Flower Garage, LLC pursuant to a trademark license agreement. The trademark license agreement may be modified or terminated if we fail to follow the operating, safety, merchandising and advertising policies, and such other quality standards that are established by The Flower Garage, LLC. In addition, The Flower Garage, LLC has the right to substitute alternative trademarks for license at any time. Therefore, you may have to change the trademarks that you use in operating your Franchised Business at your expense. The trademark license agreement will remain in effect for as long as we offer franchises unless we are in default of the trademark license agreement.

Upon termination of the trademark license agreement for any reason, we and franchisees must discontinue all use of the Marks in any form, remove the Marks from our website(s) and any of our franchisees' websites, modify any and all identification of the Franchised Business with, or reference to, the Marks, and refrain from making any subsequent representation, advertisement or published statement or product sales using or in reference to the Marks, or the business previously conducted using the Marks, and take such action as shall be necessary to change any corporate name, assumed name or equivalent registration which mentions or refers to the Marks, or any mark similar thereto.

You must notify us immediately in writing of any apparent infringement of or challenge to your use of any Marks or claim by any person of any rights in any Mark or any similar trade name, trademark or service mark of which you become aware. We have the sole discretion to take such action as we deem appropriate and the right to exclusively control any litigation, USPTO proceeding or other administrative proceeding.

We are not obligated by the Franchise Agreement to protect any rights granted to you to use the Marks, to participate in your defense, or to protect you against claims of infringement or unfair competition with respect to them. The Franchise Agreement does not require that we participate in your defense or indemnify you for expenses or damages if you are a party to a judicial or administrative proceeding involving one of the Marks or if the proceeding gets resolved unfavorably to you. Although we are not contractually obligated to protect the Marks or your right to use them, as a matter of corporate policy, we intend to defend the Marks vigorously (Franchise Agreement Section XV.B).

You may not, without our written consent, in our sole discretion, commence or prosecute, or seek leave to intervene in, any litigation or other proceeding, including any arbitration proceeding, in which you purport to enforce any right or recover any element of damage arising from the use or infringement of any of the Marks or unfair competition.

If it becomes advisable at any time, in our sole discretion, to modify or discontinue use of any Mark, and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions with respect to such modification, substitution or discontinuation within a reasonable time after notice by us. You, in connection with the use of a new or modified Mark, may be required, at your own expense, to remove existing signs from your Business (if applicable) and to purchase and install new signs including all signage and graphics on your Vehicle in addition to all marketing and advertising materials. We have no liability to you.

There are no infringing uses actually known to us as of the Issuance Date of this Disclosure Document that could materially affect your use of the Marks in the State of Arizona or in any other state. You should understand that there could be other businesses using trademarks, trade names or other symbols similar to our Marks with superior rights to our rights. Before starting your business, you should research this possibility, using telephone directories, trade directories, Internet directories or otherwise in order to avoid the possibility of having to change your business name.

All your usage of the Marks granted under the Franchise Agreement is nonexclusive, and we retain the right, among others: (a) to use the Marks in connection with selling services, products and equipment (if we choose to sell equipment in the future) ; (b) to grant other licenses for the Marks, in addition to those licenses already granted to existing franchisees; (c) to develop and establish other systems using the same or similar Marks, or any other proprietary marks, and to grant licenses or franchises in those systems without providing any rights to you as described in Item 12.

All your usage of the Marks and any goodwill you establish are to our exclusive benefit and you retain no right or rights in the Marks on the termination or expiration of your Franchise Agreement. You may not use the Marks as a part of any corporate or trade name, nor may you use any trade name, trademark, service mark, emblem or logo other than the Marks, as we may designate periodically. You must prominently display the Marks on such items and in the manner we designate. You must obtain such fictitious or assumed name registrations as we require or under applicable law. You must also prominently display in your Business that we are not a joint employer of you and that you are solely responsible for all employment-related decisions and matters. You must identify yourself as the owner of your Franchise by placing your name on the Business and on all checks, invoices, receipts, contracts and other documents that bear any of the Marks, and on all printed materials your name must be followed by the phrase "A franchise of The Flower Garage" or such other phrase as we occasionally direct.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any registered patents or copyrights or have any pending patent applications which are material to the Franchise; however, we claim copyright and common law trade secret protection for

several aspects of our System, methods, techniques and operational procedures; our Curriculum (including all workbooks, handouts and materials); equipment, products, our business strategies, methods, techniques and processes, third-party software, forms, business procedures, photographs, video presentations, website, Vehicle appearance standards, graphics contained on all Vehicles, manuals, workbooks and all related materials including advertisement and promotional materials although such materials may not have been registered with the United States Copyright Office. These materials are considered proprietary and confidential and are considered our property and may be used by you only as provided in your Franchise Agreement. We reserve the right to register any of our copyrighted materials at any time we deem appropriate. We also reserve the right to renew any and all such copyright registrations at our discretion.

There currently are no effective determinations of the United States Copyright Office or any court regarding any of the copyrighted materials. There are no agreements in effect that significantly limit our right to use or license the copyrighted materials. There are no infringing uses actually known to us, which could materially affect your use of the copyrighted materials in any state.

You must notify us immediately in writing of any apparent infringement of or challenge to your use of our copyrighted materials or trade secrets or claim by any person of any rights in any copyright or trade secret of which you become aware. We have the sole discretion to take such action, as we deem appropriate and the right to exclusively control any litigation, United States Copyright Office proceeding or other administrative proceeding. We may require you to discontinue use or modify any materials that may in our opinion infringe on the copyright, trade secret, or patent rights of any other person or business.

If it becomes advisable at any time, in our sole discretion, to modify or discontinue use of any copyrighted materials or trade secrets, and/or use one or more additional or substitute copyrighted materials or trade secrets, you must comply with our directions with respect to such modification, substitution, or discontinuation within a reasonable time after notice by us. We have no liability to you concerning substitution or modification of copyrighted materials or trade secrets.

We possess certain confidential information that includes our: services, themed workshops, Curriculum (including all workbooks, handouts and materials) in addition to our specific operational strategies, methods, processes, unique techniques when teaching our workshops and performing services; relationships with vendors and suppliers, purchasing strategies, inventory management systems, specifications for all equipment, products and supplies used; cost and pricing strategies, service standards, safety, efficient scheduling and operational procedures; strategies for site build-out and design specifications with unique furnishings, schematics, layout, flooring specifications, unique décor, color scheme and signage (if you choose to operate out of a location); guidelines for hiring, training and retaining employees and engaging independent contractors (if you choose to hire independent contractors); website, intranet system, third-party software, Operations Manual, workbooks and materials, photographs, video presentations, forms, contracts, waivers, record keeping and reporting procedures; our proprietary sales presentations, client acquisition and retention programs; advertising, marketing, networking, social media and promotional strategies and materials in addition to systems and knowledge of, and experience in, the operation and franchising of a The Flower Garage™ business (the "Confidential Information"). We will disclose Confidential Information to you during our initial franchise training program, seminars, workshops, continuing education sessions and conventions sponsored by us, in our Operations Manual and in guidance furnished to you during the term of your Franchise Agreement.

If you or your partners, members, managers, directors, shareholders, employees, agents or independent contractors develop any new piece of equipment, service, product, program, workshop, curriculum, video presentation, photograph, concept, technique, routine, formula, recipe, process or improvement in the operation or promotion of your Business, you are required to promptly notify us with all necessary related information, without compensation. However, as a matter of corporate policy, we may create an incentive program to reward you, your partners, members, managers, directors, shareholders,

employees, agents or independent contractors for any new piece of equipment, service, product, program, workshop, curriculum, video presentation, photograph, concept, technique, routine, formula, recipe, process or improvement that we implement throughout the System. You and your Owners acknowledge that any such equipment, service, product, program, workshop, curriculum, video presentation, photograph, concept, technique, routine, formula, recipe, process, or improvement will become our property and we may use or disclose such information to other franchisees as we deem appropriate.

The Franchise Agreement provides that you will not acquire any interest in the Confidential Information other than the right to utilize it in the development and operation of your Business during the term of your Franchise Agreement, and that the use or duplication of the Confidential Information in any other business would constitute unfair competition. You also agree that the Confidential Information is proprietary to us and is disclosed to you solely on the condition that you: (1) will not use the Confidential Information in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information during and after the term of your Franchise Agreement; (3) will not make unauthorized copies of any portion of the Confidential Information disclosed in written or electronic form; and (4) will adopt and implement all reasonable procedures required by us to prevent unauthorized use or disclosure of the Confidential Information, including without limitation, restrictions on disclosures to employees and independent contractors of your Franchise and any other business(es) owned by you and if you are an Entity, any of your Owners, and the use of nondisclosure and non-competition clauses in employment agreements with your employees, independent contractors and Owners where enforceable under state law.

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

The Franchise Agreement provides that a The Flower Garage™ Franchise must at all times be under your direct, day-to-day, full-time supervision (or if you are an Entity such as a limited liability company, partnership or corporation, then a managing Owner of such Entity, approved by us) or the non-Owner manager of your Business who is approved by us. This person must have successfully completed our training program and use his/her best efforts in the operation of a The Flower Garage™ Business.

You are required to retain a manager (referred to as "Manager") for the management and operation of the Business. The Manager may, but need not, be you or one of the owners of the Business. The Manager must meet all of our standards and criteria for such positions as set forth in the Operations Manual. The Manager need not have any set percentage of the equity of the Franchised Business. Your Manager must devote all of his or her time and effort to the personal supervision of the Business, must be present at the Business whenever it is open for operation (within reason) and must use his or her best efforts in the operation of the Business. This individual and their replacements must also satisfy the applicable training requirements as outlined in the Franchise Agreement. We have the right to require that the Manager be at the Business for any inspection we conduct (Franchise Agreement Section XII.F).

If we, in our sole discretion, find that your Manager is not properly performing his or her duties, we will advise you and you must immediately take steps to correct the situation. However, we are not responsible for the hiring, discipline or termination of any Manager or anyone else that you employ. Upon termination of employment of your Manager, you must appoint a successor Manager within 60 days. Any replacement Manager (who we may disapprove in our sole and absolute discretion) must be trained by you in accordance with our standards. To clarify, any replacement Manager is to be trained by you at your expense.

Our approval of a Manager other than you is conditional upon that person entering into a confidentiality and restriction of like business agreement containing covenants like those contained in the

Franchise Agreement and Schedule 8 of the Franchise Agreement against engaging in competing businesses and use and disclosure of our confidential business information during the tenure of employment with you and for a period of three years following the termination of such person's employment with you. You will provide us with copies of the same upon request.

If you are an Entity, each of your Owners that holds more than 10% interest in the Franchise Business must personally guarantee your obligations under the Franchise Agreement and also agree to be personally bound by, and personally liable for the breach of, every provision of the Franchise Agreement, agree to be bound by the confidentiality provisions and non-competition provisions of the Franchise Agreement and agree to certain restrictions on their ownership interests. Franchisee's spouse must also sign the personal guaranty. The required Guaranty of Obligations is attached as Schedule 6 of the Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Due to the differing nature of markets across the United States, and because the size of each individual Business will vary, you will have a wide variety of possible sites to choose from which to conduct your business operations with our approval. You may not use The Flower Garage™ Business premises for any other purpose than the operation of a The Flower Garage™ Business, unless otherwise approved by us in writing. Alternative operation sites that may be approved can include for example, incorporating your Business operations within the premises of an existing business so long as the existing business is not floral related.

You must comply with all of our standards and specifications relating to: offering, selling and performing services; purchasing equipment, products, supplies, uniforms, Vehicles and vehicle graphics (if you choose to put graphics on your Vehicle), technology items, signage and flooring (if operating out of a location), software, advertising and marketing materials, promotional items, miscellaneous forms and other items to be used, offered, or sold in the Business (see Item 8).

You are required to offer only the approved services and sell only approved products as specified by us that includes but is not limited to: creating custom floral arrangements in different sizes; producing floral arrangements for various events (such as: weddings, anniversaries, graduations, holidays, parties, funerals, etc.); onsite flower bar services, delivery services for all floral arrangements; providing onsite setup and tear down services for all events; and performing both private and public themed floral arrangement workshops at a designated location or onsite (such as: summer hues, back to school, bright tropical, succulent pumpkin and holiday wreath workshops and classes) using our Curriculum in addition to offering for sale limited retail items (such as: vases, pots, tool kits, etc.) along with other floral-related products and services as expressly authorized by us in writing or in the Operations Manual, or developed by us as a result of your pre-market entry study to meet the needs of your unique market and any updates to be incorporated in the Operations Manual periodically. You must not deviate from our standards and specifications without first obtaining our written consent. We will provide you with a written list of services (including workshops), equipment, products you are authorized to offer, perform, use and sell during our initial training program. We will also provide with our Curriculum you are required to use during our initial training program. You must use only the Curriculum and offer, perform and sell only the services and products that we have expressly approved in writing. We reserve the right to change, modify or discontinue such services, equipment, products and Curriculum you are authorized to offer, perform, use and sell at any time upon 90 days written notice to you and you may be required to participate in any promotion we offer which may change from time to time. To clarify, you must: offer and perform only the services and use only the Curriculum we specify; comply with our standards pertaining to the execution of all services and using our Curriculum; offer for sale only the products we specify; and use and maintain the equipment,

products and technology items for the operation of your Business as described in the Operations Manual or other written instructions (Franchise Agreement Sections XII.H and XII.I).

You can provide services and sell products at any rate and/or price you establish; however, we will suggest pricing and rate strategy and will establish minimum and maximum rates and/or prices at which you may provide services and sell products to the extent allowed by federal and state laws. You may offer additional services and products that are unique to your area in an effort to blend in with your community; however, you must obtain our written approval before such services and products are offered and the time to approve or deny your request is 30 days (as described in Item 8). You must discontinue offering, selling and using any service (including any type of package, program or workshop that we have previously authorized or that has been developed by us), Curriculum or product we may disapprove in writing at any time, whether such service, Curriculum or product is currently in use. We can and expect to change the types of services (including any package, program or workshop), Curriculum and products we authorize you to offer, perform and sell. There are no limits on our right to do so. We will inform you by email or by any other form of written communication of such changes. You may not offer or perform any services (including offering any type of package, program or workshop not approved by us) or sell any products other than products that have not been specifically approved by us in writing; and you may not independently act as an exclusive distributor for any third-party vendor or secure any exclusive rights to sell any products or equipment inside or outside your Territory without our written consent.

In addition, you acknowledge that we may, in our discretion, allow you and other franchisees or company-owned businesses to promote services and sell products through an alternative channel of distribution (such as on the Internet or Websites) provided you adhere to our standards. You acknowledge that this may create competition and you will not receive any compensation from such sales made by other franchisees or company-owned businesses. If we authorize you to promote services and/or sell products through alternative channels of distribution, all services must be performed within your Territory and all products sold must be from your Business or at large group promotional gatherings within your Territory. Unless otherwise approved by us in writing, you are not authorized to promote services or sell any products on the Internet or in any other media, whether now known or hereinafter invented.

You must participate in any gift certificate, gift card, rewards or loyalty program we establish. You may not create or issue your own gift certificates, gift cards, loyalty or rewards program unless otherwise approved by us.

You must maintain proper permits and licenses to operate a The Flower Garage™ Business and provide services and products in your area. You must not engage in any trade, practice or other activity that is harmful to our goodwill or reflects unfavorably on our reputation, that constitutes deceptive or unfair competition, or that is in violation of any applicable law.

You are encouraged to directly advertise and market to promote and offer services and sell products within your Territory. We place no restrictions upon your ability to sell products to anyone from anywhere provided you do so from your Business, at events or workshops within your Territory or at large group promotional gatherings within your Territory and in accordance with our standards. However, you are prohibited from Target Marketing, performing services or conducting business at large group promotional gatherings in other geographical areas outside your Territory or through any alternative channels of distribution without our permission (see Item 12)

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. "FA" refers to the Franchise Agreement.

Provision	Franchise Agreement	Summary
a. Length of the Franchise Term.	FA Section VII.A	FA- Initial term is five years.
b. Renewal or extension of the term.	FA Section VII.B	FA- One five-year renewal if you meet certain requirements.
c. Requirements for you to renew or extend	FA Section VII.B	FA - Written notice from you to renew, you must be in full compliance with the FA, sign then current FA, comply with our then current training and qualification requirements, execute a general release; and upgrade the Business to the then current standards. You may be asked to sign a contract with materially different terms and conditions than your original contract.
d. Termination by you.	FA Section XXIII.D	FA - If we have materially failed to comply with terms of the FA after 30 days' notice.
e. Termination by us without cause.	Not Applicable	We cannot terminate your FA without cause.
f. Termination by us with cause.	FA -Sections XXIII.B and XXIII.C	FA – You breach a material provision of the Franchise Agreement or you fail to open the Franchised Business within the required time period.
g. "Cause" defined – curable defaults.	FA- Section XXIII.B	FA- Violation of health or safety laws upon 72 hrs. notice; 5 days for failure to pay amounts owed; 30 days for all other defaults.
h. "Cause" defined – non-curable defaults.	FA- Section XXIII.C	Failure to open the Business, you fail to attend and satisfactorily complete the initial training program; you fail to submit financial statements, tax returns, you use our names or marks on the Internet without our prior written consent; unauthorized use of Confidential Information; you engage in unfair business practices; abandonment or surrender of control of Business;

		misrepresentation or omission in application; felony conviction; unauthorized assignment or improper assignment upon death or disability; loss of possession of Business; failure to pay taxes or liens; dishonest or unethical conduct; assignment for benefit of creditors; you fail to satisfy a final judgment within 30 days; and bankruptcy.
i. Your obligations on termination / non-renewal	FA- Section XXIV	FA -Cease operating franchised Business; cease use of confidential information and Marks; deliver property containing the Marks; cancel assumed or similar name registrations; pay outstanding amounts and damages; deliver manuals; assign phone numbers; comply with covenants and see "r" below.
j. Assignment of contract by us.	FA- Section XXII.C	No restriction on our right to assign.
k. "Transfer" by you – defined	FA- Section XXII.B	Includes transfer of the FA and Business assets by you.
l. Our approval of transfer by you.	FA- Sections XXII.C and XXII.E	FA -We have the right to approve all transfers by you.
m. Conditions for our approval of transfer.	FA- Sections XXII.C and XXII.E	FA- You must be in full compliance with FA; transferee qualifies; all amounts due are paid in full; completion of training by transferee; transfer fee paid; transferee agrees to be bound by all terms of FA; you sign and deliver other required documents including a general release.
n. Our right of first refusal to acquire your Business.	FA- Sections XXII.C and XXII.E	FA - We have the right to match any offers to buy your Business.
o. Our option to purchase your business.	FA- Sections XXII.C and XXIV.G	FA- Purchase for fair market value determined by appraisal if parties are unable to agree.
p. Your death or disability.	FA- Section XXII.D	FA - Franchise must be assigned or transferred to approved buyer within six months.
q. Non-competition covenants during the term of the Franchise.	FA- Section XIX.C	FA - No involvement in any competitive business anywhere in the United States other than existing business.

r. Non-competition covenants after the franchise is terminated or expires.	FA- Section XIX.C	FA - No interest in competing business for two years within ten miles of any company owned outlet or other franchises.
s. Modification of the Agreement.	FA- Section XXV.J	FA - No modification except by written agreement, Operations Manuals are subject to change.
t. Integration / merger clause.	FA- Section XXV.J	FA – Any representations or promises outside of the Franchise Disclosure Document and other agreements may not be enforceable. This provision is subject to state law.
u. Dispute resolution by arbitration or mediation.	FA- Section XXV.D	FA- Arbitration and mediation in Maricopa County, State of Arizona (subject to State law).
v. Choice of forum.	FA- Section XXV.G	FA –Judicial enforcement in Maricopa County, State of Arizona (subject to state law).
w. Choice of law.	FA- Section XXV.G	FA - State of Arizona laws apply (unless prohibited by laws of state where Franchise is located).
x. Liquidated damages.	FA- Section XXIV.H	FA- If the Franchise Agreement is terminated prior to its expiration date, you shall be obligated to pay within thirty (30) days of termination or expiration of the Franchise Agreement, a sum determined by adding together the average Royalty Fee payments and average System Brand Fee payments that was paid to us during the previous twelve (12) months for either the remaining term (or renewal term) of the Franchise Agreement or two years (whichever comes first). If you have not made twelve (12) months of payments to us, then the number of payments you have made will be used to calculate the average of such Royalty and System Brand Fee payments.

ITEM 18
PUBLIC FIGURES

We currently do not use any public figure to promote our Franchise.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide 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 if 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 possible 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 the franchisor's management by contacting Danielle Christakos, 8865 E Bell Road Suite 102, Scottsdale, Arizona 85260, (480) 444-8080, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
System wide Outlet Summary
For Fiscal Years 2023 thru 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	0	0	0
	2024	0	0	0
	2025	0	2	+2
Company-Owned*	2023	1	1	0
	2024	1	1	0
	2025	1	1	0
Total Outlets	2023	1	1	0
	2024	1	1	0
	2025	1	3	+2

Table 2
Transfers of Outlets from Franchisees to New Owners (other than Franchisor)
For Fiscal Years 2023 thru 2025

State	Year	Number of Transfers
All States	2023	0
	2024	0
	2025	0
Total	2023	0
	2024	0
	2025	0

Table 3
Status of Franchise Outlets
For Fiscal Years 2023 thru 2025

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
AZ	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
Totals	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2

Table 4
Status of Company-Owned Outlets*
For Fiscal Years 2023 thru 2025

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
AZ	2025	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Totals	2025	1	0	0	0	0	1

* "Company-owned Outlets" includes the non-franchised businesses owned and operated by our affiliate The Flower Garage, LLC. This business is not part of the Franchise System. It may be sold to others or to a franchisee in the future.

** Our fiscal year end is December 31. As of the date of this Disclosure, our affiliate operated one non-franchised business at the location listed below:

The Flower Garage™
8865 E Bell Road Suite 102
Scottsdale, AZ 85260

Table 5
Projected Openings
As of December 31, 2026

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Current Fiscal Year	Projected New Company Owned Outlets in the Current Fiscal Year
Arizona	0	1	0
California	0	1	0
Totals	**0**	**2**	**0**

A list of the names of all Franchisees and the addresses and telephone numbers of their The Flower Garage™ Business are listed as Exhibit G to this Disclosure Document. A list of the name and last known home address and telephone number of every Franchisee who has had their franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during Fiscal Year 2025 or who has not communicated with us within 10 weeks of our application date is attached as Exhibit H.

If you buy this franchise, your contact information may be disclosed to other buyers while you are a franchisee and when you leave the franchise system.

At this time, there are no previously owned The Flower Garage™ franchised outlets for sale.

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchised system.

At this time there are no trademark specific franchisee organizations representing The Flower Garage™ franchisees, and no such trademark specific franchisee organization has asked us to be included in this Disclosure Document.

ITEM 21
FINANCIAL STATEMENTS

Our unaudited financial statements for the period from our date of incorporation June 3, 2025 to December 31, 2025 are attached to this Disclosure Document as Exhibit I. Our fiscal year end is December 31. We have not been in business for three years or more and cannot include all the financial statements required by the Rule for our last three fiscal years.

ITEM 22
CONTRACTS

The following agreements are attached as exhibits to this Disclosure Document:

Exhibit A - Franchise Agreement
- Schedule 1 – Opening Date of Franchise
- Schedule 2 – Electronic Funds Transfer Authorization Agreement
- Schedule 6 – Individual Guaranty
- Schedule 7 – Collateral Assignment of Lease
- Schedule 9 – Confidentiality and Non-Compete Agreement

Exhibit C - Franchise Disclosure Questionnaire
Exhibit D - State Addenda
Exhibit F – Option Agreement

ITEM 23
RECEIPTS

Included as the last document of this Disclosure Document (Exhibit K) and/or as a separate executable form, is a Receipt to be signed by you. This Receipt must be signed and dated and delivered to us at least 14 calendar days before signing of the Franchise Agreement or payment of any fee by you.

EXHIBIT A

FRANCHISE AGREEMENT

Between

Christakos Franchise, LLC

and

_____

Franchisee

FRANCHISE AGREEMENT

Between

Christakos Franchise, LLC

8865 E Bell Road Suite 102
Scottsdale, AZ 85260
Direct: (480) 444-8080
Toll Free: 800-713-0778
Email: Owner@The-Flower-Garage.com
Web: www.The-Flower-Garage.com

and

_____

_____

_____

Collectively referred to as "Franchisee"

Christakos Franchise, LLC
FRANCHISE AGREEMENT

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Christakos Franchise, LLC
FRANCHISE AGREEMENT

PARTIES

THIS FRANCHISE AGREEMENT ("Agreement") is made by and between Christakos Franchise, LLC, an Arizona limited liability company, hereinafter sometimes referred to as "CFL" or "Franchisor" and that party or parties described as the Franchisee in this Agreement and on the signature line, hereinafter known as "you" or "Franchisee." If Franchisee is a corporation or limited liability company, partnership or other entity, certain provisions of this Agreement also apply to your shareholders, members, partners or owners. Any such entity may be referred to as an "Entity" and those who own the Entity may be referred to as "Owners." For ease of reference, Christakos Franchise, LLC will also be referred to as "we," "us" or "our" in this Agreement. The persons signing as Franchisee, Owners or Guarantors will also be referenced to herein individually as "you" or "yours" or collectively as "Franchisee." We and Franchisee (sometimes collectively referred to as the "Parties" and individually as a "Party") are entering into this Agreement to evidence the agreement and understanding between the Parties as follows:

RECITALS

WHEREAS, we have developed standards, specifications, business techniques, and procedures of a floral arranging business that also offers workshops that teach how to make floral arrangements ("System"). Each The Flower Garage™ business will create custom floral arrangements in different sizes; produce floral arrangements for various events (such as: weddings, anniversaries, graduations, holidays, parties, funerals, etc.); provide onsite flower bar services and delivery services for all floral arrangements; provide onsite setup and tear down services for all events; and perform both private and public themed floral arrangement workshops (such as: summer hues, back to school, bright tropical, succulent pumpkin and holiday wreath workshops and classes) using our proprietary curriculum ("Curriculum") at a designated location or onsite (collectively referred to as "Services") in addition to offering for sale limited retail items (such as: vases, pots, tool kits, etc.) along with other floral-related products or merchandise approved by us (collectively referred to as the "Products") at any The Flower Garage™ franchised location (hereinafter referred to as the "Franchise," the "Franchise Business," the "Franchised Business" or "Business"); and

WHEREAS, we identify our System by means of certain trade names, service marks, trademarks, logos, emblems, trade dress and other indicia of origin, including but not limited to the mark "The Flower Garage" and such other trade names, service marks, trademarks and trade dress as are now designated (or may be designated hereafter by us in writing) for use in connection with our System (referred to as the "Names and Marks," "Names" or "Marks"); and

WHEREAS, we have entered into an exclusive trademark license agreement ("License Agreement") with The Flower Garage, LLC for the right to use and sublicense to our franchisees the right to use the Names, Marks and other property in connection with the operation of a The Flower Garage™ business; and

WHEREAS, we continue to develop, use, and control the use of such Names and Marks to identify for the public the source of services and products marketed thereunder and under our System, and to represent the System's high standards of consistent quality, appearance and service; and

WHEREAS, we have established substantial goodwill and business value in our Names and Marks, expertise and the System; and

WHEREAS, we have the right to license the System, including expertise for conducting and operating a business under the Marks; and

WHEREAS, Franchisee desires to obtain a franchise from us for the right to use our Names and Marks and the expertise for operating a The Flower Garage™ Franchised Business, and to obtain the benefits and knowledge of our System including, but without limitation, our: Services, themed workshops and Curriculum complemented with specific methods, processes, formulas and techniques when teaching workshops and performing Services and selling Products; relationships with vendors and suppliers, operational procedures, quality and uniformity of all Services and Products offered; build out specifications with specific furnishings, flooring, unique décor, color scheme and signage (if Franchisee chooses to operate out of a location rather than from its home garage); website, franchise website housed within our national website and intranet system, third-party software, photographs, videos, contracts and forms; guidelines for hiring, training and retaining employees and engaging independent contractors (if Franchisee chooses to use independent contractors); client acquisition and retention programs; advertising, marketing, social media and promotional strategies and materials; cost controls, management, administrative and record keeping procedures; and in general a style, method and procedure of business operation utilizing the Names and Marks and System, all as a Franchisee of ours; and

WHEREAS, Franchisee recognizes the benefits to be derived from being identified with and licensed by us and Franchisee understands and acknowledges the importance of our high standards of quality, appearance and service and the necessity of operating the Business in conformity with our standards and specifications.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

I. FRANCHISEE'S ACKNOWLEDGEMENT OF BUSINESS RISK & ABSENCE OF GUARANTEE

Franchisee (and each Owner) hereby represents that Franchisee has conducted an independent investigation of our business and System and recognizes that the business venture contemplated by this Agreement involves business risks and that its success will depend upon Franchisee's abilities as an independent businessperson. We expressly disclaim the making of, and Franchisee acknowledges that it has not received any, warranty or guarantee, express or implied, as to the potential volume, profits or success of the Business contemplated by this Agreement. Franchisee further acknowledges that none of our employees, or agents has any authority to make any statement, warranty or guaranty of the potential volume, revenues, gross income, margins, profits or success of the Business contemplated by this Agreement and that we have expressly instructed all of our employees not to make any warranty, guaranty, statement, or representation regarding the potential volume, revenues, gross income, margins, profits or success of the Business contemplated by this Agreement. Franchisee acknowledges that Franchisee is given the opportunity to clarify any provision of this Agreement that Franchisee may not have initially understood and that we have advised Franchisee to have this Agreement reviewed by an attorney. Franchisee hereby releases us, our employees, members, managers, our affiliated companies and agents from liability based on such representations or agreements, to the extent permitted by law or regulation.

Franchisee acknowledges that we have not made, and do not hereby make, any representation or warranty as to potential revenues, income, margin, gross income, profits, volume or success of the Franchise or merchantability, performance, accuracy of informational content, system integration, quality of any computer programs that we may provide Franchisee, condition, fitness or suitability for Franchisee's purposes of any component of the System, or any other representation or warranty with respect to the System. We shall not be liable to Franchisee for, nor shall Franchisee's obligations hereunder be affected by, any loss, claim, liability, cost, damage or expense of any kind caused, or alleged to be caused, directly or indirectly, by the System, any Services or Products, or by an inadequacy of the System for any purpose, or by any defect in, the use or maintenance of, any repairs, servicing or adjustments of, or any interruption or loss of service or use of, the Business, or any loss of business, profits, consequential or other damage of any nature.

II. FRANCHISEE'S ACKNOWLEDGMENTS CONCERNING RECEIPT AND THOROUGH EVALUATION OF AGREEMENT

Franchisee acknowledges having received, read, and understood this Agreement, the Franchise Disclosure Document, and attachments thereto. Franchisee further acknowledges that we have accorded Franchisee ample time and opportunity to consult with independent legal counsel and other advisors of its own choosing concerning the potential benefits and risks of entering into this Agreement. Franchisee acknowledges that it has received a completed copy of this Agreement, exhibits, attachments and schedules (collectively, the "Schedules") referred to herein, and agreements relating hereto, as well as the Franchise Disclosure Document at least fourteen (14) calendar days prior to the date on which this Agreement was executed and any money was paid for the franchise.

Franchisee acknowledges that Franchisee has read and understands this Agreement, the Schedules and any agreements relating thereto, and that Franchisee has been advised by a representative of ours to consult with an attorney or advisor of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement prior to its execution.

Franchisee acknowledges that any statements, oral or written, by us or our agents preceding the execution of this Agreement were for informational purposes only and do not constitute any representation or warranty by us. The only representations, warranties and obligations we have made are those specifically set forth in the Franchise Disclosure Document and this Agreement. Franchisee must not rely on, and the Parties do not intend to be bound by, any statement or representation not contained therein.

Franchisee acknowledges that we will not provide or designate locations for Franchisee (this Business can be operated home-based out of a garage or out of a small office, warehouse or industrial space), we will not provide financial assistance to Franchisee and we have made no representation that we will buy back from Franchisee any equipment, products, supplies, technology items (such as: computers, laptops, printers, modems, etc.), furnishings. fixtures, flooring, vehicle, vehicle graphics, signage (if applicable and if operating out of a location) purchased by Franchisee in connection with the Business, unless such items (except for vehicles) display our Names and Marks; and except where we are otherwise required by law or regulation to buy back such items upon expiration or termination of this Agreement.

III. NO PROJECTED OR FORECASTED FRANCHISE SALES, PROFITS OR EARNINGS

We do not make Financial Performance Representations and have not included any such representations in the Franchise Disclosure Document. Franchisee, and each Owner or other person related to Franchisee who executes this Agreement, acknowledges that we have requested Franchisee to advise us whether any officer, director, employee or agent of ours have made any express written or verbal information, representations, assurances, warranties, guarantees, inducements, promises or agreements concerning the actual, average, projected or forecasted franchise sales, revenues, profits, earnings, margins, volumes, or likelihood of success that Franchisee might expect to achieve from operating the Business

(defined as "Financial Performance Representations"), except as may be in the Franchise Disclosure Document reviewed by Franchisee or its representatives.

IV. RELATIONSHIP OF THE PARTIES

A. Franchisee Is an Independent Contractor

During the term of this Agreement, and any renewals or extensions hereof, Franchisee shall hold itself out to the public at all times, as an independent contractor operating its Business pursuant to a franchise from us. This Agreement is not intended to create, and shall not be interpreted as creating, a partnership, joint venture, agency, employment or personal services or similar relationship between us and Franchisee. Franchisee agrees to take such affirmative action as may be necessary, including, without limitation, exhibiting multiple public notices of that fact, the content and display of which we shall have the right to specify. For example, such notices shall be provided on letterhead, business cards, bank account names, bank checks, and signs at the place of business. Franchisee is responsible for collecting and remitting Social Security, Medicare, unemployment contributions and/or any other mandated county, state or federal obligations and benefits on behalf of its employees. Franchisee acknowledges that we have no responsibility to ensure that Franchisee's Business is developed and operated in compliance with all applicable laws, ordinances and regulations and that we shall have no liability in the event the development or operation of the Business violates any law, ordinance or regulation.

B. Franchisor Is Not in a Fiduciary Relationship with Franchisee

It is understood and agreed by the Parties hereto that this Agreement does not establish a fiduciary relationship between them, and that nothing in this Agreement is intended to constitute either party as an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever. In addition, we shall not have any fiduciary relationship to Franchisee by virtue of the fact that we may operate a System Brand Fund (as defined in Section X.B of this Agreement).

It is understood and agreed that nothing in this Agreement authorizes Franchisee, and Franchisee shall have no authority, to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name; and that we shall in no event assume liability for, or be deemed liable hereunder or thereunder as a result of any such action; nor shall we be liable by reason of any act or omission of Franchisee in its conduct of the Business or for any claim, liability or judgment arising therefrom against Franchisee or us.

Franchisee represents, warrants and agrees as follows: Franchisee is duly organized and is in good standing in all jurisdictions where legally required in order to carry on its Business, has duly authorized the execution, delivery and performance of this Agreement and all other documents contemplated hereby, which are, or upon signing, will be binding on Franchisee, such documents do not and will not contravene any other instrument or agreement to which Franchisee is a party and there is no pending litigation, tax claim, proceeding or dispute that may adversely affect Franchisee's financial condition or impair its ability to perform its obligations under the terms of this Agreement.

It is understood that Franchisee will have sole responsibility for its employees and independent contractors (if Franchisee chooses to use independent contractors) and all acts of its employees and independent contractors in addition to all employment-related decisions involving wages, benefits, hours of work, scheduling, training, hiring, firing, discipline, supervision, record keeping, withholding income tax, Social Security contributions, Medicare contributions, unemployment fund contributions and all other terms and conditions of employment (as described in Section XII.F). Franchisee must disclose to each of its employees and independent contractors in writing, in a form approved by us in advance, that we are not a "joint employer" of Franchisee's employees or independent contractors. Franchisee acknowledges that we do not control Franchisee's personnel policies, including establishing wage and hour requirements, hiring, firing, disciplining, supervising and record keeping of its employees and independent contractors.

V. FRANCHISE GRANT

We hereby grant to Franchisee, upon the terms and conditions herein contained and subject to this Agreement, the right, license, and privilege, and Franchisee hereby accepts a franchise under the terms and conditions set forth herein, to operate a Business that has been assigned a protected territory as set forth in Section VI (referred to as the "Territory") for the entire term of this Agreement, with the right to use solely in connection therewith our Names and Marks, Services, Products, our advertising and merchandising methods, and our System, as they may be changed, improved and further developed from time to time only at the accepted location of Franchisee's Business as set forth in Section VI and provided Franchisee shall adhere to the terms and conditions hereof.

It is understood and agreed that, except as expressly provided herein or if any other agreement is executed, this franchise includes no right of Franchisee to sub franchise.

Except as provided in this Agreement, Franchisee shall be free to use the materials provided by us in the manner that Franchisee, in Franchisee's sole and absolute discretion, deems most appropriate for the operation of a The Flower Garage™ business, provided that Franchisee shall not violate any applicable law, regulation or provision of this Agreement in exercising such discretion.

VI. TERRITORY

Franchisee is not granted an exclusive territory. The Territory is a protected marketing territory as defined in this Agreement. The Franchise Business shall be: within the State of _____ in the county(ies) of _____. If the actual Franchise Business address has not yet been chosen, the initial Territory will be defined from the following crossroads: _____ and _____. The final Territory will be defined from the actual Franchise Business address once chosen.

The specific location ("Accepted Location") from where the Business will be operated will be:

_____

The Territory is defined by the following numbered zip codes:

_____._____._____._____._____._____.

_____._____._____._____._____._____.

_____._____._____._____._____._____.

_____._____._____._____._____._____.

The total population for the above zip codes is: _____

Franchisee must operate the Business, offer and perform all Services and sell Products within the Franchisee's Territory. If the Parties do not select a Territory (area in which franchisee wants to conduct business) prior to the signing of this Franchise Agreement, then it shall be entered at a later date, under the terms of this Agreement. Franchisee's failure to open the Business for operation within sixty (60) days after the execution of this Agreement will permit us to terminate this Agreement, as provided in Section XXIII.C. The Territory, under the terms of this Agreement, is a defined population with as many as five hundred thousand (500,000) persons, but it could be less. We reserve the right to, in our sole discretion, change, modify or grant a territory that is larger or smaller than the population described above, in order

to account for more densely or sparsely populated areas. The Territory will be determined by us at the time of the execution of the Agreement. Franchisee may conduct business at large group promotional gatherings (such as: tradeshows, home shows, expos, promotional events, etc.) to promote Services and/or sell Products as long as such events are within Franchisee's Territory. However, Franchisee may be able to conduct business at large group promotional gatherings or perform Services in unassigned geographic areas outside its Territory with our written permission. We shall approve or deny Franchisee's request, which approval is in our sole discretion, within three (3) business days of receipt of Franchisee's written request and will respond by email or any other form of written communication (as described below). The Territory includes the specific location where the Business is based (referred to as "Premises").

The term "Premises" means the location or locations of the Business, consented to by us, from which one or more of the following are being performed:

a) The storage of any equipment, products, supplies and vehicles used in association with the Business.

b) Where employees and/or independent contractors (if Franchisee chooses to use independent contractors) meet before performing Services;

c) Franchisee maintains one or more of the following: a telephone, fax, email or postal address of the Business at this location;

d) Franchisee advertises the address, telephone, fax or email address or any other contact information for the location;

e) Franchisee keeps accounting records for all or any part of the Business (excluding any office space or home office of any independent contractor, accountant or payroll service used by the Franchisee); and

f) The location is responsible for generating more than fifty percent (50%) of the Gross Revenues. As defined in this Agreement, "Gross Revenues" shall include all revenue accrued from the performance of Services and sale of all Products in, at, upon, about, through or from the Business, whether for cash, credit or for barter and regardless of collection in the case of credit, and income of every kind and nature related to the Business. This includes any type of pre-payment fees that Franchisee collects for Services to be performed in the future (which includes all revenues generated and derived from the presales of any workshop or service). Gross Revenues also includes fair market value for any service or product Franchisee receives in barter or exchange for its Services and/or Products, the retail value of any discounted and/or complimentary (free) Service or Product given or provided to clients in addition to all insurance proceeds and/or condemnation awards for loss of sales, profits or business. However, Gross Revenue shall not include: (i) service fees for credit card transactions; (ii) revenues from any sales taxes or other add on taxes collected from clients by Franchisee for transmittal to the appropriate taxing authority, (iii) gratuities paid by clients to Franchisee's employees; (iv) the amount of refunds the Franchisee in good faith provides to its clients and (v) the retail value of any donated and complimentary (free) Services or Products offered to clients or employees up to a maximum of five hundred dollars ($500) each calendar month for the Business. For clarity, in no event may Franchisee exclude or deduct from Franchisee's Gross Revenues more than the five hundred dollars ($500) under circumstances as described above. We have the right to change, modify or discontinue Franchisee's ability to exclude donated and complimentary Services and/or Products, from Franchisee's Gross Revenue calculation for any reason whatsoever upon ninety (90) days' written notice to Franchisee. The sale of all Services and Products other than from its Premises (for example when

performing workshops at different locations or at large group promotional gatherings) is included in computing Gross Revenues.

If not determined when this Agreement is executed, Franchisee is responsible for selecting the site and location for the Premises within the designated Territory specified above and in accordance with this Agreement. Whether Franchisee chooses to operate the business from its home garage or out of a location (such as a small office, warehouse or industrial space) we must approve the location of the Premises within the Territory in writing, especially prior to Franchisee becoming obligated on a lease (if applicable). Unless otherwise approved by us in writing, Franchisee's Premises must be within its Territory as identified in this Section VI. Franchisee may not operate the Business out of any other location or operate any business other than a The Flower Garage ™ Business from the Accepted Location, unless otherwise approved by us in writing. If we approve Franchisee to maintain its Premises in another geographical area outside its Territory or we approve Franchisee to operate another business from the Accepted Location we will outline our acceptance by way of an addendum attached to this Agreement.

The size of the Territory (as described above) will be determined by zip codes, population, average household incomes, demographics of the surrounding area, business potential (such as number of: wedding venues, resorts, etc. that are in the area), competition, market penetration or other conditions important to the successful operation of a Franchised Business as we deem appropriate. The boundaries of the Territory described above are determined by: zip codes, population base, density of population, growth trends of population and may include major topographical features which clearly define contiguous areas such as: rivers, mountains, major freeways and undeveloped land. We determine the Territory, which is described above. Franchisee shall not relocate the Premises within its Territory, without our express prior written consent (specified in Section XXII.A). The Territory is not dependent upon achievement of certain sales volume, number of clients Franchisee services, market penetration or any other contingency.

During the term of this Agreement, we shall not establish or license another party or entity to establish, a The Flower Garage ™ business within the Territory outlined above. If Franchisee decides to open additional Businesses and buys the rights to additional Franchises, then those separate franchise agreement(s) will dictate the terms of the applicable territory (a separate Franchise Agreement is required for each additional Business as defined in Section IX.D of this Agreement).

Franchisee is encouraged to directly advertise and market within its Territory to promote and offer Services and sell Products. Franchisee can sell Products to anyone from anywhere so long as all Products are sold and services are performed from the Accepted Location, or at large group promotional gatherings within Franchisee's Territory. However, Franchisee is prohibited from promoting Services and selling any Products through any alternative channels of distribution (such as on Websites as defined below) without our written approval. If Franchisee submits a request and is granted permission to promote Services and/or sell Products through an alternative channel of distribution, per our written approval, Franchisee must perform all Services within its Territory and may sell Products to anyone from anywhere without compensation to the other franchisees or company-owned businesses. Our response to Franchisee's request will be made within thirty (30) days after we receive it, otherwise the request will be deemed disapproved. We, other franchisees, and company-owned businesses reserve the same right to promote Services and sell Products in those alternative channels of distribution to anyone from anywhere (so long as such Services are performed within our/their respective areas) without compensation to Franchisee. Franchisee is prohibited from soliciting, directly advertising, promoting, and marketing in general to anyone by any means outside Franchisee's Territory and cannot perform any target marketing ("Target Marketing") into any other Territory of another franchisee. The term "Target Marketing" means a concerted effort by Franchisee to solicit and obtain clients by any type of advertising or marketing directed at all or a portion of another franchisee's territory, company-owned business or unassigned area.

Franchisee may be granted permission to conduct business at large group promotional gatherings (such as: tradeshows, home shows, expos, promotional events, etc.) to promote Services and/or sell

Products or perform Services in unassigned geographical areas outside its Territory (as outlined below) as long as such activities do not result from any direct solicitation activities by Franchisee. If Franchisee is asked to conduct business at a large group promotional gatherings or perform Services in another geographical area (outside the Territory) in which there is another franchisee or company-owned business, Franchisee must immediately refer the request to conduct business at such large group promotional gathering or perform Services to The Flower Garage™ business in that geographical area or to us. If the other The Flower Garage™ business (whether a franchise or company-owned business), gives Franchisee written permission to conduct business at such large group promotional gatherings or determines it is in the client's best interest for Franchisee to perform Services, then Franchisee can immediately proceed. If there is not another The Flower Garage™ franchise or company-owned business in that unassigned area, then Franchisee must submit a written request to conduct business at such large group promotional gathering or perform Services to us and upon our approval Franchisee can proceed. We shall approve or deny Franchisee's request to conduct business at large group promotional gatherings to promote Services and/or sell Products or perform Services in the unassigned geographic areas, which approval is in our sole discretion, within three (3) business days of receipt of Franchisee's written request. We will respond to Franchisee's request by email or any other form of written communication. If we fail to respond to Franchisee's request within said three (3) business day period, Franchisee's request shall be deemed denied. If we approve Franchisee's request to conduct business at large group promotional gatherings to promote Services and/or sell Products or perform Services in geographic areas that are unassigned, we reserve the right to sell or assign it, or part of that geographical area, at any time, without notice to another franchisee and Franchisee may not have the right of first refusal or an option to buy the territory that was formally unassigned. We and other franchisees and company-owned businesses must refer special events and clients within Franchisee's Territory to Franchisee and reserve the same right to perform Services for clients who are within Franchisee's Territory if it is determined to be in the client's best interest.

If during the term of the Franchise Agreement, Franchisee is unable to promptly and properly perform Services and/or provide Products due to excessive work or any other cause, Franchisee must refer that client to another franchise, company-owned business or us. If Franchisee fails to refer large group promotional gatherings and/or clients or seek our permission to perform Services or conduct business at large group promotional gatherings in unassigned geographic areas as described herein, we will have the right to terminate this Agreement, under Section XXIII.C. For any default of this Agreement which triggers our ability to terminate, as an alternative to termination, we have the right, in our sole discretion, to modify or completely eliminate any rights Franchisee may have with respect to the protected status of the Territory, effective ten (10) days after delivery of written notice to Franchisee.

Franchisee acknowledges that it is in Franchisee's best interest to refer prospective clients to other franchisees in The Flower Garage™ system or us when, because of distance or excessive work, or for other reasons, Franchisee cannot promptly or properly perform Services. Franchisee agrees that Franchisee will not undertake any work that Franchisee is not capable of performing promptly and properly. If Franchisee is prevented by the terms of this Section VI from accepting more clients, Franchisee will refer such prospective clients to one or more other franchisees or company-owned businesses who are closest to those clients not being served or to us. For any referral that is provided to franchisees by us, the Franchisee will not be required to pay any type of referral fee.

We encourage The Flower Garage™ Businesses, when owned by different individuals, to work out a referral and advertising strategy and/or arrangement if they are within close proximity of each other. We must be notified in writing of and consent to all such arrangements and give our approval.

We may, from time to time, establish certain programs for the benefit of franchisees and the System whereby The Flower Garage™ franchisees will be permitted to provide Services and/or Products in accordance with the specifications described in any particular program established by us. Currently in effect is our National Account program. The National Account program is defined as follows:

i. The term "National Account" means a special class of clients which may include but are not limited to large businesses, national organizations or non-profit organizations with outlets located in multiple territories and government agencies who on their own behalf or through agents, franchisees or other third parties owns, manages, controls or otherwise has responsibility for products, buildings or common-services in more than one location whose presence is not confined within any one particular franchisee's Territory regardless of the aggregate contract amount of Services and/or Products Franchisee performs or provides. Any dispute as to whether a particular account is a National Account shall be determined by us in our sole and absolute discretion and our determination shall be final and binding;

ii. We shall have the exclusive right, unless otherwise specified in writing, on behalf of ourselves, Franchisee and/or any other franchisees utilizing the Marks, to negotiate and enter into agreements or approve forms of agreement to provide Services and/or offer Products to National Account clients, including any affiliate, company-owned or franchised locations within the Territory;

iii. Following the execution of a contract with or the acceptance of a bid by a National Account which contemplates the provision of Services or Products to one or more National Account locations within the Territory, we will, if Franchisee is qualified and not in default under any terms of this Agreement and any addendum, provide Franchisee the option to perform Services and/or offer Products pursuant to the terms and conditions of the National Account contract or on such terms and conditions as we in our sole discretion determine;

iv. If Franchisee elects not to perform Services and/or provide Products to a National Account in conformity with the terms and conditions of the National Account bid or contract, or fails to make an election within the time specified by us, of being offered the opportunity by us, then we shall have the right, exercisable in our sole discretion, to:

    1. Provide directly or through any other affiliate or franchisee utilizing our Marks, the Services and/or Products to a National Account client(s) within the Territory on the terms and conditions contained in the National Account bid or contract; and/or

    2. Contract with another party to provide Services and/or Products to a National Account client(s) within the Territory on the terms and conditions contained in the National Account bid or contract between us and the National Account client, utilizing our Marks or any trademarks, service marks or trade names.

v. Neither the direct provision by us (or a franchisee, affiliate or agent of ours) of Services or Products to a National Account as authorized in (i) above, nor if we contract with another party to provide Services or Products as authorized in (ii) above, shall constitute a violation of Section VI of this Agreement relating to Franchisee's Territory, even if such Services are performed or Products are offered from a location within the Territory. Franchisee disclaims any right to compensation for Services performed or Products provided by others in the Territory pursuant to this section.

Franchisee's rights in the Territory are exactly (and only) as expressly set forth in this Section VI. Except as expressly provided in this Agreement, Franchisee has no right to exclude, control or impose

conditions on the location, operation or otherwise of present or future The Flower Garage™ (or any other brand) units or distribution channels of any type, franchised or company-owned, regardless of their location or proximity to the Business and whether or not they provide Services or Products within the Territory. Franchisee does not have any rights with respect to other and/or related businesses, services, products and/or equipment, in which we or any of our related persons or entities may be involved, now or in the future.

Any rights not expressly granted to Franchisee are reserved to us. Such rights reserved to us include but are not limited to the following:

1) Own and/or operate ourselves, and/or authorize others to own and/or operate:

   a) Any kind of business in the Territory, which is not substantially similar to a The Flower Garage™ business, whether or not using the Marks and System and on any terms and conditions we deem appropriate; and

   b) Any kind of business outside of the Territory, including, without limitation, The Flower Garage™ businesses, whether or not using the Marks and System and on any terms and conditions we deem appropriate.

2) Develop, manufacture, distribute and sell The Flower Garage™ labeled and branded (or any other brand) products to anyone located anywhere (including within the Territory) using any channel of distribution and on any terms and conditions we deem appropriate (including, but not limited to, discount warehouses, retail stores and other similar venues and other channels of distribution such as television, mail, catalog sales or over the Internet) other than Franchisee's Business and on any terms and conditions we deem appropriate;

3) Develop or become associated with other concepts (including dual branding and/or other franchise systems), whether or not using the System and/or the Marks, and award franchises under such other concepts for businesses located and/or operating anywhere;

4) Acquire, be acquired by, sell our assets, sell our stock, membership units, or partnership units to, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere. Such transactions may include (but are not limited to) arrangements involving competing outlets and brand conversions (to or from The Flower Garage™ Marks and System). Franchisee agrees to participate at its expense in any such conversion as instructed by us. However, if we acquire or merge with a business within Franchisee's Territory that is similar to a The Flower Garage™ business, we will make commercially reasonable efforts to maintain the protected status of Franchisee's Territory;

5) We may choose in our Business Judgment (as defined in Section XXI of this Agreement) to advertise, offer and sell Services and Products through the Internet, World Wide Web and other similar venues (no matter where the person(s) is located) without paying any compensation to Franchisee. The Internet is a channel of distribution reserved exclusively to us and Franchisee may not independently market on the Internet or conduct e-commerce, without our written consent; and

6) Acquire any Websites utilizing a domain name incorporating one or more of the words: arrangement, deliver, event, floral, flower, garage, teach, theme, workshop,

service and solution. The term "Website" includes: Internet as well as other electronic sites (such as business citations, Google and Bing business listings, social networking sites including, but not limited to, Facebook, X (formally known as Twitter), LinkedIn, Instagram, Pinterest, Yelp, TikTok and blogs). Currently Franchisee is permitted to participate on TikTok, Facebook and Instagram. Other than TikTok, Facebook and Instagram, Franchisee shall not establish a Website on the Internet using any domain name containing the words listed above or any variation thereof. Franchisee acknowledges that we have all right, title and interest in and to such domain names, websites, and content, as we shall designate in the Operations Manual. Franchisee must provide us with all login and password information for all Websites and acknowledges that we have the right to monitor, remove, edit or delete any content (including posts) as we consider appropriate. Franchisee must comply with our requirements regarding discussing, advertising or disseminating any information, or otherwise having a presence on a Website, regarding the Business. If we approve a separate Website (which we are not obligated to do), then each of the following provisions will apply: (i) Franchisee may neither establish nor use any Website without our prior written approval; (ii) before establishing any Website, Franchisee must submit to us, for our prior written approval, a sample of the proposed Website, including its domain name, format, visible content (including, without limitation, proposed screen shots), and non-visible content (including meta-tags), in the form and manner we may require and all such work must be performed by us, our affiliates or approved vendors; (iii) Franchisee must not use or modify a Website without our prior written approval; (iv) Franchisee must comply with the standards and specifications for Websites that we may periodically prescribe in the Operations Manual or otherwise in writing; and (v) if we require, Franchisee must establish hyperlinks to our website and other Websites; and (vi) neither Franchisee nor any of its employees or independent contractors shall post any information regarding us or the System, on any Website or any internet site, without our prior written approval, nor any disparaging statement either during or after termination or expiration of the Agreement. Further, Franchisee shall monitor its employees and independent contractors to prevent them from making any such postings. We retain the right to pre-approve Franchisee's use of linking and framing between Franchisee's website and all other Websites. Franchisee shall within five (5) days dismantle any blogs, frames and links between Franchisee's website and any other Websites and cause any advertisements to be removed, if and as requested by us.

We may provide Franchisee with options, rights of first refusal or similar rights to acquire additional franchises in other areas or areas contiguous to the Territory. Franchisee's Territory may be altered during the initial term, but only: (i) by our mutual written consent ; (ii) at the time of transfer or renewal as a condition to transfer or renewal; or (iii) for any default of this Agreement which triggers our ability to terminate as described above; or (iv) after our merger or other reorganization that involves assuming a similar type of business as Franchisee's, after we have made reasonable efforts to preserve Franchisee's Territory.

VII. TERM AND RENEWAL OF AGREEMENT

A. Term

The franchise herein granted for a The Flower Garage™, shall be for an initial term of five (5) years commencing from the date of execution and acceptance (the "Effective Date") of this Agreement by us and subject to earlier termination as herein provided.

B. Renewal

Franchisee shall have the option to renew this Agreement for one additional term of five (5) years, provided we are still offering franchises at that time, and further subject to the following conditions, all of which must be met prior to renewal:

1. Franchisee shall give us written notice of its election to renew not more than twelve (12) months and not less than six (6) months prior to the end of the then current term. We will respond to Franchisee's written notice to renew no later than thirty (30) days after receipt of such notice by email or any other form of written communication;

2. Franchisee must currently not be in default under any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between us and Franchisee, and Franchisee shall have complied with all the terms and conditions of all such agreements during the terms thereof;

3. Franchisee's right to renew is contingent on satisfactory performance of and full compliance with this Agreement and any renewal agreement. We may refuse to renew or extend the Franchise if: (a) Franchisee has failed to use its best efforts to operate the Franchised Business to our satisfaction; (b) the Franchise is terminable by law or under this Agreement; (c) Franchisee fails to give timely written notice of its exercise of its renewal option; (d) we are withdrawing from franchising or renewing franchises in the geographic market Franchisee serves; (e) Franchisee fails to satisfy our then-current standards for new franchisees; or (f) Franchisee has been in default of this Agreement more than three (3) times during the entire five (5) year term of this Agreement;

4. Franchisee shall have satisfied all monetary obligations owed by Franchisee to us and our affiliates, and shall have timely met these obligations throughout the previous term;

5. Franchisee shall execute, before the renewal term, our then-current form of Agreement, which agreement shall supersede this Agreement in all respects, and the terms of which may differ materially from the terms of this Agreement. We will charge Franchisee a flat five thousand dollar ($5,000) renewal fee and renewal may include a higher royalty rate or a different royalty fee structure, higher system brand fee, a smaller Territory or be for the same protected area as outlined in Section VI, or Territory, above;

6. Franchisee shall comply with our then-current qualification and training requirements;

7. Franchisee must execute a general release, in a form prescribed by us as described in Section XXIII.D of this Agreement, releasing any and all claims against us and our affiliates and our/their respective owners, officers, managers, agents and employees, if such release is not in conflict with any local, state or federal laws; and

8. Regardless of whether Franchisee operates out of its home garage or a small office, warehouse or industrial space, Franchisee may be required to upgrade, remodel and/or refurbish the Premises (both inside and outside) and maintain all components of its Business (including vehicles) in order to meet our then-current standards. All equipment, technology items (such as: computers, laptops, printers, modems, etc.), vehicle graphics and signage located at the Premises must be updated to meet our then-current requirements. All remodeling, modernization, redecoration, or replacements will be completed at Franchisee's expense in accordance with our specific standards and specifications.

VIII. FRANCHISEE'S INITIAL INVESTMENT

Franchisee's initial investment will vary depending upon the size of the Business, the location of the Business, if Franchisee chooses to lease a space rather than operate out of its home garage, build-out expenses, if Franchisee uses its own vehicle or purchases a used or new vehicle, if Franchisee chooses to purchase additional equipment, products or supplies; number of employees Franchisee hires, supply chain disruptions, implementation of a marketing plan, Franchisee's management skills, economic conditions, competition in the surrounding area and other factors.

Franchisee hereby certifies that he or she has reviewed the estimated initial investment and start-up costs as detailed in the Franchise Disclosure Document and has sufficient cash resources available to meet said expenses. These start-up costs include the Initial Franchise Fee.

IX. FRANCHISEE'S INITIAL FRANCHISE FEE

A. Initial Franchise Fee and Payment

By executing this Agreement, the applicant agrees to become a Franchisee and pay an Initial Franchise Fee in the amount of twenty five thousand dollars ($25,000) for a The Flower Garage™ business. This Initial Franchise Fee includes the right to operate a The Flower Garage ™ Franchise within a protected territory that serves a population of up to one million (1,000,000) persons, determined by zip code and census (with the final agreed upon Territory as described in Section IV of this Agreement). The Initial Franchise Fee includes a website housed within our national website that will include a workshop calendar and booking functionality and may include access to our intranet system, access to a self-study program (and related materials) to be completed prior to Franchisee attending our initial training program, a comprehensive five (5) day initial training program at corporate headquarters, our Operations Manual (and other materials) and up to two (2) days of onsite sales, marketing assistance and guidance.

The Initial Franchise Fee (i) is due upon execution of this Franchise Agreement, (ii) is uniform as to all persons currently acquiring a Franchise, and (iii) is non-refundable. The Initial Franchise Fee shall be paid in a lump sum in United States funds and shall be deemed fully earned upon the opening of the Business for the deliverables as described above in Section IX.A.

B. Time Limit for Opening Business

The Franchisee shall maintain the Business in accordance with the provisions and requirements of Section XII hereof, must complete our initial training program and have the Business operational to start offering and performing Services (the "Opening") within sixty (60) days of the date of execution of this Agreement (the "Opening Date"). This includes securing a lease for Franchisee's Business that has been approved by us (as described in Section XII.S). Prior to the Opening, it is Franchisee's responsibility to obtain all necessary business licenses, permits and certifications needed to perform Services and offer Products. We may grant Franchisee one thirty-day (30) extension past the allotted time within which to open the Business for operation.

Upon Franchisee's failure to agree on a Territory and/or to timely satisfy the Opening requirement within sixty (60) days from the Effective Date, we may, at our sole discretion, terminate the Franchise and this Agreement and retain all fees paid by Franchisee, without breach of this Agreement as specified in Section XXIII.C.

During the term of this Agreement, the Premises shall be used exclusively for the purpose of operating a The Flower Garage ™ Business, unless otherwise approved by us. In the event the Premises shall be damaged or destroyed by fire or other casualty, or be required to be repaired, Franchisee shall commence the required repair of the Premises within thirty (30) days from the date of such casualty or notice of such governmental requirement (or such lesser period as shall be designated by such

governmental requirement), and shall complete all required repairs as soon as possible thereafter, in continuity, but in no event later than ninety (90) days from the date of such casualty or requirement of such governmental notice. The minimum acceptable appearance for the restored Premises will be that which existed just prior to the casualty; however, every effort should be made to have the restored Premises include the then-current image, design, and specifications of a The Flower Garage ™ business.

As between us and the Franchisee, the Franchisee shall bear the entire risk of any damage, loss, theft, or destruction to the Premises from any cause whatsoever or requisition of the Premises by any governmental entity or the taking of title to the Premises by eminent domain or otherwise (collectively, "Loss"). The Franchisee shall advise us in writing within ten (10) days of any such Loss. No such Loss shall relieve the Franchisee of the obligation to pay Royalty Fees and all other amounts owed hereunder. In the event of any such Loss, we, at our option, may: (a) if the Loss has not materially impaired the Premises (in our reasonable Business Judgment), require that the Franchisee, upon our demand, place the Premises in good condition and repair reasonably satisfactory to us as mentioned above; or (b) if the Loss has materially impaired the Premises and it is substantially destroyed (in our sole judgment), we may require the Franchisee to repair the existing Premises or find an alternative location within the Territory within thirty (30) days. We may extend this period an additional thirty (30) days at our discretion and failure of Franchisee to comply may result in termination of this Agreement. We may choose at our option if the Loss materially impairs the Franchised Premises, to relieve the Franchisee of all obligations under this Agreement, and the Franchisee must return to us all Business and System-related materials, and we have the first right of refusal to purchase all Assets (as described in Section XXIV.G), but any such purchase price will be reduced to account for the Loss the Franchisee incurred.

It is understood and agreed that, except as expressly provided herein, this Agreement includes no right of Franchisee to sub franchise.

C. Cooperation Required

Franchisee shall cooperate reasonably with us to ensure that the various actions occur which are necessary to obtain acceptance by us of the Business location. In particular, Franchisee shall furnish any pertinent information as may be reasonably requested by us regarding Franchisee's Business and finances.

D. Establishing Additional Franchise Businesses

If Franchisee desires to establish and operate additional The Flower Garage™ Businesses, we may in our sole discretion, grant Franchisee the right to operate a second (2nd) Business and any subsequent Businesses for a reduced Franchise Fee of twelve thousand five hundred dollars ($12,500) each. Franchisee must meet the following minimum conditions: (a) Franchisee must satisfy our then-current qualifications and training requirements; (b) Franchisee must execute our then-current franchise agreement; and (c) Franchisee must not currently be or have been in default of any of the terms of this Agreement or any other agreement plus any other requirements to purchase an additional franchise.

X. OTHER FEES

A. Royalty Fees

In addition to the Initial Franchise Fee described in Section IX above, the following recurring payments are required to be made by the Franchisee. The Franchisee pays to us a "Royalty Fee" of a flat five hundred dollars ($500) per calendar month. The Royalty Fee is due on the fifth (5th) day of each month (for the prior month) and begins immediately once Franchisee's Business is deemed open for operation, which is the day after Franchisee completes our initial training program, then continues for the term of this Agreement. If there are months in which Franchisee does not collect any revenues Franchisee will still be responsible for paying the flat Royalty Fee for that calendar month. The Royalty Fee is uniform as to all persons currently acquiring a The Flower Garage™ Franchise and is nonrefundable. If the Franchise

Agreement is terminated, Franchisee may be required to continue such royalty payments as described in Section XXIV.H.

Any payment or report not actually received by us on or before the specified date shall be deemed overdue. If any payment is overdue, in addition to our right to exercise all rights and remedies available to us under this Agreement, Franchisee shall pay us a fee of twenty-five dollars ($25), in addition to the overdue amount, interest on such amount from the date it was due until paid at the rate of one and one- half percent (1.5%) per month or the maximum rate allowed by the laws of the State in which Franchisee's Business is located or any successor or substitute law (referred to as the "Default Rate"), until paid in full.

B. System Brand Fee

Franchisee will pay a System Brand Fee equal to a flat one hundred dollars ($100) per calendar month to be paid in the same manner and at the same time as the royalty obligation (as defined in Section X.A) and will continue for the term of the Agreement. The System Brand Fee can be increased by us and such increase will not exceed three hundred dollars ($300) per month to the flat fee minimum during the entire term of this Agreement. For clarity, we will not increase the System Brand Fee by more than one hundred dollars ($100) per month per calendar year. If we increase the System Brand Fee, Franchisee will be given ninety (90) days' notice prior to such increase.

The System Brand Fee is to be received by us on or before the fifth (5^{th}) day of each month for the prior month. This fee will be deposited into our System Brand Account (the "Fund" or "System Brand Fund") for ongoing technology, new equipment and product development, and such national advertising or public relations programs (including media production costs) as we, in our sole discretion, may deem appropriate to promote the mark The Flower Garage™. The Fund may also be used for local franchisee group advertising or marketing and Franchisee advisory council expenses; local, regional, national or international advertising or marketing; administration of advertising and marketing (including salaries, accounting, collection, legal and other costs), related expenses and any media (including media production costs) or agency costs. We will direct all such programs, and will have sole discretion over the creative concepts, materials, endorsements and media used in such programs, and the placement or allocation of such programs. We reserve the right to determine in our sole discretion the composition of all geographic territories and market areas for the implementation and development of such programs. The Flower Garage™ businesses owned or operated by us will contribute to the Fund on the same basis as franchisees once the Fund is established.

We may disclose the identity of vendors who pay promotional allowances to us upon request and only after Franchisee has signed an appropriate non-disclosure agreement. If we require Franchisee to buy items from a vendor who pays these allowances, we may do one of the following: (i) place all or some of the allowances in the Fund or (ii) spend them directly on related advertising. This does not apply to fees we receive from purchases that are not required to be made by Franchisee from a specified source. We are not obliged to spend more on advertising and marketing than the amount of the Fund. Any unspent balance in the Fund at the end of the year may be carried over to later years and used for the purposes described in this Agreement. Neither we nor any of our owners, managers, officers or employees has any fiduciary duty to Franchisee regarding any System Brand Account.

Franchisee's failure to pay required System Brand Fees is a material breach of this Agreement, subjecting Franchisee to all remedies at law and as set forth in this Agreement. We may remove Franchisee from advertising or marketing materials without notice if Franchisee fails to timely remit its System Brand Fee.

C. Electronic Funds Transfer

We reserve the right to require Franchisee to remit fees and other amounts due to us hereunder via electronic funds transfer or other similar means utilizing our approved computer system or otherwise. If

we notify Franchisee to use such payment method, Franchisee agrees to comply with procedures specified by us and/or perform such acts and deliver and execute such documents including authorization, the attached Schedule 1 "Electronic Funds Transfer Authorization Agreement" for direct debits from Franchisee's business bank operating account, as may be necessary to assist in or accomplish payment by such method. Under this procedure Franchisee shall authorize us to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to us and any interest and related processing fees charged due thereon. Franchisee shall make funds available to us for withdrawal by electronic transfer no later than the due date for these payments. If Franchisee has not timely paid its Royalties and System Brand Fee obligations, then we shall be authorized, at our option, to debit Franchisee's account for Royalties and System Brand Fees due in an amount equal to Franchisee's current flat Royalty and System Brand Fee obligations as described in Section X.A.

D. Website Edits, Updates, Changes, Maintenance and Promotion Fee

We, our affiliates and/or approved vendors will perform all website edits, changes, updates, content revision and perform all website promotions over the Internet for Franchisee. Franchisee will pay a rate of sixty-five to one hundred twenty-five dollars ($65-$125) per hour (or current fair market rates) to us, our affiliates or approved vendors for such services. Any requests for changes, edits or updates to Franchisee's website or any type of website promotion over the Internet must be approved by us in writing and the work is to be performed by us, our affiliates or approved vendors. We shall approve or deny Franchisee's request, which approval is in our sole discretion, within thirty (30) days of receipt of Franchisee's written request by email or any other form of written communication. We may change such website maintenance, update and promotion requirements, at our sole discretion, and Franchisee shall have ninety (90) days after receipt of our written notice within which to adhere to the new website maintenance, update and promotion requirements at Franchisee's expense, without any liability to us. If Franchisee fails to comply with our new website edit, update, changes, maintenance and promotion requirements within the timeframe mentioned above, such failure may be deemed a material breach of this Agreement subjecting Franchisee to all remedies at law and as set forth in this Agreement.

E. Product, Equipment and Vendor Assessment Fee

Franchisee will pay a fee for our evaluation of any product, vendor and/or supplier or piece of equipment (to the extent not then on our list of approved equipment, products, vendors and suppliers), that Franchisee wishes to use or sell in the operation of the Business which may also require third party testing. The fee is one hundred dollars ($100) for a single product, vendor and/or supplier that Franchisee wishes to use, sell and/or substitute in the Business. The fee is three hundred dollars ($300) or the actual cost incurred by us for any piece of equipment that Franchisee wishes to use in the Business. We may waive these fees if the product, piece of equipment, vendor or supplier that Franchisee selects meets our requirements and make it on our approved list of equipment, products, vendors or suppliers for all franchise locations.

Franchisee must obtain our written approval for the use of any unapproved piece of equipment, products, vendors and/or suppliers in the Business (Section XII.I of this Agreement). We will have thirty (30) days following the receipt of Franchisee's written request to approve or disapprove proposed equipment, products, vendors and/or suppliers. Such approval or disapproval shall be made by e-mail or any other form of written communication. Franchisee also acknowledges that the cost for third-party testing is Franchisee's responsibility.

XI. FINANCING ARRANGEMENTS

Franchisee hereby acknowledges that financing is the responsibility of Franchisee. We do not finance or guarantee the obligations of Franchisee for a The Flower Garage™ Business. The Initial Franchise Fee is due and payable upon execution of this Agreement and as set forth in Section IX.A of this Agreement.

XII. GENERAL OBLIGATIONS OF FRANCHISEE

A. Follow Operations Manual and Directives of Franchisor

Franchisee agrees that use of our System and adherence to our Operations Manual (the "Operations Manual" or "Manual"), compliance with our standardized design and specifications for flooring, décor, signage (if Franchisee operates out of a location rather than from its home garage), vehicle appearance standards, usage and execution of our Curriculum and the uniformity of the Business are essential to the image and goodwill thereof. The Manual contains mandatory and suggested specifications for the Business, standards and operating procedures and further define Franchisee's obligations under this Agreement. We may change or add to the Manual to reflect changes in our image, specifications and procedures and methods of operation and will lend Franchisee copies of any changes or additions. Franchisee shall cooperate and assist us with any consumer or marketing research program, which we may institute from time to time. Franchisee's cooperation and assistance shall include, but not be limited to, the distribution, display and collection of surveys, comment cards, questionnaires, evaluations and similar items.

B. Operate Franchised Business Only

Franchisee shall use the System and the Names and Marks provided to Franchisee by us for the operation of the Business and shall not use them in connection with any other line of business or any other activity. Neither Franchisee, nor any of its employees, may conduct any business at the Business other than that authorized pursuant to this Agreement, without our prior written approval. Neither Franchisee, nor any of its employees, may conduct any activity at the Business or in connection therewith which is illegal or which could result in damage to the Names and/or Marks or our reputation and goodwill. Franchisee will not allow the Franchised Business to be used for any immoral, unethical, unauthorized or illegal purpose.

Franchisee must conduct all business through The Flower Garage™ Business unless otherwise approved by us in writing. Franchisee must disclose to us any pre-existing businesses and sign and deliver to us, along with a signed copy of this Agreement, the Schedule 2 "Pre-Existing Businesses" attached to this Agreement.

C. Comply with Laws

Franchisee shall comply with all federal, state, and local laws, ordinances, zoning laws, transportation laws, health and safety ordinances, and regulations that may be required for full and proper operation of the Business franchised under this Agreement in Franchisee's state of operation. Franchisee must comply with: the Resource Conservation and Recovery Act of 1976, the Clean Air Act, the Federal Water Pollution Control Act, Environmental Protection Agency ("EPA"), Occupational Safety and Health Administration ("OSHA") and all health and sanitation laws. There are also many state and local laws and regulations detailing how to define independent contractors for different purposes, such as tax, effect of applicable employment laws, unemployment compensation and worker's compensation that Franchisee is responsible for knowing. Franchisee is responsible for investigating and understanding how such laws and regulations could affect the operation of its Business.

Franchisee must also comply with all consumer protection laws and regulations, including compliance with federal and/or state solicitation, telemarketing (for example, the "do not call" registry), email solicitation, privacy and consumer credit and collection laws which are generally applicable to all businesses that sell directly to the end-user. Such laws include but are not limited to: employment laws, wage and hour laws, labor laws, workers' compensation and unemployment laws, laws relating to non-discrimination in hiring and accessibility, zoning laws, transportation laws, health and safety ordinances, Equal Employment Opportunity Commission ("EEOC"), Federal Trade Commission ("FTC"), pricing laws and other laws and/or regulations that may be required for full and proper operation of the Business franchised under this Agreement in Franchisee's state of operation. In addition, with respect to credit card transactions and client information obtained through credit card usage, Franchisee agrees to diligently

comply with all laws and rules regarding such usage and Franchisee will protect the privacy of credit card clients and must be at all times compliant with the payment card industry data security standards ("PCI Compliant"). Copies of all subsequent inspection reports, with regard to the conduct of the Business which indicates the Franchisee's failure to meet or maintain governmental standards, or less than substantial compliance by the Franchisee with any applicable law, rule, or regulation, shall be forwarded to us within five (5) days of the Franchisee's receipt thereof. Franchisee agrees to indemnify us under Section XVIII of this Agreement which includes any claims arising out of Franchisee's failure to perform Franchisee's obligations as described above.

It is Franchisee's sole responsibility and absolute obligation to research all applicable federal, state, and local laws and regulations governing the operation of a The Flower Garage™ Business. Our standards may exceed any and all of the requirements of any laws and regulations. We make no representations or assurances as to what licenses, permits, registrations, certifications, authorizations or otherwise will be required for Franchisee in the Franchisee's state or county in connection with a The Flower Garage™ Business. We may provide assistance and guidance to Franchisee when obtaining permits, registrations, certifications and authorizations; however, it is Franchisee's sole responsibility to identify and obtain all licenses, permits, registrations, certifications and authorizations necessary for operation. Franchisee agrees to maintain high standards of honesty, integrity, fair dealing and ethical conduct in all Business activities.

Franchisee shall agree to comply and/or assist us in our compliance efforts, as applicable, with any and all laws, regulations, Executive Orders or otherwise relating to antiterrorist activities, including without limitation the U.S. Patriot Act, Executive Order 13224 and related U.S. Treasury and/or other regulations. In connection with such compliance efforts, Franchisee agrees not to enter into any prohibited transactions and to properly perform any currency reporting and other activities relating to the Franchise Business as may be required by law. Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all such laws, orders and/or regulations, and specifically acknowledges and agrees that Franchisee's indemnification responsibilities as provided in Section XVIII pertain to Franchisee's obligations hereunder. Franchisee agrees to sign and deliver to us, along with a signed copy of this Agreement, the attached Schedule 3 "Executive Order 13224 and Related Certifications."

The Flower Garage™ business can be operated out of a home garage (we encourage franchisees to operate out of their home); however, Franchisee can choose to operate out of a location (such as a small office, warehouse, or industrial space). If Franchisee chooses to operate the Business out of a location, such location is to be operated in compliance with all local, state, and federal laws, including (without limitation) the American with Disabilities Act ("ADA"). Even though we may help to design the Business space, Franchisee is responsible for compliance with all applicable federal, state, and local laws and regulations concerning access by individuals with disabilities. Any required modifications to the Business are Franchisee's sole responsibility and expense. Franchisee agrees to execute and deliver to us an ADA Certification in the form attached to this Agreement as Schedule 4 before Franchisee opens the Business and to confirm and certify that the Business and any proposed renovations comply with the ADA requirements.

D. Maintain Confidentiality of Proprietary Information

Neither Franchisee nor any of its Owners if Franchisee is an Entity, its officers, managers, directors, shareholders, partners, members, agents, employees or independent contractors, except as required in the performance of the duties contemplated by this Agreement, may disclose or use at any time, whether during the term of this Agreement or thereafter, any confidential and proprietary information disclosed to or known by Franchisee or any such person as a result of this Agreement. Such information, includes, but shall not be limited to, confidential matters, trade secrets, our: Services, themed workshops, Curriculum (including all workbooks, handouts and materials) in addition to specific operational strategies, methods, processes, unique techniques when executing Services and selling Products; relationships with

vendors and suppliers, purchasing strategies, inventory management systems, merchandising, cost and pricing strategies; service standards, safety, efficient scheduling and operational procedures; specifications for all equipment, products and supplies used in the operation of the Business; strategies for site acquisition, build out and design specifications with specific flooring, unique furnishings, equipment, décor, color scheme and signage (if Franchisee chooses to operate out of a location rather than from a home garage); guidelines for hiring, training and retaining employees and guidelines for engaging and managing independent contractors (if Franchisee chooses to use independent contractors); Operations Manual, workbooks and materials, photographs, video presentations, social media and promotional strategies; vehicle appearance standards (including vehicle graphics), website, intranet system, third-party software, forms, contracts, waivers, record keeping and reporting procedures; proprietary sales presentations, client acquisition and retention programs; advertising, marketing, networking, social media and promotional strategies and materials in addition to proprietary information conceived, originated, discovered, or developed by Franchisee or by any employee or independent contractor of Franchisee which is not generally known in the trade or industry about our Services or Products, including information relating to discoveries, ideas, production, purchasing, accounting, website development and design, marketing or selling of Services and Products (collectively referred to as "Confidential Information" and further defined in Section XVI.A of this Agreement).

Franchisee further acknowledges that the Confidential Information was unknown to Franchisee prior to negotiation for and execution of this Agreement and that the unique and novel combination of "know how," Services, Products, processes, methods and techniques developed by us and licensed to Franchisee for the operation of a The Flower Garage™ Business are particular to the floral industry conducted by a The Flower Garage™ business. Franchisee agrees to take all steps necessary, at Franchisee's expense, to protect the Confidential Information and shall not release it to any person that does not have a need to know, including employees, agents and independent contractors, either during the term or after the expiration or termination of this Agreement without our prior written consent.

Franchisee further agrees that it will not contest in any litigation, arbitration, mediation or in any other manner our ownership rights to any or all of the above Confidential Information.

E. Maintain and Renovate Premises

Franchisee shall at all times maintain the Premises in a clean, orderly condition and in first class repair in accordance with all maintenance and operating standards set forth in the Operations Manual. Franchisee shall make, at Franchisee's expense, all additions, repairs, replacements, improvements and alterations that may be determined by us to be necessary so that the Premises, vehicles (and if applicable the Franchisee's small office, warehouse or industrial space if Franchisee chooses to operate out of a location rather than from its home garage) which are viewed by the public will conform to the uniform corporate image, as may be prescribed by us from time to time. Franchisee shall undertake and complete such additions, repairs, replacements, improvements, and alterations within the time and under the terms and conditions, which may be reasonably specified by us.

If at any time, in our sole and absolute discretion, the general state of repair, appearance or cleanliness of the Premises (if Franchisee choses to operate out of a location), any vehicles and vehicle graphics, flooring or signage (if applicable and operating out of a location) does not meet our standards, we have the right to notify Franchisee, specifying the action Franchisee must take to correct the deficiency. If Franchisee does not initiate action to correct such deficiencies within ten (10) days after Franchisee receives our notice, and then does not continue in good faith and with due diligence, a bona fide program to complete any required maintenance and refurbishing, we have the right, in addition to all other remedies, to enter the Premises and do any required maintenance or refurbishing on Franchisee's behalf, and Franchisee agrees to reimburse us on demand for any expenses we incur.

Franchisee shall maintain and refurbish the Premises, all vehicles (including adhering to our vehicle appearance standards) at its expense, to conform to our design, trade dress, color schemes and

presentation of Marks consistent with our designated image, including, without limitation, remodeling, redecoration and modifications to existing improvements.

F. Maintain Competent Staff

We will create and make available to Franchisee and its Owners training programs and other selected training materials as we deem appropriate. Franchisee must staff a position to have day-to-day supervision for the operation and management of the Business (referred to as "Manager"). Franchisee's Business must be personally managed on a full-time basis by a Manager who has successfully completed our mandatory training and meets our then-current standards. Franchisee's Manager must be readily and continuously available to us. Franchisee will keep us advised, in writing, of all management personnel involved in the Business. Upon termination of Franchisee's Manager, Franchisee must hire another Manager within sixty (60) days. Franchisee must replace and train a replacement Manager (who we may disapprove in our sole and absolute discretion if designated Manager does not meet our minimum training standards) in accordance with our training program at its expense. Replacement Managers may attend our training program for a fee and subject to space availability. Currently the fee is two hundred fifty dollars ($250) per person per day as described in Section XX.A of this Agreement. Franchisee is responsible for all our travel expenses (travel, room, board, and food expenses) if we train its Manager at Franchisee's location; and Franchisee is responsible for all travel expenses for its Manager if training is at our corporate headquarters. We have the right to require that Franchisee's Manager be at the Business for any inspection we, our affiliates or third parties' conduct.

Franchisee acknowledges that it is Franchisee's sole and absolute responsibility to hire and train all assistants and administrative help (referred to as "Employees") in an effort to provide Services and sell Products to clients according to our standards as outlined in the Operations Manual and Section XX.E of this Agreement. Franchisee and any of its Owners, Manager and Employees are prohibited from providing any type of service that requires certain licenses or certifications and any service that has not been approved by us in writing. Franchisee is solely responsible for its Employees and any independent contractors (if Franchisee chooses to use independent contractors), terms of employment, compensation and the proper training in the operation of the Business. Franchisee is solely responsible for all independent contractors, employment decisions and functions, including hiring, firing, establishing wage and hour requirements, disciplining, supervising and record keeping. Franchisee acknowledges that at no time will Franchisee, its Manager, or any of its Employees be deemed to be employed by us.

Franchisee must not use unethical tactics to recruit Employees or independent contractors. Franchisee shall properly hire Employees (subject to applicable employee protection laws) and engage independent contractors (if Franchisee chooses to use independent contractors) which include carefully screening Employees and independent contractors by the use of background checks, before employing them, to ascertain fitness for employment. Specifically, Franchisee is required to use its best efforts, including taking every action required by applicable laws related to background checks of persons working in the Business, to ensure that no person is employed who has a record of child molestation or abuse, fraud, embezzlement, theft, immoral conduct, drug, alcohol or substance abuse; criminal behavior or any other pattern of conduct which might jeopardize the welfare of clients or reflect adversely on our reputation or the System. Franchisee will indemnify us (as described in Section XVIII) for all claims arising out of or relating to Franchisee's use of independent contractors, its Employees and Franchisee's hiring, firing and discipline decisions regarding Franchisee's Employee(s) including payment of wages and any applicable benefits.

Franchisee will require its Employees and independent contractors (if Franchisee chooses to use independent contractors) to wear uniform dress bearing one or more of the Marks while working at the Business and shall be of such design and color as we may prescribe from time to time, as set forth in the Operations Manual.

Franchisee will keep us advised, in writing, of all management personnel involved in the operation of the Business.

G. Open Business within Time Limit

Time is of the essence. The Franchisee must have the Business operational the day after completing our initial training program which must be completed within sixty (60) days after the execution of this Agreement. Prior to opening the Business, Franchisee shall complete, to our satisfaction, all the build-out and preparations of the Business, in accordance with specifications set forth in the Operations Manual, and as required by local governmental agencies, including installation of all flooring, furnishings, fixtures and signage (if Franchisee chooses to operate out of a location rather than its home garage); the acquisition of all equipment, vehicle (any type of new or used passenger car, sports utility vehicle or van as described in Section XII.H), technology items (such as: computers, laptops, printers, modems, etc.) and an inventory of products and supplies; complete the self-study program we provide to Franchisee and complete our initial training program; and provision to us of all required local information, artwork and photos for the completion of Franchisee's website.

H. Operate Business in Strict Conformity to Requirements

Franchisee shall operate the Business, perform all Services and sell all Products in strict conformity with our standards, Curriculum, techniques, processes and operational procedures as we may from time to time prescribe in the Operations Manual, or otherwise in writing, and shall not deviate without our prior written consent. Franchisee agrees to purchase all equipment and technology items (as defined in Section XII.I) and to operate, service, repair, maintain and clean all such items according to our standards as outlined in the Operations Manual. Franchisee must keep all equipment and technology items in clean and good working order at all times and purchase only approved parts to repair its equipment and technology items from our approved vendors and suppliers. All maintenance to the equipment and technology items that cannot be completed by Franchisee must be performed by our approved vendors. Unless otherwise agreed by us in writing, in no event shall Franchisee use any equipment or technology item that is more than ten (10) years old. Franchisee agrees to replace all equipment and technology items at its expense as such items (i) become obsolete or inoperable; or (ii) if, in our sole discretion, replacement is necessary because of new functionality, change in software, change in methods of service or because of health or safety considerations. Franchisee has ninety (90) days after Franchisee receives written notice from us to either remove or replace such equipment and/or technology item(s). Failure of Franchisee to remove, replace and/or maintain its equipment and technology items as described above may result in termination as described in Section XXIII.C of this Agreement.

Franchisee is required to use, offer, sell and perform only approved Services, Curriculum and Products in the manner and style we specify which may, from time to time, be amended or modified in writing, designated and approved by us. Prior to opening the Business for operation, Franchisee must adequately supply its Business with an assortment of equipment, products and supplies (as described in Section XII.I of this Agreement); use all such equipment, products and supplies in accordance with our specifications; and offer for sale only the products we specify. All Services must be performed and all Products must be sold within the Franchisee's Territory, however; Franchisee can sell Products to anyone who comes from anywhere so long as such sales do not result in Target Marketing as described in Section VI of this Agreement. Prior to opening the Business for operation, Franchisee must adequately supply its Business with an assortment of equipment, products and supplies; and use all such equipment, products and supplies in accordance with our specifications (as described in Section XII.I).

We will provide Franchisee with a written list of approved Services (including workshops), Curriculum and Products Franchisee is required to use, offer, perform and sell during the initial training program. Nothing in this Agreement shall be construed to be a promise or guarantee by us as to the continued existence of a particular Service, Curriculum or Product; nor shall any provision herein imply or establish an obligation on our part to reinstate any Service, Curriculum or Product discontinued by us

or for any liability to Franchisee for any loss of revenue incurred by Franchisee as a result of our decision to discontinue a particular Service, Curriculum or Product. Franchisee agrees that we have the right, in our sole discretion, to change, modify, add or discontinue any Service, Curriculum or Product at any time in our sole discretion. We may periodically meet with a representative group of franchisees and solicit their input prior to discontinuing any type of Service, Curriculum or Product. We will provide Franchisee with ninety (90) days' notice to implement such Service, Curriculum or Product changes. Franchisee promises to promptly accept and implement, in the operation of the Business, all such additions, modifications and changes at Franchisee's expense within ninety (90) days of receiving such notice. Additional services and products that Franchisee desires to offer or curriculum Franchisee desires to use in its Business must be authorized in writing by us (as described below). Failure of Franchisee to adhere to our approved Services, Curriculum or Products that Franchisee is authorized to offer and/or sell; and/or failure to adhere to any additions, modifications or changes to such standards and specifications after receiving written notice from us (as described above) will be considered to be a breach of this Agreement and we, in our sole discretion, may terminate this Agreement as described in Section XXIII.C.

Franchisee cannot implement, offer, perform or sell any other type of service (including any other type of workshop), curriculum or product unless approved by us in writing. We will respond to Franchisee's request to implement, offer, perform, sell or provide a new service (including any type of workshop, program or package), curriculum or product by email or any other form of written communication within thirty (30) days from the date the request is received. We shall have the right to require, as a condition of our approval and review, that Franchisee submit to us all materials and supporting documentation describing the service, curriculum or product Franchisee wishes to use, offer for use and/or implement within its Business. The cost of such investigation for approval shall be paid by Franchisee (if applicable) and we shall not be liable for denying Franchisee's request. Failure of Franchisee to adhere to these guidelines will result in termination of this Agreement as specified in Section XXIII.C.

Franchisee will need a vehicle. Franchisee must either have or will need to purchase a used or new passenger car, sports utility vehicle or van (referred to as "Vehicle") to travel to events and perform Services within its Territory. Franchisee can use its existing Vehicle or purchase a used or new Vehicle so long as such Vehicle is white in color and meets our appearance standards (which include vehicle graphics). Our Vehicle appearance standards will be given to Franchisee after signing this Agreement and during the initial training program. We require that any Vehicle Franchisee operates must not be more than ten (10) years old and must meet our appearance standards as outlined in the Operations Manual. Franchisee is responsible for the cost of the Vehicle and the installation of all vehicle graphics (if Franchisee chooses to place graphics on its Vehicle). Vehicle graphics must be purchased from our approved vendors. Franchisee must maintain its Vehicle as outlined in Section XII.U of this Agreement.

Franchisee agrees to fully comply with all mandatory specifications, standards, operating procedures and rules in effect which may change from time to time relating to: offering and performing Services (including workshops), selling Products, using our Curriculum, our service standards, usage of third party software, Vehicle appearance standards, appearance of the Premises and signage (if operating out of a location), as we may periodically adopt. Additional products Franchisee desires to use or offer for sale in its Business must be authorized in writing by us (as described in Section XII.I). Nothing in this Agreement shall be construed to imply or establish an obligation on our part to incur any liability to Franchisee for any loss of revenue incurred by Franchisee as a result of our decision to change, modify or discontinue our specifications, standards or operating procedures. Franchisee agrees that we have the right, in our sole discretion, to change, modify, add or discontinue any such specifications, standards and operating procedures. We will provide Franchisee with ninety (90) days' notice to implement such specifications, standards and operating procedure changes and Franchisee agrees to immediately comply with such changes at its own expense. Failure of Franchisee to adhere to our specifications, standards and operating procedure requirements, as described above, may result in termination as described in Section XXIII.C of this Agreement.

In addition, Franchisee is prohibited from offering or selling Services and/or Products over the Internet or on Websites. However, if we grant permission to Franchisee to offer Services (for example workshops) and/or sell Products in any alternative channel of distribution (such as over the Internet and/or on Websites), all Services must be performed from the Business and all Products must be sold and shipped directly from the Accepted Location or at large group promotional gatherings within its Territory (as described in Section VI). Other than having a presence on TikTok, Facebook and Instagram Franchisee is not permitted to sell or offer Services or sell Products in any other media or alternative channels of distribution, whether now known or hereinafter invented. Failure of Franchisee to refrain from promoting its Business and/or selling Services and Products on any alternative channel of distribution (besides promoting its Business on TikTok, Facebook and Instagram as mentioned above) without our written approval (any type of sale is prohibited); refrain from promoting its Business on TikTok, Facebook and Instagram if we revoke our approval in the future; and/or if we grant permission to Franchisee to offer and/or sell Services and/or Products in any alternative channels of distribution and if Franchisee does not adhere to our standards as outlined in the Operations Manual for such sales, Franchisee will be considered to be in breach of this Agreement and we, in our sole discretion, may terminate this Agreement as described in Section XXIII.C.

Franchisee agrees to comply with our workshop transfer policy that we may establish in the future and such policy may change from time to time. Currently all workshops are non-transferable.

Franchisee is encouraged to accept the referral of any client from another franchisee, company-owned business or us who desires to receive Services from Franchisee (so long as all Services are performed within Franchisee's Territory unless given permission to do otherwise and all Products are sold from the Premises, at workshops within its Territory or at large group promotional gatherings within its Territory and Franchisee does not perform any Target Marketing, as described in Section VI of this Agreement). If Franchisee chooses not to accept the referral, then we may provide Services and/or Products directly or through another franchisee or third party without compensation to Franchisee. We encourage all The Flower Garage™ businesses, when owned by different individuals, to work out a referral arrangement. We must be notified in writing of all such arrangements. Franchisee can perform Services to anyone outside of Franchisee's Territory if there is not a franchise or company-owned business in that area and only upon our written approval (which may be revoked in our sole discretion), as described in Section VI of this Agreement, provided once that area is sold or we have begun to operate in that area, Franchisee must no longer perform Services in that area. We shall use commercially reasonable efforts to address any The Flower Garage™ business that violates this policy.

Franchisee must respond promptly to all inquiries and complaints in order to achieve client satisfaction. If Franchisee does not provide clients with satisfactory service and or fails to resolve complaints at the time the complaint is registered or if Franchisee violates operating standards or this Agreement, we may, in addition to our other remedies, complete the services and bill Franchisee for such services. Franchisee shall reimburse us for any expense incurred. In addition, there may be other System oriented programs designed to promote to the public the quality care and service provided by a The Flower Garage™ business that we may wish to implement on a system-wide basis and advertise and market. Franchisee shall be required to participate in the then-current specials or promotions as may be developed and as may be modified periodically by us, in our sole discretion.

We may institute various programs designed to verify client satisfaction and/or Franchisee's compliance with all operational and other aspects of the System, including (but not limited to) a toll-free number, online or email surveys, comment cards, secret shoppers or otherwise. We will share results of such programs as they pertain to Franchisee's Business, with Franchisee and Franchisee will reimburse us for all costs associated with any and all such programs if it is determined that Franchisee is not in compliance with this Agreement and the System.

Franchisee recognizes that our primary methods of communication with franchisees are through emails, text messages, announcements and/or memos we may periodically publish and distribute through our intranet system we may provide to franchisees on our website. Franchisee is responsible for knowing all the information contained in the emails, text messages, announcements, memos and the intranet system and complying with any standards and specifications provided within them. We may establish and change the standards and specifications for the operation of Franchisee's Business through such emails, text messages, announcements, memos and intranet system. If we establish an intranet system, we will have no obligation for the hosting of the intranet system (for example, if hosting company goes down or shuts down the intranet system for maintenance or security reasons) or to maintain the intranet system indefinitely and we may dismantle it at any time without notice and liability to Franchisee and the following will apply:

1. We will establish policies and procedures for use of the intranet system. These policies, procedures and other terms of use may address issues such as (i) restrictions on the use of abusive, slanderous or otherwise offensive language in electronic communications; (ii) restrictions on communications between or among franchisees that endorse or encourage breach of any agreement with us; (iii) confidentiality of materials that we transmit; (iv) password protocols and other security procedures; (v) grounds for suspending or revoking Franchisee's access to the intranet system; (vi) restrictions on copyright and other intellectual property infringement matters; and (vii) a privacy policy governing our access to and use of electronic communications that franchisees submit on the intranet system. Franchisee acknowledges that as administrator of the intranet system, we can access and view any communication that anyone posts on the intranet system. Franchisee further acknowledges that the intranet system and all communications that are posted to it will become our property, free of any claims of privacy or privilege that Franchisee or any other person may assert.

2. Franchisee agrees to purchase and install all necessary additions to its computers and/or laptop and to establish and to continuously maintain an electronic connection with our intranet system to allow us to send messages to and receive messages from Franchisee. Franchisee's obligation to maintain connectivity with the intranet system will continue until expiration or termination of this Agreement.

3. We may use part of the System Brand Fund that we collect under this Agreement to develop, maintain and further develop the intranet system.

Franchisee must accept credit and debit cards and other payment systems and may be required to use check verification services as specified by us, and which we may change from time to time. Franchisee shall also offer for sale and will honor for clients, any incentive, coupon, rewards, loyalty programs, gift cards or gift certificates, which we may institute from time to time, and Franchisee shall do so in compliance with our standards and procedures for such programs to the extent permitted by the laws of Franchisee's state. These programs may include, without limitation, membership programs, repetitive use for service and/or product programs, co-op programs and other local and national activities. Franchisee's full and complete participation in such programs is required. Except as otherwise provided herein, compliance and participation shall be at Franchisee's expense.

We may require Franchisee to join and participate in industry specific, local or national associations. Such associations may include but are not limited to Franchisee's local Chamber of Commerce and Better Business Bureau. These associations are deemed invaluable and necessary for the continued growth of the Business. Franchisee is responsible for all membership fees and any related costs. We reserve the right to require Franchisee to join and participate in other professional organizations as we deem appropriate in our sole discretion. Franchisee's full and complete participation in such programs and associations are required. Except as otherwise provided herein, compliance and participation shall be at Franchisee's expense.

In the marketing and operation of Franchisee's Business, Franchisee will use each of, and only, the contracts, waivers and/or other forms and/or materials as are designated by us periodically. However, if Franchisee chooses to operate out of a location (such as a small office, warehouse or industrial space rather than home-based) Franchisee may lease a space subject to the landlord's lease, as long as the lease contains all of the terms and conditions required by this Agreement; the lease is adjusted to accommodate this Agreement (ideally the lease is coterminous with this Agreement but not required); and the Franchisee may execute its lender's standard promissory note, personal guaranty and security agreement provided that the terms and conditions of any promissory note, personal guaranty and security agreement do not affect or impair this Agreement, or any of our rights or remedies under this Agreement. If the Franchisee has two or more Owners or it is an Entity, then the Franchisee must submit a copy of its Operating Agreement, Partnership Agreement, Business Trust Agreement, or Shareholders Agreement and bylaws, as applicable for our review prior to execution as specified in Section XII.R of this Agreement.

All advertising and promotions by Franchisee in any medium shall be conducted in a dignified manner and shall conform to our standards and requirements as set forth in the Operations Manual. Franchisee shall have the right to offer Services and sell Products at any rates and prices Franchisee may determine, except that we reserve the right to establish minimum and maximum rates and/or prices for any given Service or Product nationwide to the extent allowed by federal and state laws. To clarify, Franchisee agrees we have the right, in our sole discretion, to establish minimum and maximum rates for any Service and prices for any Product system wide, temporarily (for a limited period of time), in specific geographic areas or in conjunction with any promotional and/or marketing program so long as such decisions are made with the honest belief that the measure we are adopting will help everyone in the System meet competition and succeed in the marketplace. Franchisee is prohibited from heavily discounting Services and Products offered for sale and must adhere to our minimum and maximum pricing guidelines, except as otherwise provided by applicable federal or state laws. If Franchisee elects to offer or sell any Service and/or Product at any rate and/or price recommended by us, Franchisee acknowledges that we have made no guarantee, statement or warranty that offering such Services and/or Products at the recommended rate or price will enhance Franchisee's sales, revenues, margins or profits. Franchisee shall participate in and comply with all sales and promotional programs and/or product promotions promulgated by us periodically.

I. Use Approved Equipment, Products, Supplies, Vendors and Suppliers

Franchisee acknowledges that we have spent considerable time in developing Services, Products, processes, methods and technology used in the operation of a The Flower Garage™ Business. Accordingly, Franchisee acknowledges that Franchisee is to use only our approved equipment, products, supplies and services that includes, but is not limited to: equipment (such as: commercial refrigeration units, one walk-in cooler, etc.), furnishings, fixtures, flooring (if Franchisee chooses to operate out of a location rather than its home garage), technology items (such as computers, laptops, printers, modems, etc.), products (such as: flowers, flower food, vases, pots, buckets, hand tools, etc.), supplies (such as: packaging materials, cleaning products, office supplies, etc.), uniforms, Vehicle, vehicle graphics, signage (if applicable), third party software, printed advertising materials, merchant service providers, software support service providers, promotional merchandise, printed advertising materials, shows and event marketing opportunities and vendor, co-branding, and affinity programs. We will provide Franchisee with a written list of approved vendors and/or suppliers for all equipment, products, supplies and services that Franchisee is authorized to use in its Business. We may derive income through license fees, promotional fees, advertising allowances, rebates or other monies paid by approved vendors and/or suppliers. We do not know the precise basis of these payments because we have never previously collected them. If we require Franchisee to buy from us or our affiliate, the equipment and/or product's price and quality will be comparable to similar equipment and/or products from other sources. We may take a portion of that income to spend on advertising or place it in the System Brand Fund as described in Section X.B of this Agreement. If we require Franchisee to buy equipment, products, supplies or services from a vendor that pays such allowances, we may spend all such fees on related advertising or we may place them in the System Brand Fund. If we don't require the purchase, we need not place such fees in a separate account or use them on advertising. Franchisee agrees

that we may periodically and upon written notice, add to, modify or change such approved equipment, products, supplies, vendors and suppliers. Franchisee promises to promptly accept and implement, in the operation of the Business, all such additions, modifications and changes at Franchisee's expense. In addition, Franchisee acknowledges that:

1. If Franchisee chooses to operate out of a location (rather than from its home garage), we have spent considerable time designing the decoration and outfitting of a The Flower Garage™ business with specific flooring, furnishings, equipment, fixtures, décor items and signage. This is part of our trade dress. Franchisee must purchase such items from us and/or our affiliates or approved vendors as specified in the Operations Manual and Section XII.T of this Agreement.

2. To ensure the consistent high quality and uniformity of Services and Products provided by The Flower Garage™ franchised businesses, Franchisee must purchase all equipment, products, supplies and services (as described above) from us, our affiliates or approved vendors who demonstrate to our continuing satisfaction an ability to meet our standards and specifications. We are not liable to Franchisee for any loss or damage, or deemed to be in breach of this Agreement, if we, our affiliates or approved vendors and/or suppliers cannot deliver, or cause to be delivered, Franchisee's order of equipment, products or supplies where such items are out-of-stock or discontinued. Franchisee is prohibited from purchasing equipment, products, supplies and services from unapproved vendors and/or suppliers who are not on our approved list without our written approval. All vendors and suppliers that Franchisee purchases from must be approved in writing by us and may be disapproved by us anytime thereafter. We shall approve or deny Franchisee's request, which approval is in our sole discretion, within thirty (30) days of receipt of Franchisee's written request. Such approval or disapproval shall be made by e-mail or any other form of written communication. If Franchisee purchases any equipment, products, supplies or services from any unapproved vendor or supplier without our permission, as described above, it may result in termination of this Agreement as specified in Section XXIII.C.

3. In approving any vendor or supplier, we may consider factors such as: price, quality, composition, performance, accuracy of product claims, durability, safety, technical specifications, frequency of delivery, design, service maintenance programs, determination of quality control, value, customer service strength, prompt attention to complaints, litigation against the supplier, reputation of supplier, any product recalls instituted by the United States Consumer Product Safety Commission, the supplier's financial strength and capacity to supply franchisee's needs promptly, reliably, and cost effectively. All vendors and suppliers must be approved in writing by us and may be disapproved by us anytime thereafter. If Franchisee desires to sell and/or offer products or offer a service that has not been approved by us or that is unique to Franchisee's area; purchase unapproved equipment, products or supplies from or use the services of unapproved vendors or suppliers, then Franchisee must submit to us a written request for such approval. We shall approve or deny Franchisee's request, which approval is in our sole discretion, within thirty (30) days of receipt of Franchisee's written request. Such approval or disapproval shall be made by e-mail or any other form of written communication. We shall have the right to require, as a condition of our approval and review, that our representatives are permitted to inspect the facilities of the proposed vendor and that the proposed item is delivered to us or our designee for testing. The cost of such inspection and testing shall be paid by Franchisee, vendor or supplier and we shall not be liable for damage to or for the return of any sample and Franchisee may be responsible for the product, equipment and vendor assessment fee as described in Section X.E of this Agreement. We may require Franchisee's vendors to sign our pre-approved Confidentiality and Nondisclosure Agreement and guarantee our level of quality. We

reserve the right, at any time, to re-inspect the facilities and to retest any piece of equipment or product of any approved vendor and to revoke any approval if the vendor fails to continue to meet our high standards.

4. Franchisee will not make any claims against us or our affiliates with respect to any vendor and/or related supplier (including our affiliates) for equipment, products, supplies or services (as described above) necessary for the operation of the Business (and/or our designation of, or our relationship with, any vendor/supplier/products). WE MAKE NO WARRANTIES REGARDING ANY VENDOR, EQUIPMENT, PRODUCTS OR SUPPLIES, AND HEREBY DISCLAIM THE IMPLIED WARRANTY OF MERCHANTABILITY, THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, THE IMPLIED WARRANTY OF QUALITY OF COMPUTER PROGRAMS, THE IMPLIED WARRANTY OF SYSTEM INTEGRATION, AND THE IMPLIED WARRANTY OF INFORMATION CONTENT. WE MAKE NO WARRANTY THAT ANY VENDOR PROVIDED SOFTWARE WILL BE BUG FREE, VIRUS FREE, OR FREE OF TROJAN HORSES OR WORMS. FRANCHISEE HEREBY AGREES THAT SUCH DISCLAIMER IS AN ESSENTIAL PART OF THE BARGAIN, AND THAT THE FRANCHISOR WOULD NOT HAVE ENTERED INTO THIS TRANSACTION ABSENT SUCH DISCLAIMER. Any claim with respect to any vendor-related and/or similar matters shall be made only against the vendor in question. Franchisee will provide us with written notice prior to taking any action in connection with such a claim. We will use diligent efforts to assist franchisees in resolving any disputes with vendors approved and/or designated by us.

5. Franchisee may be required to use and may be required to offer for sale any and all privately labeled and branded merchandise or Proprietary Products developed by us, which will be listed in the Operations Manual (currently not in effect). The term "Proprietary Products" is defined as branded products, supplies and marketing materials all of which must be purchased by Franchisee directly from us or our approved vendors, unless Franchisee has submitted and received written approval from us to use an alternate supplier. Currently we do not have Proprietary Products that Franchisee is required to offer for sale in its Business. Failure of Franchisee to use and/or offer for sale Proprietary Products (if we develop proprietary products for sale in the future) will result in termination of this Agreement as specified in Section XXIII.C of this Agreement.

6. We currently do not require Franchisee to maintain in inventory a Minimum Representation of products or Proprietary Products (however, Franchisee acknowledges and agrees that we retain the right to do so in the future). "Minimum Representation" shall be defined as the continuous maintenance of a number of products and/or Proprietary Products meeting requirements as defined in the Operations Manual. If this requirement is implemented, Franchisee shall at all times comply with our Minimum Representation requirements and the terms of any auto-ship requirements (currently we do not have any auto-ship requirements; however, we do require that Franchisee purchase updates for all advertising, promotional and marketing materials and miscellaneous forms when designated as mandatory by us and as specified in the Operations Manual).

7. Franchisee shall not make any changes to any Proprietary Product, or any type of equipment or any third-party products including making modifications, changing containers, packaging, labeling, promotional materials, advertising, cartons or the like without our or the manufacturer's prior written approval, which may be withheld in our sole discretion or manufacturer's sole discretion. Failure to adhere to these guidelines will result in termination of this Agreement as specified in Section XXIII.C of this Agreement.

8. Franchisee may not independently act as an exclusive distributor for any third-party vendor or secure any exclusive rights to distribute any Products, Proprietary Products and/or third-party product or equipment inside or outside of Franchisee's Territory without our written consent. We shall approve or deny Franchisee's request, which approval is in our sole discretion, within thirty (30) days of receipt of Franchisee's written request. Failure to adhere to these guidelines will result in termination of this Agreement as specified in Section XXIII.C of this Agreement.

9. Franchisee shall not manufacture or produce any piece of equipment or any product that is similar to, or competes with any of our Products, Proprietary Products or third-party equipment or product or in any channel of distribution selling similar equipment or products without the advanced written consent of us or manufacturer, which may be granted or denied in our or the manufacturer's sole discretion. Violation of this shall be grounds for immediate termination as specified in Section XXIII.C of this Agreement.

10. Franchisee must inspect all equipment and products promptly upon receipt and may reject any piece of equipment or product that fails in any material respect to conform to manufacturer's description. Any equipment or product that has not been rejected within 5 (five) business days upon receipt shall be considered accepted. Rejected equipment or products must be returned to the manufacturer within three (3) days of the date on which manufacturer authorizes the return or as manufacturer specifies.

11. Notwithstanding anything to the contrary contained in this Agreement, Franchisee acknowledges and agrees that, at our sole option, we may establish one or more strategic alliances or preferred vendor programs with one or more nationally or regionally-known suppliers who are willing to supply all or some The Flower Garage™ businesses with some or all of the equipment, products, supplies or services (as defined above) that we require for use and/or sale in the development and/or operation of the Business. In this event, we may limit the number of approved vendors and/or suppliers with whom Franchisee may deal, designate sources that Franchisee must use for some or all of the above items and/or refuse any of Franchisee's requests to approve vendors or suppliers if we believe that this action is in the best interests of the System. We shall have unlimited discretion to approve or disapprove of the vendors or suppliers who may be permitted to sell such items to franchisees.

12. Franchisee agrees to purchase, use, maintain and update at Franchisee's expense all technology items (as described above) and software that meet our specifications, as we may modify them. Franchisee will be required to purchase such items from us, our affiliates or approved vendors. We reserve the right to have independent and direct access to all information that Franchisee stores in any computer, laptop, tablet or software related to the Business and there are no contractual limits imposed upon our access to your data and information. Franchisee agrees to comply with our then-current terms of use and privacy policies and any other upgrade requirements regarding all such items and software, including Internet usage. Supplier and/or licensor charges for use, maintenance, support and/or updates of such required items are Franchisee's responsibility.

13. Franchisee may be required to use our proprietary software for the operation of the Business (currently not in effect). If we develop proprietary software and require Franchisee to use such software, we will provide Franchisee with a ninety (90) day written notice to purchase (if applicable) and use such software for the operation of its Business. If developed, we will provide all update and upgrade requirements for the proprietary software, as necessary. The installation, maintenance, repairs and upgrade costs for the

proprietary software will be the responsibility of Franchisee. Usage of any proprietary software ("Software"), if developed, will be subject to the following terms:

a. Franchisee will use our Software on a computer or laptop that: (i) meets our hardware specifications; and (ii) is located at Franchisee's Business or on a backup system if the original computer, laptop or tablet is inoperable. Franchisee will be licensed to use our Software only for Franchisee's internal, in-house data processing and data communications purposes and only in connection with the Business and not for re-marketing or redistribution under any circumstances;

b. Franchisee acknowledges and agrees that we (or any of our affiliates) will be the sole and exclusive owner of all right, title and interest in and to our Software, including all trade secrets and copyrights related to the Software, subject only to the rights we expressly license to Franchisee in this Agreement. This license will not provide Franchisee with title or ownership of the Software, but only a limited right of use. Franchisee agrees that Franchisee will not contest or otherwise seek to share, diminish or invalidate our ownership rights in our Software;

c. Franchisee will not modify the Software in any way without our prior written consent. Franchisee will promptly disclose to us all ideas and suggestions for modifications or enhancements to the Software that Franchisee conceives or develops, and we will have the right to use such ideas and suggestions. We shall own all copyrights and other intellectual property rights to all modifications and suggestions proposed by Franchisee. The term "all copyrights and other intellectual property rights" shall mean all means, methods, and processes, by all media whether now known or hereinafter invented, including complete and entire interactive rights and rights to derivative works. This Agreement shall be a work for hire. In the event that a court of competent jurisdiction holds that this Agreement is not a work for hire, then Franchisee agrees to execute all documents that we deem are necessary to assign all copyright and other intellectual property rights to us. All modifications or enhancements made to the Software will be our property and belong exclusively to us, without regard to the source or creator of the modification or enhancement, however we may provide incentive programs for such contributions;

d. We will have the right at all times to access Software and to retrieve, analyze and use all the data in Franchisee's files stored on Franchisee's computers, laptops or tablets or any other type of system. Additionally, Franchisee will electronically transfer all files and reports to us on our request. All information that Franchisee stores in any computer, laptop or tablet shall become our confidential and proprietary information, and subject to all of the terms and conditions of this Agreement regarding our Confidential Information;

e. Franchisee and its Employees will not make available the Software, or portions thereof, to any person other than Franchisees or its employees without our prior written consent. Franchisee agrees that Franchisee will not: (i) copy the Software except as necessary for use in the Business; (ii) translate, reverse engineer, reverse compile, disassemble, create interactive works, or create derivative works based on the Software; or (iii) sublicense, rent, lease, sell or otherwise transfer the Software or any portion thereof, or any rights therein, to any person or entity. Failure to adhere to these guidelines or allowing unauthorized usage of the Software may result in termination of this Agreement as specified in Section XXIII.C of this Agreement;

f. Franchisee acknowledges and agrees that the Software, if developed, will be our valuable, proprietary product, the design and development of which took the investment of considerable time, money and effort of skilled computer programmers. Franchisee will keep the Software and any data generated by the use of the Software confidential during and after the term of this Agreement and will maintain security precautions to maintain the secrecy of the Software and to prevent unauthorized access or use of the Software. Franchisee agrees that it will treat the Software as confidential and that the Software will contain substantial trade secrets of ours that we have entrusted to Franchisee in confidence to use only as we authorize under this Agreement. We hereby claim and reserve all rights and benefits afforded under copyright law, patent law, trade secret law, intellectual property law and other laws relating to confidential and proprietary material. Franchisee agrees not to improperly use, disseminate, or disclose the Software, and to ensure that Franchisee's employees who gain access to the Software will protect the Software against improper use, dissemination or disclosure;

g. THE SOFTWARE SHALL BE PROVIDED ON AN "AS-IS" BASIS WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. ALL WARRANTIES AGAINST INFRINGEMENT ARE HEREBY DISCLAIMED EXCEPT WE REPRESENT THAT WE HAVE SUFFICIENT AUTHORIZATION TO LICENSE THE SOFTWARE TO FRANCHISEE. WE DO NOT WARRANT THAT THE FUNCTIONS CONTAINED IN THE SOFTWARE MEET FRANCHISEE'S REQUIREMENTS OR THAT THE USE OF THE SOFTWARE WILL BE UNINTERRUPTED OR ERROR FREE. WE MAKE NO WARRANTIES THAT THE SOFTWARE IS FREE FROM BUGS, VIRUSES, TROJAN HORSES, OR WORMS. WE MAKE NO WARRANTY REGARDING ANY OPEN-SOURCE SOFTWARE CONTAINED IN THE SOFTWARE. In no event will we be liable to Franchisee for damages, including any lost profits, lost savings, or other incidental or consequential damages, relating to the use of or inability to use the Software, even if we have been advised of the possibility of such damages, or for any claim by any other party. The foregoing limitations of liability are intended to apply without regard to whether other provisions of this Agreement have been breached or proven ineffective;

h. Franchisee acknowledges and agrees that Franchisee's license to the Software will terminate immediately and automatically should Franchisee fail to adhere to any of Franchisee's obligations under this license or if this Agreement expires or is terminated for any reason;

i. Franchisee acknowledges and agrees that any violation by Franchisee of the provisions of the Software license would cause us irreparable harm for which we would not have an adequate remedy at law; and that, in addition to other remedies available to us, we will be entitled to seek injunctive relief against any such violation;

j. In the event Franchisee fails to adhere to any of Franchisee's obligations under this Agreement, or is no longer a franchisee of ours, or this Agreement expires or terminates for any reason, Franchisee will immediately (within five (5) days) terminate the use of the Software and destroy any and all material or information related to the Software or any data generated by use of the Software unless we specifically instruct otherwise; and

k. Franchisee must update all computers and laptops upon our request to optimize performance of the Software.

14. Franchisee acknowledges that neither we nor our affiliates, will have any liability and/or obligation (and neither Franchisee or any managing partners, managing members, members, officers, shareholders or other Owners of Franchisee will make any claims) about any loss of data, loss of information, inability to use, failures, errors, bugs, viruses, Trojan horses, worms, or any other occurrences relating to any computer, laptop or system hardware, or software without an express written warranty from us, even if recommended or specified by us. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from these problems. Franchisee must also take reasonable steps to verify that information about Franchisee's suppliers, lenders, landlords, clients and governmental agencies on which Franchisee relies, are reasonably protected. This may include taking reasonable steps to secure Franchisee's systems, including, but not limited to, firewalls, access code protection, anti-virus systems and use of backup systems.

15. We may set standards or specifications for leases, real estate, the construction and build out of the Business (applicable if Franchisee chooses to operate out of a location) at our discretion. We have set appearance standards and specifications for the Vehicle and all vehicle graphics used (if Franchisee chooses to place graphics on its Vehicle), including our subjective determinations relating to quality, value and appearance.

Nothing in this Agreement shall be construed to be a promise or guarantee by us as to the continued existence of any particular piece of equipment, product or supply, nor shall any provision herein imply or establish an obligation on our part and our affiliates to sell equipment, products or supplies to Franchisee if Franchisee is in arrears on any payment to us, our affiliates, or any other designated vendor or approved supplier, or otherwise is in default under this Agreement. If Franchisee fails to pay for each shipment of items purchased, we or our affiliates shall not be obligated to sell such items to Franchisee.

J. Use Approved Design and Signage for the Premises

In operating a The Flower Garage™ Business, and if Franchisee chooses to operate out of a location (such as a small office, warehouse, or industrial space rather than from its home garage), Franchisee must adhere to our signage standards and utilize signage designs in accordance with the standards and specifications recommended by us, or that which will continue to be recommended by us. Franchisee may be required to purchase signage from us, our approved suppliers, or submit an alternate supplier to us for approval. If Franchisee operates out of a location, Franchisee shall purchase or lease, subject to local building codes and regulations, such signs that provide maximum displays of our Names and Marks. Upon renewal of this Agreement, Franchisee shall be totally responsible for obtaining and equipping the Premises and all Vehicles with signage and graphics that are approved for use by us (if Franchisee chooses to place graphics on its Vehicle) at the time of the renewal of this Agreement. The color, size, design, and location of said signage shall be as specified and/or approved by us. Franchisee shall not place additional signs, posters, newspaper racks, video games, gaming machines, any type of games or rides, vending machines or other similar devices and décor items in the Business (if operating out of a location) without our prior written consent.

K. Participation in the Operation of the Business

Franchisee acknowledges that a The Flower Garage™ business involves hard work and sometimes long hours, similar to most small businesses that are owner operated. Franchisee acknowledges that we have not represented that this business is going to be easy for Franchisee (or any of its Owners) and Franchisee agrees to participate in the day-to-day operation of the Business. Franchisee may assign the overall supervision of the Business to an Owner or Manager approved by us. Franchisee agrees that the Manager will supervise all Employees and independent contractors (if Franchisee chooses to use

independent contractors). The Manager will also be responsible for providing continuing guidance, oversight, day-to-day management, instruction and properly process all reports or complaints.

L. Advertising the Business

Franchisee agrees to create a local advertising and marketing plan by which Franchisee shall place local advertising in any media it desires, provided that such advertising conforms to our standards and requirements as set forth in our Operations Manual or otherwise designated by us. Such advertising may include but is not limited to: Any telephone, email, Internet, domain name, electronic network, directory and listings (including business citations) of the Business per our written approval. All items mentioned are our property and upon expiration or termination of this Agreement will revert to us. Franchisee agrees to execute any and all documents needed to perfect such reversions. Franchisee shall not advertise the Business in connection with any other business, except with our prior written approval. Franchisee shall obtain our prior approval of all unapproved advertising and promotional plans and materials that Franchisee desires to use thirty (30) days before the start of any use of such plans. Franchisee shall submit such unapproved plans and materials to us (by personal delivery, electronically or through the mail, return receipt requested). Franchisee shall not use such plans or materials until they have been approved by us and shall promptly discontinue use of any advertising or promotional plans and materials upon our request. We shall approve or deny Franchisee's request by email or any other form of written communication, which approval is in our sole discretion within thirty (30) days of receipt of Franchisee's request. Any plans or materials submitted by Franchisee to us, which have not been approved or disapproved in writing, within such thirty (30) day period shall automatically be deemed not approved.

Franchisee will not independently advertise or promote in any media (including on any Website as defined in Section VI) without our prior written approval, except when using materials previously approved by us. We, our affiliates and/or approved vendors, will perform all website content revision and Franchisee is responsible for any costs related to such revisions. Any requests for changes, edits or updates to Franchisee's website or any type of website promotion over the Internet must be approved by us in writing. We shall approve or deny Franchisee's request by e-mail or any other form of written communication, which approval is in our sole discretion, within thirty (30) days of receipt of Franchisee's written request. Franchisee will participate in at its own expense and cooperate with all advertising and promotional programs that we or any advertising group of franchisees selects, including any franchisee marketing council that we may implement. Franchisee may be required to follow or maintain sales pricing for Services and Products. We will set minimum and maximum rates and/or prices and suggest rates and pricing to the extent allowed by law.

Franchisee shall at all times use its best efforts to promote and increase recognition of the Services and Products offered by the Business pursuant to the System and Operations Manual, to affect the widest and best possible distribution of Services and Products from the Business and to devote its best efforts to growing the Business.

M. Maintain Regular Phone Hours

Franchisee's Business must have minimum phone hours between 8am to 5pm Monday thru Friday and from 10am-2pm on Saturdays except holidays as specified in the Operations Manual; or the hours otherwise approved in writing by us; or as required by the lease of the Premises on which the Business is operated. Sundays are optional. It is required that the Franchisee respond to after hour inquiries within twenty-four (24) hours of the initial inquiry (as further described in the Operations Manual) and maintain an e-mail address for the Business to take messages and respond to clients outside of regular business hours.

N. Maintain Uniform Operating Standards

Franchisee understands and acknowledges that every detail in the operation of the Business is important to Franchisee, us and other franchisees in order to develop and maintain uniform operating standards, to increase the demand for the Services and Products offered by the Business under the System, and to protect our trademarks, service marks, reputation and goodwill.

Franchisee acknowledges and agrees that the System must continue to evolve in order to reflect changing market conditions and meet new and changing consumer demands. As a consequence, changes, modifications and variations to the System's standards may be required from time to time to preserve and enhance the public image of the System and enhance the operational efficiency of all franchises.

Franchisee therefore agrees that we may periodically and upon written notice, add to, modify or change the System, including without limitation changes to our approved Services, Curriculum, Products Franchisee is authorized to offer, perform and sell; equipment, products, methods, strategies and techniques as used in the operation of the Business; our Confidential Information, the adoption and use of new or modified trademarks, uniform dress requirements, signage, Software and third-party software, sales, advertising, promotion and marketing materials. Franchisee promises to promptly accept, implement, use and display in the operation of the Business, all such additions, modifications and changes at Franchisee's expense.

Franchisee agrees to maintain high standards of honesty, integrity, fair dealing and ethical conduct in all business activities. Franchisee will not engage in any services, trade practices, abusive, excessive or illegal collection techniques or other activity; offer any service or sell any product which we determine to be harmful to our goodwill or which reflects unfavorably on us or our reputation, the Franchised Business, our trademarks, or the Services and Products sold thereof; or which constitutes deceptive or unfair competition, results in unfounded litigation against Franchisee's clients or otherwise is in violation of any applicable laws. The above limitations are closely related to the business image, purpose and marketing strategy of the System, and therefore any change therefrom would fundamentally change the nature of the Business.

We will not require Franchisee to make any changes, modifications and/or variations to the System that are not required of all franchisees (unless such change, modification or variation relates only to certain franchisees due to one or more unique factors such as geographic location, local laws, regulations or customs); further we may periodically meet with representative groups of franchisees and solicit their input prior to the implementation of any material change or modification. Franchisee's failure to comply with additions, modifications or changes to the System within ninety (90) days of such written notice is an incurable default as described in Section XXIII.C of this Agreement.

O. Telephone Number of Business and Website

Franchisee understands and agrees that the telephone number(s), the URL address, web pages, website, Websites for the Business (in addition to any mobile phone numbers) constitute a part of the System and are subject to the restrictions of this Agreement. Accordingly, Franchisee shall not change the telephone number(s), URL address, web pages, website or Websites for the Business without prior notice and our written approval. Franchisee shall advertise and publicize the telephone number(s), the URL address, web pages, website and Website for the Business in the manner prescribed by us. As stated above, all telephone numbers, URL addresses, web pages, website, Websites, Internet or similar connections, directory and listings used in the Franchised Business are our property and upon termination will revert to us.

P. Disclose Discoveries and Ideas to Franchisor

Franchisee shall promptly disclose to us any new service in addition to all products, equipment, discoveries, concepts, methods, techniques, routines, recipes, formulas, processes, programs, workshops, curriculum, video presentations, photographs, promotions, operational procedures, inventions or ideas,

whether patentable or not, relating to our business, which are conceived or made by Franchisee or any Owner, agent, employee or independent contractor of Franchisee solely or jointly with others, during the term of this Agreement, whether or not our facilities, materials, or personnel are utilized in the conception or making of such discoveries or ideas. Franchisee hereby acknowledges and agrees that all such services, products, equipment, discoveries, concepts, methods, techniques, routines, recipes, formulas, processes, programs, workshops, curriculum, video presentations, photographs, promotions, operational procedures, inventions or ideas are our exclusive property, and that we shall have no obligation to compensate Franchisee for any such item, discovery or idea. However, as a matter of corporate policy, we may, in our sole discretion, create an incentive program to reward Franchisee and its Owners for any such new service, product, equipment, discovery, concept, method, technique, routine, recipe, formula, process, program, workshops, curriculum, video presentation, photograph or improvement that we implement throughout the System. Franchisee, its officers, directors, managers, members, partners or shareholders agree to execute all documents deemed reasonably necessary by us to assign all such patent, trade secret, trademark, and copyright rights in any Franchisee discovery or idea to us. The term "all copyright and intellectual property rights" shall mean all means, methods, and processes, whether now known or hereinafter invented, by all media whether now known or hereinafter invented, including complete and entire interactive rights and rights to derivative works. The purpose of this clause is to ensure that any such items and/or ideas for improvements to the System that may be generated by franchisees within the System will be distributed to the other franchisees as a benefit of belonging to the System. Franchisee agrees to execute all documents that we deem reasonably necessary to carry out such transfer of intellectual property rights to us.

Q. Permit Franchisor to Enter the Premises

Franchisee shall permit us and our agents or representatives to enter the Premises during normal business hours for the purpose of conducting inspections of the operation of the Business with a twenty-four (24) hour notice to Franchisee to review business operations (including onsite at events or when performing workshops) and service standards in general, in addition to removing samples of products and supplies, without payment, for us to review to determine if such items meet our then-current standards and specifications. In addition, we may use secret shoppers to inspect and ensure that unauthorized curriculum, services or products (as described in Section XII.I) are not being used, offered or sold. Franchisee shall cooperate fully with our representatives in such inspections by rendering such assistance as they may reasonably request, and, upon notice from us or our agents, and without limiting our other rights under this Agreement, shall take such steps as may be deemed necessary to immediately correct any deficiencies detected during such inspections. In the event Franchisee fails or refuses to promptly correct immediately any deficiency detected during such inspection, we shall have the right to make or cause to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee agrees to pay upon demand. The foregoing shall be in addition to any other remedies we may have pursuant to this Agreement.

R. Additional Requirements for Corporate Franchisee

If Franchisee is or becomes a corporation, limited liability company, limited liability partnership, general partnership or other organization or entity, the following requirements shall apply:

1. Franchisee shall confine its activities to the establishment and operation of the Business;

2. Franchisee's Certificate, Articles of Incorporation or Articles of Organization, Certificate of Formation, Shareholders Agreement, Operating Agreement, Partnership Agreement, Business Trust Agreement, and/or Bylaws (or comparable governing documents) shall at all times provide that its activities are confined exclusively to the operation of the Business and that the issuance, redemption, purchase for cancellation and transfer of voting stock, or other ownership interest therein, is restricted by the terms of this Agreement. Franchisee shall furnish us promptly upon request copies of Franchisee's Certificate of Formation, Articles of Incorporation, Articles of Organization, Bylaws, Operating Agreement, Partnership Agreement, Business Trust Agreement, Shareholders Agreement, and other

governing documents, and any other documents we may reasonably request, and any amendments thereto, from time to time;

3. Franchisee shall maintain a current list of all owners of record and beneficial owners of any class of voting stock or other ownership interest in Franchisee and shall furnish such list to us upon request;

4. Franchisee shall maintain stop transfer instructions against the transfer on its record of any equity securities (voting or otherwise) or the certificate of any other entity evidencing ownership except in accordance with the provisions of Section XV of this Agreement. All securities or other ownership interests issued by Franchisee shall bear the following legend, which shall be printed legibly and conspicuously on each stock certificate or other evidence of ownership interest:

> THE TRANSFER OF THESE SECURITIES IS SUBJECT TO THE TERMS AND CONDITIONS OF THIS FRANCHISE AGREEMENT WITH CHRISTAKOS FRANCHISE, LLC AS OF THE SIGNING DATE. REFERENCE IS MADE TO SAID AGREEMENT AND TO THE RESTRICTIVE PROVISIONS OF THE ARTICLES AND BYLAWS OF THIS CORPORATION (IF FRANCHISEE IS A LIMITED LIABILITY COMPANY, REFERENCE WILL BE MADE TO THE TRANSFER OF OWNERSHIP RESTRICTIONS SET FORTH IN THIS FRANCHISE AGREEMENT, IN THE LIMITED LIABILITY COMPANY'S OPERATING AGREEMENT, IF FRANCHISEE IS A PARTNERSHIP, REFERENCE WILL BE MADE TO THE TRANSFER OF OWNERSHIP RESTRICTIONS SET FORTH IN THIS FRANCHISE AGREEMENT, IN THE PARTNERSHIP AGREEMENT. IF FRANCHISEE IS A BUSINESS TRUST, REFERENCE WILL BE MADE TO THE TRANSFER OF OWNERSHIP RESTRICTIONS SET FORTH IN THIS FRANCHISE AGREEMENT, IN THE TRUST AGREEMENT);

5. Any individual or Entity, who owns ten percent (10%) or more ownership in the Franchise Business, shall jointly and severally guarantee Franchisee's performance hereunder and shall bind themselves to the terms of this Agreement, provided, however, that the requirements of this Section XII.R shall not apply to any corporation registered under the Securities Exchange Act of 1934 (hereinafter known as a "Publicly-Held Corporation");

6. If Franchisee is or becomes a partnership, Franchisee shall furnish us with a copy of its partnership agreement or comparable agreement, and any other documents we may reasonably request, and any amendments thereto, from time to time. If Franchisee is or becomes a limited liability company, Franchisee shall furnish us with a copy of its operating agreement and any other documents we may reasonably request, and any amendments thereto, from time to time. If Franchisee is or becomes a corporation, Franchisee shall furnish us a copy of its shareholders agreement, bylaws, and any other documents we may reasonably request, and any amendments thereto, from time to time; If Franchisee is or becomes a business trust, Franchisee shall furnish us a copy of its trust agreement, and any other documents we may reasonably request, and any amendments thereto, from time to time. If such change to a Franchisee to an entity is proposed (or has occurred), we shall have the right to do any of the following: (i) require the new entity to sign the Franchise Agreement and all Owners sign guarantees; (ii) require the new entity

to sign the Franchise Agreement and treat it plus all Owners as franchisees; or (iii) take no action;

7. Each individual or Entity holding a ten percent (10%) or greater ownership or beneficial ownership interest in Franchisee's Business, directly or indirectly, (including each individual holding a fifty percent (50%) or greater interest in any limited liability company, partnership or corporation which has a ten percent (10%) or greater interest in Franchisee's Business) shall enter into a continuing guaranty agreement, in the form attached hereto as Schedule 6 as such form may be amended or modified by us, from time to time (if such guaranty agreement is to be executed subsequent to the date hereof in accordance with the terms of this Agreement); and

8. From and after the date of this Agreement, Franchisee and its Owners shall not sell, transfer, assign, pledge, mortgage, hypothecate or encumber all or any direct or indirect ownership interest in Franchisee without first obtaining our written consent which consent shall be approved or denied within thirty (30) days of Franchisee's request.

S. Selection of Premises

If Franchisee chooses to operate out of a location (rather than its home garage) Franchisee assumes all costs, liability, expense, and responsibility for locating, obtaining and developing a space for the Business to be established under the Franchise Agreement and for the build out and equipping of the business at such Premises. A typical The Flower Garage™ business is operated out of a home garage or a small office, warehouse or industrial space that has approximately one thousand two hundred (1,200) square feet of space. If Franchisee chooses to operate out of a location, the space for the Business must be enclosed and separate from other businesses with its own locking door, unless otherwise approved by us in writing. Franchisee may buy or lease the required real property and improvements from any source and on terms approved by us in writing. On the execution of any lease for the Business, Franchisee will deliver to us a copy of the executed lease and an option to assume the lease executed by the lessor in favor of us in a form acceptable to us. All improvements to the Business must be approved by us.

FRANCHISEE ACKNOWLEDGES THAT OUR ACCEPTANCE OF A PROSPECTIVE SITE AND THE RENDERING OF ASSISTANCE IN THE SELECTION OF A SITE DOES NOT CONSTITUTE A REPRESENTATION, PROMISE, WARRANTY, OR GUARANTEE BY US THAT A THE FLOWER GARAGE™FRANCHISE OPERATED AT THAT SITE WILL BE PROFITABLE OR OTHERWISE SUCCESSFUL.

Franchisee acknowledges that we have spent a considerable amount of time choosing and creating the decoration and outfitting of a The Flower Garage™ Business. It is part of our trade dress. Franchisee acknowledges and agrees that the design, décor, layout, flooring, signage and other characteristics of the Business (if operating out of a location) constitute and/or contain Confidential Information and/or trade secrets of ours. Franchisee agrees that the Business shall be maintained and operated as follows:

1. Franchisee will maintain the Business and every component of the furnishings, fixtures, flooring, equipment, technology items and signage in good order and repair at all times as specified in the Operations Manual and may be required to upgrade such items as technology advances or in our sole discretion because of new functionality, so as to always use and be in compliance with our then-current specifications;

2. Franchisee will keep the Business fully insured as specified in this Agreement and in the Operations Manual;

3. Franchisee will keep the Business at all times in a clean and tidy condition and free of any advertising and promotional materials other than that required by law or the Operations

Manual and will exhibit such signage, décor, colors and logos in the Business and upgrade or review the same as specified in the Operations Manual;

4. Franchisee will not alter or in any way amend the appearance of the Business or any furnishings, fixtures, flooring, equipment, technology items and signage contained within the Business as specified in the Operations Manual;

5. Franchisee shall meet and maintain the highest level of health standards and ratings applicable to the operation of the Business. Franchisee shall furnish to us, within five (5) days after receipt thereof, a copy of all inspection reports, warnings, citations, certificates and/or ratings resulting from inspections conducted by any federal, state or local governmental authority with jurisdiction over the Business; and

6. Franchisee may be required to use only approved vendors for repairs and maintenance of its equipment and technology items for the Business.

If Franchisee chooses to operate out of a location, Franchisee shall not execute a lease or sublease for the Business, or make any modifications or amendments to the lease, without our prior written consent, which we may grant, condition, or withhold in our Business Judgment (as defined in Section XXI). Franchisee will deliver to us a copy of any lease for our review at least ten (10) days before execution. Franchisee must deliver a copy of the signed lease or sublease to us within five (5) business days after it is signed. We do not offer legal services to Franchisee and Franchisee shall consult independent legal counsel for a legal review of the lease. Franchisee shall ensure that the lease for the Business contains, in an addendum or otherwise, the following provisions which:

1) Permit Franchisee to operate the Business in accordance with this Agreement and the Manuals;

2) Provide that the Premises will be used only for the operation of a The Flower Garage™ business, and prohibit Franchisee from assigning or modifying any of Franchisee's lease rights, or extending the term without our prior written consent;

3) Require the lessor to concurrently provide us with a copy of any written notices of default to Franchisee under the lease and give us the right to cure any default if we so choose; within fifteen (15) days following the expiration of Franchisee's cure period under the lease;

4) Provide us with a right to take assignment and possession of the Premises, without the lessor's consent or any additional consideration. If we exercise this right and Franchisee is in good standing, we'll sign a sublease with Franchisee for the same rent Franchisee is paying. In any case, we won't have any liability for any obligations incurred prior to our occupancy. Franchisee agrees to take whatever actions are necessary to accomplish such assignment and will when signing this Franchise Agreement, also sign the Collateral Assignment of Lease attached as Schedule 7. If Franchisee loses lease rights to the site in connection with any bankruptcy, the lessor will, on our request, enter into a new lease with us on essentially the same terms as the terminated lease;

5) Provide that the lessor consents to the use of the Marks, trade dress and other aspects of the System, as modified from time-to-time, and give us the right to enter the Premises during normal business hours for purposes of inspection, to take steps to protect the Marks and trade dress and/or prevent/cure any default; and

6) Not contain any clause providing that if the Franchisee sells the assets of its Business, or the stock/membership units/partnership units of the Business, Franchisee must pay the landlord a certain percentage or a flat fee based on the amount of the sale. Provided, that nothing in this sentence shall impair the Franchisee from entering into a lease that allows its landlord to impose a reasonable administrative fee for processing the assignment or sublease.

T. Development and Construction of the Premises

If Franchisee chooses to operate out of a location, rather than its home garage, Franchisee may be required to select and employ licensed contractors reasonably acceptable by us for the complete build out and/or any leasehold improvements. Franchisee is solely responsible for the selection and work of any contractor selected and/or employed by Franchisee, even if referred by us, and for the preparation of working drawings necessary to complete construction and/or build out at the approved Premises. Franchisee may be provided with guidelines for the layout of the Premises along with suggested plans and specifications (interior and exterior) for the build out of the Premises which may include specifications for storage, flooring, furnishings, fixtures, signage, and all décor items. We may, if needed, review Franchisee's final set of drawings or architect's final plans prior to implementation. Such drawings, plans and specifications are subject to alteration as may be necessary in our sole discretion and Franchisee must be in full and strict compliance with the drawings, plans and specifications approved by us. Franchisee is responsible for the cost and installation of all build out specifications. We reserve the right to receive rebates, commissions, or other forms of consideration from designated or approved vendors and suppliers involved in the construction and fixturing of the Premises and to use such rebates, commissions or other consideration in any way we deem appropriate in our sole discretion, without obligation to share or remit any portion of such rebates, commissions, or other consideration to Franchisee.

We would expect that if Franchisee operates the Business out of a location (such as a small office, warehouse, or industrial space), the space will need minimal construction improvements, if any. However, Franchisee will need to install black and white flooring and a faux flower wall according to our specifications. Costs may vary widely depending on such factors as property location, climate, the condition of the property and the extent of alterations required for the property. Franchisee shall be responsible for obtaining all zoning classifications, clearances, permits and certifications which may be required by state or local laws, ordinances, or regulations or which may be necessary or advisable owing to any restrictive covenants relating to the Premises. After having obtained such approvals and clearances, Franchisee shall submit to us, for our approval, final plans for construction based upon the preliminary plans and specifications. Once approved by us, such final plans shall not thereafter be changed or modified without our prior written permission. Any such change made without our prior written permission may constitute a material default under this Agreement and we may withhold our authorization to open the Business until the unauthorized change is rectified (or reversed) to our reasonable satisfaction.

Franchisee shall comply with all federal, state, and local laws, codes, and regulations, including without limitation, the applicable provisions of the ADA regarding the construction, design, and operation of the Premises. If Franchisee receives any complaint, claim or other notice alleging a failure to comply with the ADA or other law or regulation related to health or safety, Franchisee agrees that it shall provide us with a copy of such notice within five (5) days after receipt thereof.

If Franchisee operates out of a location, Franchisee shall not open the Business until we have determined that all construction has been substantially completed and that such construction conforms to our standards including, but not limited to: materials, quality of work, flooring, furnishings, fixtures, equipment, signage, decor, paint and we have given Franchisee written approval to open, which approval shall not be unreasonably withheld. Our approval to open the Business does not constitute a waiver of our right to require Franchisee to conform its Business to our standards.

U. Maintain Appearance of Vehicle

Franchisee acknowledges and agrees that certain aspects of the design, layout, appearance and other characteristics of the Vehicle (any type of used or new passenger car, sports utility vehicle or van) as described in Section XII.H of this Agreement (and as specified in the Operations Manual) to be used in the operation of a The Flower Garage™ business may constitute and/or contain our proprietary information or property. Franchisee agrees that its Vehicle shall be maintained and operated as follows:

1. Franchisee will maintain its Vehicle and every component of its parts in good order and repair at all times as specified in the Operations Manual;

2. Franchisee will keep the Vehicle fully registered and roadworthy in accordance with applicable laws;

3. Franchisee will keep the Vehicle fully insured as specified in the Operations Manual;

4. Franchisee will keep its Vehicle at all times in a clean and tidy condition and free of any advertising, promotional or political material other than that required by law or the Operations Manual and will exhibit only approved graphics, signage, design, colors, and logos on the Vehicle; and to upgrade or review the same as is specified in the Operations Manual;

5. Franchisee will not alter or in any way amend the appearance of the Vehicle unless as specified in the Operations Manual or approved by us;

6. Franchisee will maintain and upgrade the Vehicle as specified from time-to-time in the Operations Manual so as to always use our then-current vehicle specifications for an The Flower Garage™ Business;

7. We may require that Franchisee use only an approved service center(s) or vendors for repairs and maintenance of the Vehicle; and

8. Franchisee will drive, park, and store the Vehicle in a safe and legal manner and location at all times.

V. Training

Prior to Franchisee's opening of the Business for operation, Franchisee, its Owner and Manager, shall complete to our satisfaction our self-study program and our five (5) day training program required by this Agreement. We may, at our discretion, make available additional training programs, certifications, seminars, as well as refresher courses available to the Franchisee, any Owner and Manager from time to time. We may, at any time, discontinue management training and decline to certify Franchisee, any Owner or Manager who fails to demonstrate an understanding of the management training acceptable to us. If Franchisee, any Owner or Manager's management training is discontinued by us, Franchisee shall have thirty (30) days to present an alternative acceptable candidate for management training to us. If Franchisee's new candidate does not adequately complete the management training, then we shall have the option of terminating this Agreement. We shall provide instructors and training materials for all required training programs; and Franchisee shall be responsible for all other expenses incurred by Franchisee, its Owners or Manager in connection with any training programs, including, without limitation, the cost of transportation, lodging, meals and wages.

W. Ongoing Training and Support

Franchisee will have access to our personnel for questions, ongoing training and support by phone and e-mail during regular business hours (Arizona Time Zone). We will continue to consult with and advise Franchisee with regard to our Services and Products by providing a dedicated telephone line only for our

franchisees, free of charge, to answer any questions from Franchisee, any Owner and its Manager, provide updates to the Manual in addition to vendor, supplier, equipment, marketing and operational updates as they become available; review advertising and supplier approval requests; and administer the System Brand Fund.

XIII. OBLIGATIONS OF FRANCHISEE RELATING TO INSURANCE

A. Overall Coverage Required

Before Franchisee opens its Business, Franchisee must purchase insurance coverage from a responsible carrier with a performance rating of A or higher as rated in the most recent edition of Best Insurance Reports (or comparable criteria as we may specify) and Franchisee must maintain such insurance throughout the duration of the initial term of the Franchise Agreement and any renewal terms. Franchisee will procure and maintain general liability insurance and product liability insurance (covers Franchisee for damages that result in injury from products that Franchisee distributes) with a minimum policy limit of one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) aggregate (this policy should include general tort, premises damage, personal and advertising injury and should be at least $1,000,000); and property and casualty insurance with a minimum policy limit of one million dollars ($1,000,000) or an amount specified by us. Franchisee must also procure and maintain property and casualty insurance that covers the assets of the Business, "All Risks" or "Special Form" insurance (coverage for the full cost of replacement of the premises and all other property); and business interruption insurance to fully insure loss of earnings for a period of one hundred eighty (180) days or longer as we may specify. Franchisee must also procure and maintain statutory workers' compensation insurance with limits of greater than one hundred thousand dollars ($100,000) or the minimum limits required by law. Each insurance policy that we require under this Agreement must contain a provision that the policy cannot be canceled without thirty (30) days' written notice to us.

For any construction, renovation, refurbishment or remodeling of the site, Franchisee may be required by us to require that its general contractor maintain, with an approved insurer, commercial general liability insurance (with comprehensive automobile liability coverage for both owned and non-owned vehicles, builders risk, product liability and independent contractor's coverage) with limits of no less than one million dollars ($1,000,000) per claim, naming Franchisee and us as additional insureds, as our interests may appear, together with Workers' Compensation and employer's liability insurance as required by law and as required by the lease. It is Franchisee's responsibility to obtain certificates of insurance from the contractor prior to the initiation of any construction.

To the extent available, we may also require Franchisee to obtain: automobile liability insurance with coverage of owned and hired vehicles with minimum coverage in amounts not less than one hundred thousand dollars ($100,000) combined single limit for bodily and property damage (or what is in accordance with Franchisee's state guidelines), professional liability insurance (which covers Franchisee for damages that do not result in property or bodily damages), employer's liability insurance, employment practices liability insurance, employee dishonesty insurance, cyber liability insurance as well as other disability benefits type insurance as may be required by the statute or rule of each state, with policy limits of one million dollars ($1,000,000) or in the amount we specify.

All insurance policies will name Franchisee as certificate holder and us and our affiliates as an additional named insured with waiver of subrogation by Franchisee for our benefit. We may establish minimum standards for coverage to be met by underwriters for insurance. Before beginning operation, Franchisee will obtain any other liability insurance required by law, provide us with certificates of insurance and a complete copy of all insurance policies within ten (10) days of issuance and maintain all required insurance during the term of this Agreement. Franchisee shall also furnish us with certificates and endorsements evidencing insurance coverage within ten (10) days after each of the following events (i) at all policy renewal periods, no less often than annually and (ii) at all instances of any change to, addition to or replacement of any insurance. Lapses, alterations or cancellations require immediate notice to us and

shall, in our sole discretion, be deemed an immediate material breach of this Agreement as set forth in Section XXIII.C. If Franchisee fails to obtain the required insurance and to keep the same in full force and effect, we may, but shall not be obligated to, pay the premiums, or acquire insurance, and bill Franchisee. Franchisee shall reimburse us for the full cost of such insurance, along with a reasonable service charge to compensate us for the time and effort expended to secure or maintain such insurance. We may change these insurance requirements on reasonable notice to Franchisee.

Franchisee's insurance will cover all claims for injury, damage and death or otherwise, arising directly or indirectly out of the Franchised Business.

Franchisee shall notify us immediately in writing of the occurrence of any material event that does or could give rise to an insurable claim by Franchisee or the Franchised Business, and no later than the date on which Franchisee notifies its insurance carrier.

We reserve the right to change or modify (including increasing) the required minimum coverage limits. We make no representation or warranty to Franchisee that the amount of insurance to be carried by Franchisee under the terms of this Agreement is adequate to fully protect Franchisee's interest. If Franchisee believes that the amount of any such insurance is insufficient, Franchisee is encouraged to obtain, at its sole cost and expense, such additional insurance as it may deem desirable or adequate. Franchisee agrees to seek the advice of its insurance advisor regarding the appropriate types of coverage and coverage limits Franchisee may need to sufficiently protect its Business. Franchisee acknowledges that we shall not, by the fact of approving, disapproving, waiving, accepting or obtaining any insurance, incur any liability for or with respect to the amount of insurance carried, the form or legal sufficiency of such insurance, the solvency of any insurance companies or the payment or defense of any lawsuit in connection with such insurance coverage, and Franchisee hereby expressly assumes full responsibility therefore and all liability, if any, with respect thereto.

Franchisee's compliance with insurance requirements shall not relieve Franchisee of its liability under the indemnity provisions of this Agreement, Section XVIII. Obligations to maintain insurance coverage will not be affected by reason of any separate insurance maintained by us, nor will the maintenance of such insurance relieve Franchisee of any obligations under this Agreement.

Franchisee shall also acquire tenant's liability insurance (if applicable); any other insurance required by the state or locality in which the Business is located and operated, in such amounts as required by statute; and other insurance coverage, as we or the landlord may reasonably require.

Franchisee shall furnish us with certified copies of each of the insurance policies described above on either the earlier of the opening of the Business for operation (defined as the day after Franchisee completes our initial training program) or sixty days (60) days following the date this Agreement is executed.

XIV. OBLIGATIONS OF FRANCHISEE RELATING TO ACCOUNTING AND RECORDS

A. Record Keeping, Accounting and Records

Franchisee acknowledges that the maintenance of accurate financial records and the preparation of financial statements on a timely basis are essential to the efficient operation of the Business. If Franchisee is not qualified to maintain accurate financial records, in our reasonable determination, Franchisee agrees to hire a qualified bookkeeper who will maintain the financial records of the Franchise and who will attend to the bookkeeping for the Business not less than once a week for that purpose.

Franchisee shall maintain during the term of this Agreement, and shall preserve for a minimum of seven (7) years, full, complete, and accurate records of sales, payroll, accounts payable and accounts receivable in accordance with the standard accounting system described by us in the Operations Manual or

otherwise specified in writing. Franchisee will keep its books and records related to the Business separate from any other business owned by Franchisee or its principals. Any such separate business will be conducted by a separate entity.

Franchisee will provide us all hard copy or digital copies as we prescribe on or before the fifth (5th) day of each month or daily if we require. Franchisee will deliver or provide electronic access to business records (we will have independent access to all information that Franchisee stores in any computer, laptop or software), including an itemized report of Franchisee's Gross Revenue for the prior period on a form we prescribe, which will include payment for that periods' or months' fees due, and may include, to the extent that we require:

1. Franchisee's profit and loss statements, payroll records, certification or records of Gross Revenue (as defined in Section X.A), vendor summary reports, promotional reports and reports of account receivables for the month, week, day or period reported;

2. Copies of any invoices and contracts with updated location information in any format we specify;

3. Copies of all invoices for purchases of equipment, products and supplies;

4. Copies of Franchisee's most recent sales tax report and/or sales tax return;

5. Copies of all inspections for the Business from governmental agencies;

6. Copies of all merchant account printouts received from Franchisee's merchant account banking provider (i.e., records of credit and debit card transactions);

7. Copies of all bank deposits and bank deposit records made by Franchisee; and

8. A complete list of all clients, their email addresses, physical addresses and telephone numbers, who: (i) are prospective clients; (ii) have filed a complaint internally or with third parties (such as the Better Business Bureau); or (iii) sought refunds for Services and/or Products during the preceding month, by the fifth (5th) day of each month.

Franchisee acknowledges and agrees that we, at all times during the term of this Agreement and after termination, expiration or cancellation of this Agreement, have the right to access (electronically or otherwise) all Business Records of the Business. We may use, transfer, copy or analyze such Business Records as we determine in our sole discretion to be in the best interest of the System. For purposes of this Agreement, "Business Records" means all records, documents, insurance policies, databases and the like (whether in print, electronic or other form), including all names, addresses, phone numbers, email addresses, client contracts, purchase agreements, vendor and/or supplier records and all other records contained in databases created and maintained by Franchisee pertaining to the operation of the Business, including but not limited to records of clients, employees, vendors and other professionals related to the Business.

Franchisee will be required by us to obtain specific technology items and use specific software in the operation of its Business, including, without limitation, a license to use our Software (if developed by us), or any of our vendors in accordance with Section XII.I of this Agreement and the Operations Manual. Franchisee agrees to pay all costs in connection with obtaining the technology items and software and Franchisee agrees to pay any software license or maintenance fee (if required). Franchisee agrees to pay all costs in connection with maintaining, upgrading, updating, etc. all hardware and software and any additional licenses for any software as necessary to operate its Business (upgrades, maintenance and support for our proprietary software (if developed) will be provided by us as described in Section XX.I). We have the right to charge a reasonable fee for any additional licenses, modification, maintenance and/or

support of Software (if developed) that we may license to Franchisee and other products and services that we may furnish to Franchisee related to its technology items and other systems.

Franchisee will adopt a fiscal year as approved by us and prepare all financial reports in accordance with U.S. generally accepted accounting principles, consistently applied. Franchisee must periodically deliver to us accounting, tax and other information or copies of documents, as we request.

B. Franchisor's Right to Audit

We or our agents may enter the Franchisee's location to examine or audit Franchisee's business at any reasonable time with twenty-four (24) hour notice. We will examine, inspect, or audit Franchisee's database and Business Records, which records will include, but will not be limited to: payroll records, ledgers, sales reports, timecards, check stubs, bank deposits, bank statements, merchant account printouts, receipts, sales tax records and returns, payroll tax records, insurance policies and other documents. We will bear the cost of the audit and Franchisee must correct any deficiency found at Franchisee's own expense and provide us with written evidence that such deficiency was corrected.

C. Method of Payment

All payments Franchisee makes to us will be by any method we specify, including cash, check, certified check, money order, credit card, automatic pre-authorized payment plan, Internet, or electronic funds transfer (as described in Section X.D of this Agreement). All payments to us and dollar amounts stated in this Agreement are in United States dollars unless otherwise expressed. Notwithstanding any other provision in this Agreement to the contrary, in the event the United States currency is redeemed, re-nominated or another currency is issued in its place the new currency will be required. If a conversion of royalties or other payments from another currency is made, the conversion shall be made as of the date the payment is due, or the date the payment is actually made, whichever is more beneficial to us. Franchisee is responsible for any fees associated with payment methods other than cash, check or electronic transfer.

D. Submission of Financial Statements

Franchisee will provide us with a copy of Franchisee's year-end annual financial statements including a profit and loss statement and a balance sheet and containing complete notes and disclosures. Such statements will be prepared in accordance with United States Generally Accepted Accounting Principles ("GAAP"), by an independent accountant, and will be delivered to us within ninety (90) days after Franchisee's fiscal year end.

E. Disclosure of Financial Statements

Franchisee hereby grants us permission to release to Franchisee's lenders or prospective lenders, our purchasers or prospective resale purchasers, any financial and operational information relating to Franchisee and/or the Business; however, we have no obligation to do so. Should we have acquired Franchisee's Business and intend to sell it to a prospective franchisee, we may show such buyer Franchisee's financial statements and related information.

Franchisee also authorizes us to make reasonable inquiries of Franchisee's bank, suppliers, landlord, and creditors concerning the Business and hereby directs such persons and companies to provide to us such information and copies of documents pertaining to the Business as we may request.

XV. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO USES OF NAMES AND MARKS

A. Names and Marks are Licensed by Franchisor

We warrant with respect to the proprietary Names and Marks that:

1. Pursuant to a License Agreement between us and The Flower Garage, LLC, we have been granted the exclusive right to use the Names and Marks to establish The Flower Garage™ franchises in the United States.

2. We are taking and will take such steps as we deem reasonably necessary to preserve and protect the ownership and validity of such Names and Marks; and

3. Franchisee acknowledges that there may be third party pre-existing users or applicants/registrants of trademarks, trade names, or business names similar to the Marks. We and Franchisee shall investigate such use, applications, or registrations, if any, and we shall in our sole discretion decide on the appropriate action to be taken. Any unsuccessful challenge made by us shall not constitute a ground for the termination of this Agreement. In the event we determine in our sole judgment that challenging any such third party's use of the Marks will not likely be successful, or would not be economically feasible to achieve, or if Franchisee shall be required to cease using the Marks (or any of them) by court order, or as a result of any settlement of any such trademark claim by a prior registrant or any pre-existing user, or any other such trademark claim, or if we shall deem it necessary or appropriate to change the name of the Franchise in order to mitigate any potential exposure or damages arising under any trademark claim, Franchisee shall promptly change the name of its Franchise, and thereafter utilize an alternative name established by us. We shall have no obligation to reimburse Franchisee for any costs, causes of action, damages, demands, expenses, fines, liabilities, or penalties, arising out of such a trademark, service mark, logo or trade name change.

4. We will use and permit Franchisee and other franchisees to use the Marks in compliance with the System and standards attendant thereto and contained in the Operations Manual as well as our policy statements, which underlie the goodwill associated with and symbolized by the Names and Marks.

B. Franchisee is Licensed to Use Names and Marks

With respect to Franchisee's franchised use of the Names and Marks pursuant to this Agreement, Franchisee agrees that:

1. Franchisee shall: (i) use only the Names and Marks as are approved in writing by us for Franchisee's use, (ii) use them only in the manner authorized and permitted by us, and (iii) acknowledge that in any use whatsoever of the Names and Marks that the Names and Marks are identified as being registered to or owned by The Flower Garage, LLC with exclusive rights given to us;

2. Franchisee shall use the Names and Marks only in connection with the operation of the Business and in advertising for the Business conducted at or from Franchisee's website and Accepted Location;

3. Franchisee shall use and display, as we may require in the operation of the Business, a notice in the form approved by us indicating that Franchisee is a "Franchise" of Christakos Franchise, LLC and that the Names and Marks are used by Franchisee under such Franchise. Franchisee must indicate to third parties that it is "independently owned and operated" and that Franchisee uses them under a license;

4. Unless otherwise authorized or required by us, Franchisee shall operate and advertise the Business under the Name and Mark "The Flower Garage™;"

5. Franchisee's right to use the Names and Marks is limited to such usages as are authorized under this Agreement, and any unauthorized use shall constitute an infringement of our rights and a material breach of this Agreement;

6. Franchisee must obtain our approval for any use of any item of printed or digital material of any kind bearing any of the Names or Marks unless we supplied the item. We shall approve or deny Franchisee's request, which approval is at our sole discretion, within thirty (30) days of receipt of Franchisee's written request. If we fail to respond to Franchisee's request within said thirty (30) day period, Franchisee's request shall be deemed denied. Franchisee shall use such notices of trademark registrations and copyrights as we specify.

7. Franchisee shall not use the Names and Marks to incur any obligations or indebtedness on our behalf;

8. Franchisee shall not use the Names and Marks or any part thereof as part of its corporate or other legal name;

9. Except as otherwise permitted in this Agreement, Franchisee shall not use the Names and Marks or any part thereof in any form on the Internet, including but not limited to, addresses, domain names, URL's, Websites, links, metatags, locators and search techniques;

10. Franchisee shall comply with our instructions in filing and maintaining the requisite trade name or fictitious name registration, and shall execute any documents deemed necessary by us or our counsel to obtain protection for the Names and Marks or to maintain their continued validity and enforceability; and

11. In the event any litigation involving the Names and Marks is instituted or threatened against Franchisee, Franchisee shall promptly notify us and shall cooperate fully with us in defending such litigation. Franchisee agrees to execute any and all instruments and documents, render such assistance, and do such acts or things as may, in our sole opinion, be reasonably necessary or advisable to protect and maintain the interests of us or any other interested party in the Names and Marks. Other than what is stated in this Agreement, we are not obligated to protect Franchisee's right to use the trademarks or protect Franchisee against claims of infringement or unfair competition with respect to them and we may direct Franchisee not to use the Marks or to change the Marks at Franchisee's expense. We will control any and all such litigation, arbitration, and mediation involving the Marks. Franchisee has no authority to institute any litigation, file any arbitration, or institute any request for mediation regarding the Marks, nor does Franchisee have any authority to enter into any settlement negotiations. Although we are not contractually obligated to protect the Marks or Franchise's right to use them, as a matter of corporate policy, we intend to defend the Marks vigorously.

12. During the term of this Agreement and any renewal, Franchisee shall identify itself as the owner of the Business in conjunction with any use of the Names and Marks, including, but not limited to, on invoices, order forms, receipts and contracts, as well as at such conspicuous locations on the premises as we may designate in writing. The form and content of such identification shall comply with standards set forth in the Operations Manual; and

13. Franchisee further agrees to follow all of our quality standards that are inherent in the Names and Marks. Such quality standards are contained in the Operations Manual, as well

as various memos or policy statements issued by us, and may be changed from time to time at our sole discretion.

C. Franchisee Will Not Challenge Franchisor's Rights in Its Use of Names and Marks

Franchisee agrees and acknowledges that:

1. As between the Parties hereto, The Flower Garage, LLC is the owner of all right, title, and interest in and to the Names and Marks and the goodwill associated with and symbolized by them;

2. The Names and Marks are valid and serve to identify the System and those who are franchised under the System;

3. Franchisee shall not directly or indirectly contest the validity or the ownership of the Names and Marks;

4. Franchisee's use of the Names and Marks pursuant to this Agreement does not give Franchisee any ownership interest or other interest in or to the Names and Marks, except the non-exclusive Franchise granted herein;

5. Any goodwill arising from Franchisee's use of the Names and Marks in its Business under the System shall inure solely and exclusively to our benefit, and upon expiration or termination of this Agreement and the Franchise herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the System or the Names and Marks;

6. We reserve the right to substitute different Names and Marks for use in identifying the System, the Business and other franchised businesses operating there under;

7. Franchisee hereby agrees to comply, at Franchisee's expense, with any directions from us to discontinue, modify, substitute or add Names and Marks. We cannot and do not make any guaranty that a modification, discontinuance or otherwise will not be required for any reason. In such event, we have no liability to Franchisee. Franchisee agrees to make no claim in connection with any modification, discontinuance or other action, and/or with any dispute regarding the Names and Marks. There is always a possibility that there might be one or more businesses using a name and/or marks similar to us with superior rights. We will aggressively oppose any challenges to the Marks;

8. Franchisee hereby agrees not to register, or attempt to register the Names and Marks in Franchisee's name or that of any other firm, person or corporation;

9. The right and license of the Names and Marks granted to Franchisee is nonexclusive, and thus we have and retain the rights, among others:

   a. To use the Names and Marks in connection with offering and selling Services and Products (including equipment if we choose to do so in the future);

   b. To use the Names and Marks to market on the Internet, including all use of Websites, domain names, URL's, linking, advertising and co-branding arrangements. Franchisee may not establish a presence on the Internet except as we may specify and only with our prior written consent. We retain the right to approve any linking to or other use of our website or any other Website specific to our Services and Products;

c. To grant other franchises or licenses for the Names and Marks, in addition to those already granted to existing franchisees; and

d. To develop and establish other systems using similar Names and Marks, or any other proprietary marks and to grant licenses or franchises thereto at any location(s) whatsoever without providing any rights therein to Franchisee.

10. Franchisee understands and acknowledges that we have the unrestricted right to engage, directly or indirectly, through our employees, representatives, licensees, assigns, agents and others, at wholesale, retail and otherwise, in the production, distribution and sale of Products and/or Software bearing the Names and Marks licensed or other names or marks, including without limitation, products included as part of the System. Franchisee shall not under any circumstances engage in any wholesale trade or sale of System equipment, products and/or Software for resale and/or independently act as an exclusive distributor for any third-party vendor or secure any exclusive rights for any System equipment, product and/or Software or non-System products, equipment or software without our written consent.

D. Ownership of Intellectual Property

Franchisee acknowledges that we are the exclusive owner of the intellectual property which includes the following: the Names and Marks (some by license from The Flower Garage, LLC), all Confidential Information, all intellectual property associated with the Names and Marks and the System, all vendor and supplier relationships, all employees and client lists which include all client phone listings/addresses/URLs held by Franchisee. Franchisee agrees that Franchisee will not use these lists for any purpose other than in relation to the Business. Franchisee will, on demand, promptly deliver to us a complete list of Franchisee's clients and Employees including information we may request related to such clients and Employees. The use of any or all such intellectual property shall not create in Franchisee, or its Owners, if it is an Entity, title or interest in or to any of it except as expressly provided in this Agreement. Neither Franchisee, nor any of its Owners shall directly or indirectly assert any right, title or interest in or to any of the Marks or any other part of the intellectual property other than as provided for in this Agreement. Franchisee acknowledges that we shall own all intellectual property rights to any materials provided to Franchisee by us, or developed by Franchisee pursuant to this Agreement, and regarding all such materials, this Agreement shall constitute a "work for hire." In the event that an arbitral panel or court of competent jurisdiction decides that this Agreement is not a work for hire with respect to such materials, Franchisee agrees to assign all copyright rights to all such works to us. Such ownership rights shall be in all media, whether now known or hereinafter invented, by all means, methods, and processes, including complete and entire interactive rights, and rights to derivative works.

XVI. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO CONFIDENTIALITY OF PROPRIETARY INFORMATION

A. Franchisee Shall Learn Proprietary Matters

Franchisee acknowledges that it will obtain our knowledge of proprietary matters, methods, techniques and business procedures that are necessary and essential to the operation of the Franchise, without which Franchisee could not effectively and efficiently operate such business, including, without limitation, knowledge regarding the System and our: Services, Curriculum, Products, specifications for all equipment, products and supplies used; vendor and supplier relationships; build out specifications, flooring, furnishings, décor, color scheme and signage (if Franchisee chooses to operate out of a location rather than from its home garage); Vehicle appearance standards, advertising, marketing, social media and promotional materials and strategies; operational procedures of the Business and the Operations Manual. Franchisee further acknowledges that all Confidential Information was not known to Franchisee prior to

execution of this Agreement and that our methods are unique and novel to the System. Franchisee acknowledges that Confidential Information shall also include:

1. Persons, corporations or other entities, which are, have been or become franchisees of the System and any investors therein;

2. Any person or entity which is, has been or becomes a client of the Business;

3. The terms of and negotiations relating to past or current franchise agreements with respect to the System;

4. The operating procedures of the System, including without limitation: how to purchase, store and maintain an inventory of fresh flowers; how to organize and schedule workshops; how to use our Curriculum when teaching workshops; how to execute Services to setup and take down for events; how to setup and perform onsite flower bar services; how to sell Products; how to implement cost and pricing strategies, inventory management, merchandising strategies and recordkeeping processes; how to use our website and navigating social media; strategies for hiring, training and managing Employees in addition to effective advertising, promotional and marketing methods;

5. The economic and financial characteristics of the System and franchisees, including without limitation: pricing policies, training, profitability, earnings and losses and capital and debt structures;

6. The Services and Products offered to clients of a The Flower Garage™ Business, including, without limitation, the scope of services performed and services refused; as well as all future service and product development plans, marketing strategies; and

7. All documentation of the information listed in Sections XVI.A.1 through XVI.A.6 including, without limitation, our training program and Operations Manual. During the term of this Agreement and for a period of five (5) years following the expiration or termination of this Agreement, Franchisee (including anyone related to Franchisee) agrees not to use, divulge, directly or indirectly, any Confidential Information, without our prior written consent. Nothing contained herein shall be construed so as to require Franchisee to divulge any secret processes, techniques, formulas, or the like.

B. Franchisee's Employees Will Not Disclose Confidential Information

Franchisee must keep the methods of operations (confidential information found in the Manuals and other documents) and Manuals confidential and not disclose them except to Franchisee's Employees, agents, representatives, and independent contractors (if Franchisee chooses to use independent contractors) as they must have access to it in order to operate The Flower Garage™ Business. Franchisee must follow all our security procedures, which include the execution and delivery to us of an approved nondisclosure or non-competition agreement from its Manager (if such person is someone other than Franchisee or an Owner) within one week after such person is hired. These agreements state that such person shall not during the course of his/her employment, representation, or agency with Franchisee, or for a period of three (3) years thereafter, use, divulge, disclose or communicate, directly or indirectly, in any form or manner, to any person, firm or corporation or other Entity, any of our Confidential Information.

The Operations Manual (and all other materials) are and remain our exclusive property. We will loan Franchisee one copy (hard or electronic) for the term of this Agreement. Franchisee must return the Manuals (and/or destroy any electronic version of the Manual) to us at the termination or expiration of this Agreement for any reason, or at any other time at our request. The Manuals contain mandatory and suggested specifications, standards and operating procedures that we prescribe for franchised businesses

and contain information about Franchisee's other obligations under this Agreement. We may change or add to the Operations Manual to reflect changes in our image, specifications, and procedures and methods of operation, and will lend Franchisee copies of any changes or additions. However, we will not make any change that will change Franchisee's fundamental status and rights under this Agreement. Franchisee shall not copy any part of the Operations Manual (except for designated training sections), either physically or electronically. If Franchisee's copy of the Operations Manual is lost, destroyed or significantly damaged, Franchisee must replace the Operations Manual at its own expense as set forth in Section XX.G.

C. Relationship with Former Franchisees

Franchisee acknowledges that former franchisees (those whose franchise agreements have expired or have been terminated) may have the ability to compete unfairly with Franchisee and/or other members of The Flower Garage™ System and to cause great injury to the reputation of the System and the Names and Marks. Franchisee therefore agrees as follows:

1. Franchisee will not sell, loan, give or otherwise transfer or deliver to any former franchisees or allow any former franchisees to copy or otherwise obtain, any Confidential Information; any advertising or promotional materials produced by us or which bear any of the Names and Marks; any other materials or publications of ours, including, without limitation, the Operations Manual; any directory or roster of franchisees or approved vendors and suppliers, any other client lists or mailing lists pertaining in any way to the System; or any other information about the System, Business or confidential information which is not available to the public.

2. Franchisee will not refer prospective clients to any former franchisee.

3. Franchisee will not notify or advise any former franchisee of, or in any other way assist any former franchisee in learning about, the date, time and place of any meetings of franchisees.

4. If Franchisee observes any former franchisee using any of the Names and Marks in any way, or utilizing a business location (including any vehicles) for which the Names and Marks and/or distinctive color scheme have not been completely removed, Franchisee shall immediately report such observations to us along with all details available to Franchisee.

5. Franchisee shall in general have no dealings with former franchisees which Franchisee, under this Agreement, could not have with a person who has never been a The Flower Garage™ franchisee.

6. The provisions of this Section XVI.C shall apply to Franchisee as soon as Franchisee is on notice of the expiration or termination of another franchise or license agreement. Franchisee shall be deemed to be on such notice when:

    i. Franchisee receives a new franchisee directory in which such franchise does not appear; or

    ii. Franchisee receives written notice from us that one or more particular franchise agreements have expired or been terminated.

D. Injunctive Relief is Available to Franchisor

Franchisee acknowledges that any failure to comply with the requirements of this Section XVI will cause us irreparable injury, and we shall be entitled to obtain specific performance of, or an injunction

against any violation of, such requirements; Franchisee waives any requirements for the posting of any bond(s) relating thereto. Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by us in obtaining specific performance of, or an injunction against, violation of requirements of this Section XVI. The foregoing remedies shall be in addition to any other legal or equitable remedies, which we may have.

E. Franchisor's Patent Rights and Copyrights

We do not own rights in or to any patents that are material to the Franchise at this time. However, we claim copyright protection for several aspects of our System such as our Services (including our proprietary themed workshops), Curriculum, the Operations Manual and all related materials, Software, intranet, website and all training, promotional and marketing materials (including all photographs and videos), sales, advertising and operations materials. Such copyright protection and ownership shall extend to all media, whether now known or hereinafter invented, by all means, methods, and processes, whether now known or hereinafter invented, including rights to interactive works and derivative works. Furthermore, we claim rights to certain trade secrets and Confidential Information as discussed above.

F. Franchisee Shall Not Contest Franchisor's Ownership Right to Any Confidential Information, Trade Secrets, Patents or Copyrights

Franchisee expressly understands and acknowledges that:

1. We are the owner of all Confidential Information, trade secrets, copyrights and patent rights;

2. Franchisee shall not directly or indirectly contest the validity or the ownership of our Confidential Information, trade secrets, copyrights and patents;

3. Franchisee's use of our Confidential Information, trade secrets, copyrights and patents does not give Franchisee any ownership interest or other interest in or to the Confidential Information, trade secrets, copyrights and patents, except the non-exclusive Franchise granted herein;

4. Any goodwill arising from Franchisee's use of the Confidential Information, trade secrets, copyrights and patents in its Business under the System shall inure solely and exclusively to our benefit, and upon expiration or termination of this Agreement and the Franchise herein granted, no monetary amount shall be assigned as attributable to any licensed Confidential Information, trade secrets, copyrights and patents;

5. We reserve the right to substitute different Confidential Information, trade secrets, copyrights and patents for use in operating and maintaining the System;

6. Franchisee hereby agrees to comply, at Franchisee's expense, with any directions from us to discontinue, modify, substitute or add any new Confidential Information, trade secrets, copyrights and patents. We cannot and do not make any guarantee that a modification, discontinuance or otherwise will not be required for any reason. In such event, we have no liability to Franchisee. Franchisee agrees to make no claim in connection with any modification, discontinuance or other action, and/or with any dispute regarding any licensed Confidential Information, trade secrets, copyrights and patents;

7. Franchisee hereby agrees not to register or attempt to register any Confidential Information, trade secrets, copyrights or patents in Franchisee's name or that of any other firm, person or corporation; and

8. The right and license of the Confidential Information, trade secrets, copyrights and patents granted to Franchisee is nonexclusive, and we have and retain the rights, among others:

   a. To use the trade secrets, Confidential Information, patents, and copyrights in connection with offering Services and Products;

   b. To use the trade secrets, Confidential Information, copyrights and patents to market on the Internet, including all use of Websites, domain names, URL's, linking, advertising and co-branding arrangements;

   c. To grant other licenses for the trade secrets, Confidential Information, copyrights and patents, in addition to those licenses already granted to existing franchisees; and

   d. To develop and establish other systems using similar trade secrets, Confidential Information, patents, and copyrights, and to grant licenses or franchises thereto at any location(s) whatsoever without providing any rights therein to Franchisee.

9. Franchisee understands and acknowledges that we have the unrestricted right to engage, directly or indirectly, through us or our employees, representatives, licensees, assigns, agents and others, at wholesale, retail and otherwise, in the production, distribution and sale of Products bearing the trade secrets, Confidential Information, patents, and copyrights licensed, including without limitation, any other products and/or equipment included as part of the System.

XVII. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO TAXES, PERMITS AND LAWSUITS

A. Franchisee Must Notify Franchisor of Lawsuits

Franchisee shall notify us in writing within five (5) days of notice of the commencement of any action, suit or proceeding against Franchisee (including if Franchisee, any of its Owners or Manager are charged with or found guilty of a felony as defined in their home state), and of the issuance of any inquiry, subpoena, order, writ, injunction, award or decree of any court, agency, or other governmental instrumentality, which arises out of, concerns, or may affect the operation or financial condition of the Business, including, without limitation, any criminal action or proceedings brought by Franchisee against its employees, clients, or other persons. Franchisee shall give us advance written notice of Franchisee's intent to institute legal action against us, specifying the basis for such proposed action, and shall grant us thirty (30) days from receipt of said notice to cure the alleged act upon which such legal action is to be based.

B. Franchisee Must Pay Taxes Promptly

Franchisee shall promptly pay when due all taxes levied or assessed, including, without limitation, unemployment and sales taxes, and all accounts and other indebtedness of any kind incurred by Franchisee in the conduct of the Business. Franchisee shall pay us an amount equal to any sales tax, gross receipts tax or similar tax imposed on us with respect to any payments to us required under this Agreement, unless tax is credited against income tax otherwise payable by us.

C. Franchisee May Contest Tax Assessments

In the event of any bona fide dispute as to any liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law. However, in no event shall Franchisee permit a tax sale or seizure

by levy of execution or similar writ or warrant, or attachment by a creditor to occur against the site of the Business, or any improvements thereon.

XVIII. SPECIFIC OBLIGATION OF FRANCHISEE RELATING TO INDEMNIFICATION

Franchisee understands and agrees that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name or the name of any of our officers, owners, members, managers, agents or employees. Franchisee further understands and agrees that we, and our officers, owners, members, managers, agents, and employees, shall in no event have or assume liability for, or be deemed liable as a result of, any such action, or by reason of any act or omission of Franchisee in its conduct of the Business or any claim or judgment arising there from against Franchisee.

For the purposes of this indemnification, the terms "claim, loss or obligation" will include compensatory, special, exemplary or punitive damages; fines and penalties; attorneys' fees; experts' fees; court costs; costs associated with investigating and defending against claims; settlement amounts, judgments, compensation for damages to our reputation and goodwill; and all other costs associated with any of the foregoing claims, losses or obligations.

Franchisee shall defend, indemnify and hold us and our officers, owners, manager, members, agents, and employees harmless against all fines, suits, proceedings, claims (including but not limited to, any safety and security claims, claims of injury, claims of theft, claims arising as a result of the operation and/or maintenance of any equipment or Vehicles, claims of neglect, abuse, death, vicarious or other liability), demands, actions, losses, damages, costs, expenses, fees (including legal fees, disbursements and related expenses), penalties and/or any other liability of any kind or nature, however arising, growing out of or otherwise connected with and/or related to any act, error and/or omission of Franchisee (including Franchisee's ownership, operation and/or management of the Business) and/or any referral, service provider, supplier or other agent/independent contractor or employee of Franchisee including acts, errors or omissions committed or incurred, negligent or intentional acts in connection with Franchisee's operation of the Business and infringement, violation or alleged infringement or violation of any Mark, patent or copyright or any misuse of the Confidential Information. This provision includes any liability arising from labor or employment law violations as well as any liability related to joint employer claims and harassment claims. This provision includes all claims, as indicated above, of ours, directly against Franchisee (without a third-party involvement) due to acts or omissions of Franchisee in which we suffer damages including but not limited to, harm to our goodwill and reputation.

We will have the right to control all litigation, including selection and management of counsel and defend and/or settle any claim, against and/or including us and/or our-related persons/entities, or affecting our and/or their interests with no obligation to Franchisee and without affecting our rights under this indemnity or otherwise. Franchisee may appoint separate independent counsel to represent Franchisee's interest in such suits, proceedings, claims, etc., all at Franchisee's expense. Franchisee's indemnification obligations survive termination of this Agreement.

XIX. MISCELLANEOUS COVENANTS OF FRANCHISEE

A. Covenants are Independent

The Parties agree that each covenant herein shall be construed to be independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Agreement is held to be unenforceable or unreasonable by a court or agency having competent jurisdiction in any final decision to which we are a party, Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resultant covenant were separately stated in and made a part of this Agreement.

B. Franchisee's Principals

The term "Franchisee's Principals" shall include, collectively and individually, Franchisee's spouse, if Franchisee is an entity, all managing partners, general partners, members, managers, shareholders, officers, directors and other operational personnel whom we designate as Franchisee's Principals and all holders of an ownership interest in any entity directly or indirectly controlling Franchisee, and any other person or entity controlling, controlled by or under common control with Franchisee. The initial Franchisee's Principals shall be listed on Schedule 7 of this Agreement.

C. Franchisee Will Not Compete Against Franchisor

Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training, our Confidential Information and access to our System.

Franchisee agrees that, except as otherwise approved in writing by us, Franchisee shall not, during the term of this Agreement and for a period of two (2) years from the date of (i) a transfer permitted under this Agreement; (ii) the expiration or termination of this Agreement (regardless of the cause for termination); or (iii) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to the enforcement of this Section XIX.C, for itself, or through, on behalf of, or in conjunction with, any person, persons, or legal entity, own, maintain, operate, engage in, be employed by, consult with or have any interest in any business using any aspect of the System, The Flower Garage™ Business concept, with similar Services or Products within a ten (10) mile radius of the Accepted Location designated hereunder, or within a ten (10) mile radius of any other System franchise or company-owned business in existence or planned as of the time of termination or expiration of this Agreement, as identified in the Franchise Disclosure Document in effect as of the date of expiration or termination of this Agreement. For purposes of clarification, Franchisee may not, during the term of this Agreement, operate a competing business anywhere.

The unenforceability of all or part of this covenant not to compete in any jurisdiction will not affect the enforceability of this covenant not to compete in any other jurisdictions, or the enforceability of the remainder of this Agreement. This covenant not to compete is given in part in specific consideration for access to trade secrets provided as a part of our training or ongoing support programs. In any jurisdiction in which the covenant contained in this Section XIX or any part of it is deemed not enforceable in whole or in part, Franchisee hereby grants us an option to purchase Franchisee's Business on expiration or termination of this Agreement. In such case, we may exercise this option by giving thirty (30) days' written notice to Franchisee (Sections XXII.C and XXII.E). On termination or expiration, Franchisee will deliver to us a list of Assets (as described in Section XXIV.G) and their cost as well as receipts evidencing their cost. Franchisee must relinquish possession on receipt of payment, but no later than ninety (90) days after expiration or termination. Franchisee's other post termination obligations under this Agreement and by law remain in effect on termination or expiration of this Agreement.

D. Exception to Covenant Not to Compete

Section XIX.C hereof shall not apply to ownership by Franchisee or any of its Owners of less than a five percent (5%) beneficial interest in the outstanding equity securities of any Publicly-Held Corporation. As used in this Agreement the term "Publicly-Held Corporation" shall be deemed to refer to a corporation which has securities that have been registered under the Federal Securities Exchange Act of 1934.

E. Franchisee Will Not Divert Business

During the term of this Agreement and for a period of two (2) years following the expiration or termination of this Agreement, Franchisee agrees that it will not, for itself, or through, on behalf of, or in conjunction with any person, persons, or legal entity:

1. Solicit, service, sell or attempt to divert business to any competitor by direct inducement or otherwise, or any clients of its Business or any other franchisees including company-owned businesses, with which or with whom Franchisee has had business contact during the term of this Agreement; or

2. Do or perform any other act injurious or prejudicial to the goodwill associated with the Names and Marks or the System or both.

F. Franchisor Is Entitled to Injunctive Relief

In addition to any and all other remedies and damages to which we are entitled, in order to protect our Names, Marks, Services, Curriculum, Products, Confidential Information, proprietary materials and rights, and goodwill, we may seek a permanent injunction and the preliminary or temporary equitable relief we deem necessary, to restrain the violation of this Agreement by Franchisee or any persons, parties, and entities acting for Franchisee. Franchisee agrees that we may obtain the injunctive relief and enter it in any court or arbitration forum that we deem appropriate.

In recognition of the difficulty in determining on an expedited basis the value of, and the necessity of us to avoid irreparable harm and to protect, our Names and Marks, Services, Curriculum, Products, Confidential Information, methods of operation, copyrighted materials, patents, trade secrets, proprietary materials and rights, and goodwill, Franchisee waives, to the extent permitted by law, the right to interpose the defense that we have an adequate remedy at law. Franchisee further waives any requirement that we post a bond or other security, to the extent permitted by law.

G. Covenants Are Enforceable Independent of Claims

Franchisee expressly agrees that the existence of any claim it may have against us, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by us of the covenants of this Section XIX. Franchisee further agrees that we shall be entitled to set off any amounts owed by us to Franchisee against any loss or damage to us resulting from Franchisee's breach of this Section XIX.

H. No Right of Set-Off

Franchisee expressly agrees that the existence of any claims it may have against us, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by us of the covenants in this Section XIX and there shall be no set off for Franchisee's claim. Franchisee agrees to pay all damages, costs and expenses (including reasonable attorney's fees) incurred by us in connection with the enforcement of this Section XIX.

I. Disclosure of Contact Information in FDD

Franchisee acknowledges that its contact information will be included in our Franchise Disclosure Document in the future, as required by Arizona and other state agencies and the Federal Trade Commission, and that such inclusion may result in prospective franchisees contacting Franchisee.

XX. OBLIGATIONS OF FRANCHISOR: SUPERVISION, ASSISTANCE OR SERVICES

We shall provide Franchisee with the following assistance and services:

A. The Training Program

We will provide access to a self-study program (and related materials) that must be completed prior to attending our initial training program. We will also provide Franchisee with an initial training program at our headquarters or another location of our choice. The initial training program will take place after Franchisee pays the Initial Franchisee Fee and within sixty (60) days after signing this Agreement. We will provide a five (5) day training program without charge to Franchisee and/or up to two people which could also be another Owner and/or Manager (total of three people) as designated by Franchisee prior to the date Franchisee anticipates opening its Business for operation. Franchisee will, however, be responsible for travel, accommodation, and other costs for all its attendees. Franchisee must attend and satisfactorily complete training prior to Franchisee conducting business and opening the Business for operation. If Franchisee, any Owner or Manager fails to timely complete the initial training program to our satisfaction, Franchisee has the right to appoint another person to be trained by us at Franchisee's expense and if the other person does not satisfactorily complete the training to our satisfaction, then we may terminate this Agreement as described in Section XXIII.C. For Franchisee's second and subsequent Businesses, we will not be obligated to provide additional training to Franchisee, its Owners or Manager, however we can provide training and Franchisee will be required to pay a fee for such training (which fee is up to two hundred fifty dollars ($250) per person per day) and Franchisee will be responsible for any travel, food and accommodation expenses for attending such training or the actual wages and travel expenses incurred by us if we go to Franchisee.

We may reasonably require Franchisee, its Owners, and/or Manager to receive or attend and complete to our satisfaction additional or advanced training from time to time. Franchisee may be required to pay a fee for such training of up to two hundred fifty dollars ($250) per person per day. Franchisee must also pay for travel, food, and accommodations and all other related expenses. We will attempt to use distance learning techniques where possible, to minimize these costs.

Depending on availability, we may provide additional training to Franchisee for Franchisee's Owners or Manager at Franchisee's request. Franchisee may be required to pay us any additional costs over and above the additional training fees such as travel that we reasonably incur should training be held at Franchisee's Business. If additional training is held at our corporate headquarters, Franchisee will be responsible for travel, food and accommodations and other expenses of trainees.

We offer training resources, such as an Operations Manual, to assist franchisees at their business location. Franchisee acknowledges that its compliance with the Operations Manual is vitally important to us and other System franchisees and is necessary to protect our representation and the guidance of the Names and Marks and to maintain the uniform quality of operation throughout the System. However, while the Operations Manual is designed to protect our reputation and the goodwill of the Names and Marks, the Operations Manual is not designed to control the day-to-day operation of the Business. Franchisee shall give us not less than thirty (30) days' notice of the dates and times when Franchisee is available for training. Training dates must be mutually agreed upon by Franchisee and us.

(i) We shall also offer additional training resources to Franchisee to be determined by us, for the operation, advertising and promotion of the Business including refresher training programs, seminars, workshops, annual conference and information available through the franchise website for the benefit of Franchisee, its Owners and Manager. We may charge a reasonable fee for additional training if deemed appropriate (distinct from continuing education) but not to exceed a pro-rated amount of the advanced/additional training fee. All traveling, food, accommodations and other expenses incurred by Franchisee or Franchisee's representatives attending our training shall be paid by Franchisee.

(ii) We may conduct an annual conference at such place as shall be designated by us for all franchisees but initially it will most likely be at our headquarters. A registration fee for each participant may be required not to exceed one thousand

dollars ($1,000) per person and Franchisee will be responsible for costs associated with attending the conference such as travel, food, accommodations and other expenses. We reserve the right to increase the fee a reasonable amount based on reasonable criteria.

(iii) We may provide continuing education sessions ("Continuing Education") at locations designated by us but most likely at our headquarters. Continuing Education sessions may have a registration charge of two hundred fifty dollars ($250) per day per person. Franchisee is also responsible for costs associated with attending the meetings such as travel, food and accommodations or our expenses (such as travel, food and accommodations) if we provide Continuing Education sessions onsite at Franchisee's Business. The Continuing Education sessions will normally not exceed one (1) day and it is expected we will at least have quarterly programs subject to special need. The content will cover particular aspects of the franchise including but not limited to: updated Services (including workshops) Products and changes to our Curriculum; vendor and supplier relationship updates, industry developments, technology and software developments, promotions, operational and service standards, sales and marketing, administration and so forth. We reserve the right to increase the per day fee a reasonable amount based on reasonable criteria.

As part of the initial training program, we will provide Franchisee with: a written list of approved Services (including our proprietary workshops), Curriculum and Products Franchisee is required to use, offer, perform and sell; a written list of approved equipment, products, supplies and services (as described in Section XII.I) Franchisee is authorized to purchase, use and offer; a written list of approved vendors and suppliers to purchase equipment, products, supplies and services from; strategies for purchasing equipment, products and supplies; specifications, maintenance and operation guidelines for all equipment and technology items; Vehicle appearance standards, access to our intranet system, recommended procedures and standards for hiring and training Employees and engaging independent contractors (if Franchisee chooses to use independent contractors); techniques in efficiencies, operational standards, safety procedures, suggested rates and pricing for Services and Products in addition to sales training, advertising, marketing and promotional strategies and materials that have been developed by us (or our affiliates) and are necessary in the operation of the Business. We reserve the right, in our sole discretion, to add, modify, change or discontinue any Service, Curriculum or Product from time to time as specified in Sections XII.H and XII.I of this Agreement. Franchisee will be responsible for all costs associated with the administration of such changes.

We will provide Franchisee with any Software, if developed. Basic initial training for the Software and all other software programs necessary to run the Business will be provided as part of the initial franchise training program. In addition, we may provide technical support, ongoing assistance, consultation and upgrade requirements for Franchisee's technology items and software. We will update and make changes to the Software, if developed, as we deem necessary. We will provide recommendations for other software programs necessary for the operation of the Business. All costs associated with installation, upgrading, protecting and maintaining the technology items and all other software programs necessary for the operation of the Business are the sole responsibility of Franchisee.

We will provide up to two (2) days of sales, marketing and operational assistance onsite at Franchisee's Business. Franchisee shall give us not less than thirty (30) days' notice of when Franchisee wants us to provide either the pre-opening or grand opening assistance. The dates for our visit for such assistance and guidance must be mutually agreed upon by Franchisee and us. Such assistance shall be completed no earlier than thirty (30) days prior to the Opening Date and completed no later than ninety (90) days after the Business is open for operation. Any costs incurred by us in connection with either the pre-opening or grand opening assistance onsite at Franchisee's Business within the timeframe as described

above will be paid by us. If Franchisee does not take advantage of this onsite assistance and guidance within the timeframe described above, then we are not obligated to provide such assistance to Franchisee without charging Franchisee for the actual wages and travel expenses incurred by us. For Franchisee's second and subsequent Businesses, we will provide the same pre-opening or grand opening supervision and assistance as described above; however, Franchisee will be responsible for actual wages and travel expenses incurred by us. In such circumstances where Franchisee is responsible for actual wages and travel expenses, we will provide Franchisee with invoices for amounts owed and we may require Franchisee to pre-pay all or a portion of the actual amounts incurred by us. Additional support requested by Franchisee will be subject to the training charges as described in Section XX.A.

We will provide additional guidance during the operation of the Business in an effort to resolve operational challenges Franchisee may encounter outside the scope of the Operations Manual. This guidance can be furnished in whatever manner we consider appropriate in our Business Judgment, including electronically via an intranet system, free of charge, to answer questions from Franchisee, its Owners or Manager (during regular business hours Arizona Time Zone). Guidance may also be furnished in writing, telephonically, through training programs and/or onsite consultations, virtual training, among other methods. Onsite consultations are subject to additional training fees as mentioned above in addition to any and all travel, food, accommodations and other expenses incurred by us and shall be paid by Franchisee.

We may provide guidance to Franchisee in its efforts to obtain all registrations, certifications, licenses and permits required to operate the Business. Ultimately, however it is Franchisee's responsibility and obligation to obtain and maintain all such registrations, certifications, licenses and permits and all out of pocket costs associated with obtaining and maintaining such registrations, certifications, licenses and permits as described in Section XII.C of this Agreement.

We may, from time to time, provide to Franchisee, at Franchisee's expense, such advertising and promotional plans and materials for local advertising and may direct the discontinuance of such plans and materials, from time to time. All other advertising and promotional materials that Franchisee proposes to use must be reviewed and approved by us, pursuant to Section XII.L of this Agreement.

We may provide Franchisee with emails, text messages, announcements, memos, bulletins, brochures, manuals and reports, if any, as may from time to time be published by us or on our behalf regarding our plans, policies, developments and activities. In addition, we may provide such communication concerning Services, Curriculum, Products, third party software, industry developments and improvements to the management of the Business that we determine are relevant to the operation of the Business and communication with other franchisees by means of our intranet system. We may also establish a Franchisee elected peer group whose main purpose will be to mentor, support each other and regularly communicate to franchisees. We have the power to dissolve, merge, or change such peer advisory groups.

We shall provide guidance and specifications for all equipment, and technology items in addition to all furnishings, fixtures, flooring, décor and signage (if Franchisee operates out of a location rather than from its home garage) that Franchisee must purchase all of which is necessary to operate the Business. In addition, we shall provide guidance for establishing standardized accounting, record keeping, cost management and inventory tracking systems. We will also provide Franchisee with all update and upgrade requirements for its technology items and related software programs in response to changes in the Operations Manual or changes in our policies that are communicated to Franchisee in writing. The cost for such updates and/or upgrades is Franchisee's responsibility.

We will consult with Franchisee at no additional charge regarding policies, sales, marketing and operational issues. Franchisee will also be able to send us questions and suggestions using email or the intranet system as described above and in Section XII.H of this Agreement.

All of our obligations under this Agreement shall benefit only Franchisee, and no other party is entitled to rely on, enforce, benefit from or obtain relief for breach of such obligations, either directly or by subrogation.

B. Website

We will provide to Franchisee a The Flower Garage™ website which is a URL housed within the corporate website that will include a workshop calendar and booking functionality and access to our intranet system (if developed) that houses additional training, advertising, operational and support materials. Franchisee may customize parts of the website with our approval; however, the look must remain consistent as specified in the Operations Manual. Franchisee agrees and acknowledges that maintenance and any changes, edits or updates to the website and/or any Website promotions over the Internet must be performed by us, our affiliates and/or approved vendors. Upon approval of Franchisee's request, which must be submitted in writing, Franchisee is responsible for the cost of such changes. Franchisee may neither establish nor use any Website without our prior written approval and if such approval is granted, Franchisee must comply with our requirements regarding discussing, advertising or disseminating any information on a Website, regarding the Business as described in Section VI of this Agreement. Such approval may be revoked at any time by us in our sole and absolute discretion. We shall own all copyright and other intellectual property rights to the website, as well as the contents of the corporate website or any other Website upon expiration or termination of this Agreement as described in Section XXIV.E. This shall include ownership rights in all media, whether now known or hereinafter invented, by all means, methods, and processes, whether now known or hereinafter invented, including interactive rights and rights to derivative works.

C. Premises Selection

Franchisee has the responsibility for selecting the Premises for the Business. Whether Franchisee chooses to operate either out of its home garage or out of a location (such as a small office, warehouse, or industrial space as described in Section XII.S) we will review and approve or disapprove the location of the Premises and will not unreasonably withhold our approval. If Franchisee chooses to operate out of a location, we must review and approve the lease prior to the lease being signed. If Franchisee proposes to purchase property, we must review and approve the purchase contract prior to being signed. We will have the right, but not the obligation, to inspect the Premises prior to opening. Franchisee is responsible for all lease negotiations.

If Franchisee chooses to open a location for the Business rather than operate home-based, we do not represent that we have any special expertise in selecting locations and/or negotiating leases. Our approval of a location is not a representation or warranty that Franchisee's The Flower Garage™ business will be profitable or that Franchisee's sales will attain any predetermined levels. Approval is intended only to indicate that the proposed location for the Business meets our minimum criteria for identifying locations. Franchisee agrees that our approval or disapproval of a proposed location does not impose any liability on us, or our employees, agents, members, managers, or owners.

D. Premises Layout and Design

If Franchisee chooses to open a location for the Business, provided that Franchisee leases a space in an existing building, we may provide Franchisee with guidelines for the layout and design of the Premises prior to the Franchisee signing a lease. The build out, costs of leasehold improvements, flooring, signage and other items necessary for finishing out the Premises are the responsibility of the Franchisee. Franchisee may be required to adopt, at Franchisee's expense, any suggested plans, and specifications for the Premises, subject to our approval, as provided in Section XII.T of this Agreement, which will not be unreasonably withheld, provided that such plans and specifications conform to our general criteria. We may, if needed, review Franchisee's finals set of drawings or architect's final plans prior to implementation. We do not represent that we have any special expertise in approving final drawings or architectural plans.

Our approval of Franchisee's drawings or architectural plans is not a representation or warranty that such plans will meet local permitting requirements or that such plans will not have to be revised or done over again in order to get final approval by local authorities. Approval is intended only to indicate that the Business is set up and meets our minimum criteria. Franchisee agrees that our approval or disapproval of Franchisee's final set of drawings or architectural plans do not impose any liability on us. The costs of leasehold improvements, equipment, furnishings, fixtures, technology items, signs and décor for finishing out the Business are the responsibility of the Franchisee.

If Franchisee chooses to open a location for its Business, Franchisee understands and acknowledges that we have the right to modify the final set of drawings, architectural plans, floor plans and/or specifications as we deem appropriate, periodically (however we will not modify the final set of drawings, architectural plans, floor plans and/or specifications for the Business as developed pursuant to this Agreement once those final set of drawings, architectural plans, floor plans and/or specifications have been approved by us and given to Franchisee).

E. Hiring Employees and Engaging Independent Contractors

We will provide Franchisee with recommended guidelines when hiring Employees (defined in Section XII.F of this Agreement) and engaging independent contractors (if Franchisee chooses to use independent contractors) for the Business; however, Franchisee acknowledges Franchisee is solely responsible for final employment and termination decisions. Such recommendations and suggestions will be covered in the initial training program and are listed in the Operations Manual. Franchisee understands that such recommendations and suggestions will be updated and may change periodically at our discretion. Franchisee can negotiate any rate for Employees. Franchisee acknowledges that we have made no guarantee or warranty that using any such suggested rates or wages will enhance Franchisee's sales or profits. Rates, benefits, hours, and/or wage negotiations with Employees are the sole responsibility of Franchisee. Franchisee acknowledges that it is fully in charge of hiring all Employees (and engaging independent contractors if applicable) and for training and managing such individuals on an on-going basis. Our input as to hiring and management of Employees and input as to engaging and managing independent contractors are suggestions and guidelines which we believe are important, but except for specific requirements set forth in this Agreement or the Manual, Franchisee is responsible for making all employment related decisions.

Failure of Franchisee to adhere to our guidelines and standards when hiring Employees, which include the requirement of criminal background checks for all prospective employees and any independent contractors (if Franchisee chooses to use independent contractors), will be considered a breach of this Agreement and we may terminate the Agreement in our sole discretion, except where Franchisee has reasonable cause to deviate from our standards as described in Section XXIII.C of this Agreement.

F. No Warranties Other Than in Writing

With respect to any equipment, products, supplies and/or services (as described in Section XII.I) provided by us or our affiliates; and/or any person or company referred or approved by us or our affiliates, other than specific written warranties expressly provided in connection with such items, such items are provided without any warranties, express or implied, the warranties of merchantability and suitability for a particular purpose being expressly disclaimed. In addition, we make no warranties regarding any open source code contained in any software that we may provide to Franchisee. We do not warrant that any such software shall be free of bugs, viruses, worms or Trojan horses.

We are not liable for any guarantee or warranty that Franchisee or any Owners, Manager, Employees or independent contractors (if Franchisee chooses to use independent contractors) make to a client or third party. Franchisee will fully comply with any type of package, program or plan offered to clients that we may develop and implement. Franchisee will not misrepresent or omit or fail to state any warranty or guarantee to clients or third parties.

G. Operations Manual

We will revise the Operations Manual and the contents of any other manuals and materials created or approved for use in the operation of the Business, from time to time as we deem necessary to improve on our methods of operations. Franchisee expressly agrees that each new or changed standard shall be deemed effective upon receipt by Franchisee or as specified in such standard. We will lend Franchisee the confidential Operations Manual for the initial Franchisee training session and if Franchisee satisfactorily completes training, for the term of this Agreement. If the copy of the Operations Manual loaned to Franchisee is lost, stolen or destroyed before Franchisee returns it to us, Franchisee must replace such manual at its own expense.

The Operations Manual is designed to protect the System and the Names and Marks associated with the System, and not to control the day-to-day operation of the Business. Franchisee at all times will remain responsible for the operation of the Business and all activities occurring at the Business.

Franchisee shall at all times treat the Operations Manual and any of our written directives, any business plans and specifications, and any other manuals created for or approved for use in the operation of the Business, and any supplements thereto, and the information contained therein, in trust and as confidential information, as well as our trade secrets, and shall use all reasonable efforts to maintain such information as secret and confidential. Franchisee shall not at any time copy, duplicate, record or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person.

The Operations Manual, written directives, other manuals and materials, and any other confidential communications provided or approved by us, shall at all times remain our sole property and shall at all times be kept and maintained in a secure place at the Business.

Franchisee shall at all times ensure that its copy of the Operation Manuals is kept current and up to date; and, in the event of any dispute as to the contents of the Operation Manuals, the master copy of the Operations Manuals maintained by us at the corporate offices shall be controlling.

Any suggestions Franchisee may have concerning the improvement of our website or Websites, facilities, Services, Curriculum, Products, vendors and/or suppliers, equipment, products, advertising, promotional and marketing materials are encouraged and shall be considered by us when adopting or modifying the standards, specifications and procedures for the System.

H. Selecting Vendors and Vehicle Appearance Standards

We shall provide Franchisee with a written list of approved vendors and suppliers that may include or be limited to us or our affiliates for equipment, products, supplies and services (as described in Section XII.I) necessary for the operation of the Business. We will provide Franchisee with a list of all approved equipment, products, supplies and services that Franchisee is authorized to use, offer or sell in the operation of its Business; and a written list of all approved vendors and suppliers to purchase such items from after signing this Agreement. Franchisee understands that such lists will be updated and may change periodically at our discretion and Franchisee agrees to implement such updates at Franchisee's expense as described in Section XII.I of this Agreement. We will train Franchisee on strategies for purchasing such items during the initial training program. Franchisee will be required to submit in writing alternate equipment, products, supplies, services, vendors or suppliers to us for approval as described in Section XII.I of this Agreement. Franchisee acknowledges that we may receive royalties and/or other payments from some or all of the approved vendors.

We will also provide Franchisee with a written list of Vehicle appearance standards (including vehicle graphics specifications if Franchisee chooses to place graphics on its Vehicle) necessary for the operation of the Business. Franchise is encouraged to use its own Vehicle or can purchase a used or new

Vehicle for the operation of the Business as specified in Section XII.H of this Agreement. All costs associated with obtaining and maintaining the Vehicle is the sole responsibility of the Franchisee.

I. Availability of Equipment, Products and Supplies

During the initial training program, we shall provide Franchisee with a written list of approved equipment, products, supplies and services (as described in Section XII.I) that Franchise must use in the operation of the Business. We will also train Franchisee on strategies for purchasing such items during the initial training program. We may make arrangements with vendors for certain equipment, products, supplies and services at negotiated costs that would benefit the entire System. Franchisee will be required to submit in writing alternate equipment, products, supplies, or services to us for approval as described in Section XII.I of this Agreement. Franchisee acknowledges that we may receive rebates and/or other payments from some or all of the approved vendors.

We will use commercially reasonable efforts to ensure that authorized vendors and suppliers, which may include or be limited to us and/or our affiliates, maintain a reasonable supply of equipment, products and supplies (as described in Section XII.I) for purchase by Franchisee. We may require that the Franchisee purchase such items from us and/or our affiliates. We will provide Franchisee with a written list of our approved vendors and Franchisee is responsible for acquiring such items necessary for the operation of its Business. All items that are provided by us will be competitively priced, taking into account equivalent quality and other considerations as specified in the Operations Manual.

We reserve the right to implement a centralized purchasing system for franchisees and to negotiate prices and terms with vendors and suppliers and to receive rebates or other financial incentives from such purchases by franchisees. We may utilize such rebated funds in any manner we choose in our sole discretion as more fully described in Section XII.I. If developed, we reserve the right to require Franchisee and other franchisees to purchase all equipment, products, supplies and services through our proprietary intranet system.

J. Advertising and Promotion

We shall develop and provide creative materials for local and regional advertising and make such advertising materials available to our franchisees for publication or distribution in the Franchisee's market area at Franchisee's own expense. We shall provide specific guidelines for advertising initiated by individual franchisees and shall reserve the right to disapprove any advertising, which, in our opinion, are not in accordance with these guidelines. However, no approval shall be unreasonably withheld or denied. Immediately upon notification to do so, Franchisee shall discontinue any advertising that would, in our opinion, be detrimental to any franchisee or any part of the System or the Franchise.

K. Suggested Rates & Pricing for Services and Products

We will provide Franchisee with guidance and suggested rates for Services and pricing for Products offered by our franchisees. Franchisee shall have the right to offer Services and Products at any rate and/or price Franchisee may determine and we reserve the right, to establish minimum and maximum rates for Services or pricing for any given Product nationwide to the extent allowed by federal and state laws as explained in Sections XII.H and XII.I of this Agreement. Suggested rates and/or pricing for Services and Products may vary from region to region to the extent necessary to reflect differences in costs and other factors applicable to such regions. If Franchisee elects to offer any Service or Product at any rate or price recommended by us, Franchisee acknowledges that we have made no guarantee or warranty that offering such Services or Products at the recommended rates or prices will enhance Franchisee's sales or profits.

We will provide Franchisee with recommended procedures when accepting returns from clients for Products and providing refunds in addition to a sample set of forms including policies, contracts,

waivers, agreements, advertising, promotional and marketing materials in addition to various operational forms for use in the Business during the initial training program. We do not warrant the completeness, legality or enforceability of any agreements or forms. Franchisee must retain its own counsel to review and revise such agreements and forms to comply with applicable federal and state laws. At our discretion, any and all forms used by Franchisee shall be subject to our review and approval and our decision of such approval will be provided within thirty (30) days after such forms are received by us.

We will continue to research and develop new Services (for example: new or updated workshops), Curriculum, Products, equipment and suppliers as we deem appropriate in our sole discretion. We may conduct market research and testing to determine consumer trends and salability of new Services and Products. If we select Franchisee, Franchisee can choose to participate in a market research program to test market new services, curriculum, products or equipment in its Business and provide us with timely reports and other relevant information regarding that market research. If Franchisee participates in any test marketing, Franchisee agrees to purchase, at Franchisee's expense, a reasonable quantity of equipment, products or services being tested and to effectively promote and make a good faith effort to use, offer and/or sell them. Franchisee shall participate in and comply with our Curriculum, proprietary themed workshops and other workshops, plans, packages, programs, sales, loyalty or promotional programs and/or product promotions established by us.

L. Business Planning Assistance

After Franchisee signs this Agreement, we may review and comment on any business plan and pro forma financial projections Franchisee prepares. We do not represent that we have any special expertise in reviewing or developing business plans, or that any business plan developed by us will result in any profits, revenues, incomes, margins, or sales. Our review and commentary of a business plan or financial pro-forma is not a representation or warranty that Franchisee's business will be profitable, that Franchisee will earn any revenues, or that Franchisee's sales will attain any pre-determined sales levels. Our review and commentary is intended only to provide information sharing to Franchisee and Franchisee agrees that such review and commentary does not impose any liability on us. Franchisee specifically acknowledges that we have not reviewed or commented on any business plan or pro-forma prior to the Effective Date of this Agreement.

XXI. VARYING STANDARDS

Because complete and detailed uniformity under many varying conditions may not be possible or practical, we specifically reserve the right and privilege, in our sole and absolute discretion and as we may deem to be in the best interests of all concerned in any specific instance, to vary standards for any franchisee based upon the peculiarities of a particular Business or circumstance, physical characteristics, density of population or trade area, existing business practices or any other condition which we deem to be of importance to the successful operation of such franchisee's Business. Franchisee shall not have any right to object to a variation from standard specifications and practices granted to any other franchisee and shall not be entitled to require us to grant to Franchisee a like or similar variation, unless the laws of Franchisee's state expressly requires us to grant such a similar variation.

Franchisee acknowledges that when we use the phrases "sole and absolute discretion," "sole discretion" and/or "Business Judgment," whether in this Agreement or another context, Franchisee and we agree that we have the wholly unrestricted right to make decisions and/or take (or refrain from taking) actions, except that we will not do so arbitrarily. We shall use our judgment in exercising such discretion based on our assessment of the interests we consider appropriate and will not be required to consider Franchisee's individual interests or the interests of any other franchisee(s). Franchisee, we and all other franchisees have a collective interest in working within a franchise system with the flexibility to adjust to business conditions, including but not limited to the competitive environment, new regulatory developments and emerging business opportunities. Therefore, Franchisee and we agree that the ultimate decision-making responsibility for the System must be vested in us. So long as we act in material

compliance with the requirements of this Agreement, we will have no liability for the exercise of our discretion in accordance with the provisions of this Agreement.

XXII. RELOCATION, ASSIGNMENT, TRANSFER, SALE OR REPURCHASE OF FRANCHISED BUSINESS

A. Relocation

Any relocation (1) shall be to a location within the Territory (unless waived by us), (2) requires our prior written consent, which we may grant, condition or withhold in our Business Judgment (and may be withheld, in any case, if Franchisee is not in good standing), (3) will be at Franchisee's sole expense and (4) will require that Franchisee (and each Owner if an Entity) sign a general release.

B. General Requirements for Assignment by Franchisee

Franchisee shall not voluntarily or involuntarily transfer, sell, assign or encumber any interest in or ownership or control of Franchisee, the Franchised Business, and/or its assets except in the ordinary course of business, the Business or this Agreement (however Franchisee is allowed to transfer up to twenty percent (20%) of its shares or other ownership interests as described below), or make any lease or sublease of any property Franchisee is leasing or subleasing in connection with the Business, without our prior written consent. Any attempted sale, assignment or transfer of any interest in Franchisee, the Franchised Business, and/or its assets, the Business or this Agreement without our prior written consent will be a default under the terms of this Agreement and will be voidable by us. In granting any such consent, we may impose reasonable conditions, including, without limitation, the following:

1. Franchisee must be in full compliance with the terms of this Franchise Agreement, including being paid in full on all fees due and having settled all outstanding accounts with us, our affiliates and all suppliers;

2. The proposed transferee (or its partners, members, managers, directors, officers, or controlling shareholders, if it is a corporation, limited liability company or partnership) must meet our then-applicable standards:

3. The proposed transferee (or its owners if an Entity, managers, directors or officers) must not operate a franchise, license another or operate businesses offering services or products similar to those offered by a The Flower Garage™ Business;

4. We shall charge a flat transfer fee of two thousand dollars ($2,000) to Franchisee when transferring a part of its Franchise Business (defined as up to 49% of the stock, membership units, partnership units or share of any business trust); or a flat transfer fee of five thousand dollars ($5,000) when Franchisee transfers its entire Franchise Business (defined as 49% or more of the stock, membership units, partnership units or share of the business trust) upon our written consent (defined as all other transfers). The term "flat transfer fee" means that Franchisee shall pay this amount regardless of whether our actual cost to process the transfer is higher or lower than such amount. The flat transfer fee will include, but not be limited to, reasonable attorney's fees actually incurred, the cost of investigating the transferee and our administrative expenses (including employee salaries, sales staff commissions, travel costs, and out of pocket costs properly attributable to the transfer). In addition, if the transferee was already in our lead database at the time of first contact between Franchisee and the transferee, we may require Franchisee to pay a referral fee, in addition to the flat two thousand dollar ($2,000) or the five thousand dollar ($5,000) fee described above, plus the amount of any broker fees that we are responsible for paying to third parties (does not include our employees);

5. Transferee must pay for and successfully complete the training programs then required of new franchisees at a cost of two hundred fifty dollars ($250) per person per day and its expenses, subject to increase from time to time.

6. Franchisee shall have substantially complied with all of the terms and provisions of this Agreement, any amendment hereof or successor hereto, or any other agreements between Franchisee and our subsidiaries or affiliates and, at the time of transfer, shall not be in default;

7. Franchisee shall have executed a general release, in a form satisfactory to us, of any and all claims against us and our officers, managers, members and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances;

8. The transferee (and, if the transferee is other than an individual, such principals and/or owners of a beneficial interest in the transferee as we may request) shall enter into a written assumption agreement, in a form satisfactory to us, assuming and agreeing to discharge all of Franchisee's obligations, known by transferee after reasonable inquiry, under this Agreement and/or any new franchise agreement, hereinafter provided;

9. The transferee must meet our subjective and objective standards, including all quality standards, experience, talent, skills, educational, managerial, business and financial capacity; demonstrate the aptitude and ability to operate a The Flower Garage™ business; have adequate financial resources and capital to operate the Business; and the transferee's Manager must complete the training program to our satisfaction;

10. The transferee (and, if an Entity, its Owners of a beneficial interest in the transferee as we may request) shall execute and agree to be bound by the then current form of this Agreement, which form may contain provisions that materially alter the rights or obligations under this Agreement. Alternatively, we may in our sole discretion require the transferee to sign the then current form of this Agreement then being used by us, but where the term will end on the expiration date of this Agreement and with such renewal term, if any, as may be provided by this Agreement and the following requirements apply: (i), the transferee shall sign all other ancillary agreements as we may require for the Franchise Business as required under the then current form of this Agreement, which agreements shall supersede this Agreement in all respects, and (ii) additional changes to the terms of the Agreement may be made at our sole discretion, which include, without limitation, higher royalty fee payments or a different royalty fee structure, higher System Brand Fee payments, higher advertising contributions, smaller Territory and changes to renewal rights;

11. The transferee, at its expense, shall upgrade the Business to conform to the then-current standards and specifications of the System and shall complete the upgrading and other requirements within the time specified by us;

12. Franchisee shall remain liable for all of its obligations to us in connection with the Business incurred prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by us to evidence such liability;

13. Franchisee must obtain and submit satisfactory evidence of transfer or consent of lenders, lessors and governmental authorities for all material permits, approvals and licenses;

14. Franchisee may transfer up to twenty percent (20%) of its shares or other ownership interests to any person or entity, in the aggregate, without invoking this provision,

provided that in connection with any such transfer of more than ten percent (10%) ownership the transferee executes the same Guaranty and other agreements which would be required upon execution of this Agreement by Franchisee, if such transferee had then been the owner of such percentage of Franchisee's shares or other ownership interests. Franchisee's transfer of an ownership interest without complying with the foregoing, or transfers of more than twenty percent (20%) ownership in Franchisee's entity, in one or more transfers, without our prior written approval is a material breach of this Agreement;

15. The transferee shall agree to a sublease or to a transfer and assignment, and assumption of the lease of the Business from the original Franchisee and shall obtain the landlord's approval if required prior to any transfer or sublease, if applicable;

16. The transfer must be completed in compliance with the terms of any applicable leases and other agreements and with all applicable laws, including but not limited to licensing and operations-related laws and/or laws governing franchise sales;

17. Franchisee agrees that we may (but are not required to) discuss with Franchisee and/or the proposed transferee any matters related to any transfer at any time which we consider to be appropriate in our Business Judgment without liability (including our opinion of the terms of sale, performance of the Franchise, etc.). Franchisee expressly consents to any such discussions by us and we may contact any proposed transferee directly regarding such matters or otherwise;

18. Neither Franchisee nor any transferee shall rely on us to assist in the evaluation of the terms of any proposed transfer. Franchisee acknowledges and agrees that an approval of a proposed transfer shall not be deemed to be an approval of the terms, nor any indication as to any likelihood of success or economic viability;

19. Franchisee and its Owners and/or Principals will agree not to compete, not to divert our clients or attempt to hire Employees, after the transfer in accordance with restrictions acceptable to us and substantially similar to those described in Section XIX.C of this Agreement; and

20. Franchisee and its Owners and/or Principals will not directly or indirectly at any time or in any manner (except with respect to other The Flower Garage™ Businesses that Franchisee or its Principals own and operate) identify itself or any business as a current or former The Flower Garage™ business or as one of our franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of a The Flower Garage™ business in any manner or for any purpose; or utilize for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association with us as described in Sections XXIV.A and XXIV.C of this Agreement.

In addition, Franchisee must submit copies of the draft Asset Purchase Agreement or Ownership Purchase Agreement, all draft Promissory Notes, and Security Agreements, with the transferee, regardless of whether they are Franchisee financed or lender financed. In addition to all other grounds for rejection, we have the right to reject any proposed purchase of the assets of the Franchised Business or any type of ownership interest in Franchisee or Franchised Business on the grounds that the proposed transferee has in our sole opinion taken on too much debt.

C. Transfer, Sale or Assignment by Franchisor and Franchisor's Right of First Refusal

Franchisee acknowledges that we have an unrestricted right to sell, transfer or assign our rights or obligations under this Agreement to any transferee or legal successor of ours.

We will have a right of first refusal regarding any proposed transfer, by Franchisee or an Owner of Franchisee, subject to this Agreement. During the term of this Agreement, if Franchisee, or any of its Owners wish to sell, assign or otherwise transfer an interest in this Agreement, the Franchised Business and/or its assets, or an ownership interest in Franchisee (collectively the "Interest"), then Franchisee will comply with the requirements of Sections XXII.B, XXII.C, XXII.E and XXIV.G of this Agreement.

Franchisee will notify us within ten (10) days after Franchisee has commenced discussions or communications even if preliminary, regarding such a proposed sale, assignment or transfer and then send us written updates of the status of such discussions or communications every thirty (30) days thereafter unless and until such discussions or communications have ceased, in which case Franchisee must notify us in writing within five (5) business days that such discussions or communications have ceased. Whether the discussions have ceased or not, at our option, we may require Franchisee to send us, by certified mail or other receipted delivery, copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction as well as any materials Franchisee sends to the buyer or transferee. Before agreeing to any such transaction, Franchisee and its Owners agree to obtain from a responsible and fully disclosed buyer, and then send us, a true and complete copy of a bona fide, executed written offer (which may include a letter of intent) relating to any proposed transfer. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. The bona fide offer with the proposed purchase price must be in a dollar amount, and the proposed buyer must submit with its offer a five thousand dollar ($5,000) earnest money deposit (if a proposed disposition is part of a transaction involving additional The Flower Garage™ businesses, operating under other Franchise Agreements or license agreements with us, the proposed buyer must pay Franchisee this earnest money deposit for each The Flower Garage™ Business involved).

To enable us to determine whether we will exercise our option, Franchisee or its Owners, shall provide such information and documentation, including financial statements, as we may require (as noted below). In the event that we elect to purchase said Interest, closing on such purchase must occur within ninety (90) days from the date of notice to Franchisee of our election to purchase said Interest. Failure of us to exercise the option afforded by this Section XXII.C shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Section XXII.B, with respect to a proposed transfer of any Interest. Any later change in the terms of any offer prior to closing shall constitute a new offer subject to the same rights of first refusal by us as in the case of an initial offer.

We may, by delivering written notice to Franchisee or its Owners within thirty (30) days after we receive both an exact copy of the offer and the Preliminary Due Diligence Package (the date on which we have received the exact copy of the offer and the Preliminary Due Diligence Package is called the "Trigger Date"), notify Franchisee of our non-binding preliminary intent to purchase or not to purchase the interest proposed to be sold. The "Preliminary Due Diligence Package" is information and copies of documents (where applicable) that Franchisee supplies to us which consists of Franchisee's financial statements (including monthly revenue information) for the preceding three (3) years, a copy of the Business's current lease or sublease (if we do not already have it), payroll tax records for the past three (3) years, business income tax records for the past three (3) years, information about the number and compensation of Employees working at the Business, client records and Franchisee's merchant account printouts for the past three (3) years, Franchisee's bank deposits for the past three (3) years, and a description of competing floral-related businesses and/or any other type of businesses offering similar Services and Products operating within the Territory. If we notify Franchisee within thirty (30) days after the Trigger Date (the "First Notice Deadline") that we are preliminarily interested in exercising our right of first refusal, we will have an additional thirty (30) days after the First Notice Deadline both to conduct our due diligence and then to notify Franchisee of either our binding intent to exercise our right of first refusal or our decision not to exercise this right. This additional period is called the "Due Diligence Deadline." If we elect to purchase the interest proposed to be sold for the price and on the terms and conditions contained in the offer:

1) We may substitute cash for any other form of payment proposed in the offer (such as ownership interests in a privately-held entity);

2) Our credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes; we may provide promissory notes with the same terms as those offered by the proposed buyer, except as to subordination). Regarding subordination, Franchisee acknowledges and agrees that our obligations under the promissory notes then outstanding to any and all lenders, although senior to the equity rights of our owners will also be senior to the promissory notes given to Franchisee;

3) We will have an additional thirty (30) days after the Due Diligence Deadline to close; and

4) We must receive, and Franchisee agrees to provide, all customary representations and warranties given a seller of assets of a similar business or the ownership interests in a similar legal entity, as applicable, including, without limitation, representations and warranties regarding:

(i) Ownership and condition of and title to ownership interests and/or;

(ii) Liens and encumbrances relating to ownership interests and/or assets;

(iii) Validity of contracts and the liabilities, contingent or otherwise, of the entity whose ownership interests are being purchased;

(iv) All furnishings, equipment, products, supplies, technology items, software and Vehicles are in good working condition and suitable for use;

(v) No litigation or administrative proceedings pending against Franchisee, or any of its officers, directors, or Owners arising out of Franchisee's Business;

(vi) There are no notices from any federal, state, or local governmental authority to make any changes to the Business or that negatively affect it;

(vii) Franchisee has the authority to sell the assets of its Business, including a copy of all director and/or Owner resolutions;

(viii) Franchisee will comply with the Bulk Sales Act, if it is required under the laws of Franchisee's state;

(ix) There will be no material adverse change in the operation of Franchisee's Business between the date of signature of any Asset Purchase Agreement, and the date of settlement;

(x) There are no tax or employee claims or issues; and

(xi) Franchisee will not enter into any transaction between the date of signature and the date of settlement other than in the ordinary course of business.

D. Transfer Upon Death or Disability

The use of the term "Disability" in this provision means any temporary or permanent mental or physical incapacity that results in the person being unable to operate the Franchised Business as a typical franchisee properly operating a franchise would do so. Upon the death or the Disability of any person with an interest in a The Flower Garage™ business, the executor, administrator or personal representative of that

person must transfer such interest to a third party approved by us within six (6) months after death or Disability. These transfers, including, without limitation, transfers by devise or inheritance, will be subject to the same restrictions and conditions as any inter vivos transfer. However, in the case of a transfer by devise or inheritance, if the heirs or beneficiaries of any deceased person are unable to meet the conditions of this Agreement, the personal representative of the deceased Franchisee shall have six (6) months to dispose of the deceased's interest in the Business, which disposition will be subject to all the terms and conditions for transfer contained in this Agreement. If the interest is not disposed of within six (6) months, we may terminate this Agreement.

Upon the death of Franchisee or if an Entity, an Owner who owns more than forty-nine percent (49%) of the Business or in the event of any Disability of such person, a manager shall be employed for the operation of the Business who has successfully completed our training courses to operate the Business on behalf of Franchisee. If after the death or Disability of the named Owner, the Business is not being managed by such trained manager, we may at our option, appoint a manager to maintain the operation of the Business until an approved transferee or manager will be able to assume the management and operation of the Business, but no such operation and management of the Business will continue for more than ninety (90) days without the approval of the personal representative of the named Owner (renewable as necessary for up to one year) and we will periodically discuss the status of the Business with the personal representative of the named Owner; such manager shall be deemed an employee of Franchisee. All funds from the operation of the Business during the period of management by such appointed or approved manager shall be kept in a separate fund and all expenses of the Business, including compensation of such manager, other costs and travel and living expenses of such appointed or approved manager (the "Management Expenses"), shall be charged to such fund. As compensation for the management services provided, in addition to any other fees due, we shall charge such fund the full amount of the direct expenses incurred by us during such period of management for and on behalf of Franchisee, provided that we shall only have a duty to utilize reasonable efforts and shall not be liable to Franchisee, the named Owner or personal representative of the named Owner, the Entity or any person or entity having an interest therein for any debts, losses or obligations incurred by the Business, or to any creditor of Franchisee or the named Owner during any period in which it is managed by our appointed or approved manager.

Within thirty (30) days after the effective date of legal transfer of the franchise to Franchisee's heirs or successors of Franchisee's Owners, the heirs or successors must notify us in writing and make application for approval of such transfer. The application for such transfer is subject to the same conditions, procedures and costs as any other transfer except that there will be no transfer fee.

E. Transfer, Sale or Assignment to Third Party

If we do not exercise our right to purchase within thirty (30) days pursuant to Section XXII.C, Franchisee may thereafter transfer, sell or assign the Interest to a third party, but not at a lower price or on more favorable terms than disclosed to us in writing. The sale is subject to our prior written approval as specified in this Agreement.

If Franchisee does not complete the sale to the proposed buyer within ninety (90) days after we notify Franchisee that we do not intend to exercise our right of first refusal (whether or not the First Notice Deadline or the Due Diligence Deadline has expired), or if there is a material change in the terms of the sale (which Franchisee must communicate promptly to us), we will have an additional right to accept the sale during the thirty (30) day period following either the expiration of that ninety (90) day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our option. If Franchisee does not complete the sale to the proposed buyer within an additional ninety (90) days, then any proposed sale or transfer thereafter once again must comply with all of the provisions of Sections XXII.B, XXII.C and XXII.E, as though there had not previously been a proposed sale or transfer.

In addition to its other obligations, such as obtaining our prior written approval, if Franchisee sells or offers to sell ownership interests, the sale of which is regulated by any applicable law, Franchisee must: (i) fully comply with all applicable laws, (ii) disclose to offerees and purchasers that neither we nor our employees, affiliates or agents are an issuer or underwriter, or are in any way liable or responsible for the offering, (iii) ensure that we have a reasonable time to review any reference to us or our franchisees in any prospectus or offering documents before their distribution or use, (iv) pay our actual legal costs incurred for our review, (v) indemnify us, our officers, owners, employees, affiliates, and agents from any liability, cost, damage, claim, and expense and from any and all obligations to any person, entity or governmental agencies arising out of or relating to the offer, sale or continuing investment, (vi) sign such further indemnities and provide such further assurances as we may reasonably require and (vii) disclose our ownership and/or licensing rights to all trademarks, service marks, trade names, logos, trade secrets, copyrights and patents.

If any provision of this Agreement is inconsistent with a valid applicable law, the provision will be deemed amended to conform to the minimum standards required. We and Franchisee may execute an addendum setting forth certain of these amendments applicable in certain jurisdictions, so long as and to the extent that, then applicable laws referred to in the addenda remain in effect.

F. Resale Assistance of Franchised Business

Franchisee may, at any time, request our assistance in locating a buyer for its Business. We may, at our option, provide such assistance in accordance with the policies and procedures as set forth in the Operations Manual. We reserve the right to charge Franchisee a fee to cover our reasonable costs and expenses (including the time committed by our employees) incurred in providing such assistance. If we elect to assist Franchisee in finding a buyer for the Business in any way, we make no promises or commitments to Franchisee that a buyer will be located or that anyone will be willing to purchase the Business at a price acceptable to Franchisee. We reserve the right to reject any proposed sale based on our determination, in our sole discretion, that the purchase price or purchase terms agreed to between Franchisee and any prospective buyer is excessive or will not enable the buyer to succeed as a franchisee in the System, and by requesting our assistance Franchisee waives any liability claims it may have against us for such rejection.

XXIII. TERMINATION OF FRANCHISE

A. Impact of Statutes Upon Franchise Agreement

Some state laws provide certain rights to franchisees located in a particular state, including: (1) limitations on our ability to terminate a franchise except for good cause or for notice or cure period requirements; (2) restrictions on our ability to deny renewal of a franchise; (3) circumstances under which we may be required to purchase certain inventory when a franchise is terminated or not renewed in violation of the statute; and (4) provisions relating to arbitration. To the extent that the provisions of this Franchise Agreement are inconsistent with the terms of such state laws, the terms of the applicable state laws may control in those states.

Termination or modification of a lease or contract upon the bankruptcy of one of the Parties may be unenforceable under the Bankruptcy Act of 1978, Title II, U.S. Code, as amended.

B. Termination by Franchisor with Right to Cure

Except as otherwise provided in this Agreement, upon any material default by Franchisee under this Agreement or any other agreement between Franchisee and us or our affiliates, we may terminate this Agreement only by giving written notice of termination stating the nature of such default to Franchisee at least thirty (30) days prior to the effective date of termination; provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default, curing it to our satisfaction, and

by promptly providing proof thereof to us within the thirty (30) day period. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to Franchisee effective immediately upon the expiration of the thirty (30) day period or such longer period as applicable law may require. Any breach relating to any violation of health or safety laws must be cured within seventy-two (72) hours of notice or such shorter period prescribed by law. Any default for failure to pay monetary amounts must be cured within five (5) days or shorter period as is provided by law.

We may invoke our rights under this Section XXIII.B if, among other things, Franchisee fails to pay any required sums contemplated by this Agreement or any other agreement between Franchisee and us (and/or our respective affiliates).

C. Termination of Franchise Without Right to Cure

Notwithstanding the foregoing, Franchisee shall be deemed to be in breach and we, at our option, may terminate this Agreement and all rights granted under it without affording Franchisee any opportunity to cure the breach, effective immediately upon us notifying Franchisee in writing of such breach, if Franchisee or any of its Owners does any of the following:

1. Fails to agree on a Territory (if a Territory was not agreed upon before signing this Agreement) and/or fails to open the Business within the specified time limits as provided in Sections VI and IX.B above;

2. Fails to attend and satisfactorily complete the initial training program before Franchisee anticipates opening the Business (as described in Section XX.A);

3. Attends the initial franchise training program and we determine, in our sole discretion, that Franchisee, its Owners, and/or Manager has failed the initial training program and Franchisee does not appoint another Manager to attend; or another Manager appointed by Franchisee fails the initial training program and/or is deemed not qualified to manage a The Flower Garage™ business (as described in Section XX.A);

4. Abandons, surrenders, or transfers control of the operation of the Business to a third party other than another Owner or Manager; or fails to continuously and actively operate the Business for five (5) consecutive days, unless precluded from doing so by damage to the premises of the Business due to war, act of God, civil disturbance, natural disaster, labor dispute or other events beyond Franchisee's reasonable control;

5. Fails or refuses, on more than three (3) occasions during the term of this Agreement, to submit when due any financial statement, tax return or schedule or to pay when due Royalty Fees, or any other payments due to us or our affiliate; or Franchisee (including any of its Owners) has been provided with notices of default from us (either by email or any other form of written communication) more than three (3) times during the entire term of this Agreement.

6. Operates the Business in a manner that presents a safety, health or environmental hazard to clients, violates any federal, state, or local law, rule, regulation or ordinance which includes failure of Franchisee to use its best efforts when hiring Employees and engaging independent contractors (if Franchisee chooses to use independent contractors) including failure to perform background checks for all prospective employees as described in Sections XII.F, XXII.H and XX.E;

7. Is unable to provide Services and/or Products associated with the System; or if any business license, permit, certification or registrations required by law is suspended or

revoked, or otherwise not maintained continuously and actively in full force and effect, and in good standing (as described in Sections XII.C of this Agreement);

8. Fails, for a period of fifteen (15) days (or such lesser period as required by applicable law) after notification of violation or non-compliance by us or any appropriate authority, to comply with any federal, state or local law, ordinance or regulation applicable to the operation of a The Flower Garage™ Business;

9. Violates any environmental, health, safety or sanitation law, ordinance or regulation, or operates the Business (including any Vehicles) in an unsafe manner; and does not begin to cure the violation immediately and to correct the violation within seventy-two (72) hours after Franchisee receives notice from us or another party unless shorter period for cure is provided pursuant to Section XXII.B;

10. Makes a material misrepresentation or omission on the application for the Franchise;

11. Transfers, assigns or sub-franchises this Agreement without our prior written consent, as set forth herein;

12. Discloses or divulges, to any unauthorized person, the contents of the Operations Manual, training materials or any other Confidential Information provided to Franchisee by us;

13. Fails to adhere to our Vehicle appearance standards and fails to reasonably maintain its Vehicle(s) as specified by us provided in Sections XII.H and XII.U of this Agreement;

14. Implements, offers, performs or sells any type of service, curriculum or product not approved by us; or fails to comply with additions, modifications or changes to our Curriculum or our System standards as required by us within a ninety (90) day period from the time of written notice by us;

15. Engages in offering Services and/or the sale of Products through any alternative channel of distribution without our permission (other than promoting its Business on TikTok, Instagram and Facebook); doesn't refrain from promoting its Business on TikTok, Facebook and Instagram if we revoke our approval in the future; does not adhere to our standards if granted permission to offer and/or sell Services and/or Products through any alternative channel of distribution; or engages in any other activity, which has a material adverse effect on us or the Names and Marks;

16. Makes any changes to any Products, Proprietary Products or any third-party equipment or products (such as modifications, changing containers, packaging, labeling, etc.) as described in Section XII.I of this Agreement);

17. Makes or allows any unauthorized use or copy of our Confidential Information, Proprietary Products and/or Software or seeks to challenge our ownership rights in the System, including our Confidential Information, Proprietary Products and/or Software;

18. Engages in any activity to translate, reverse engineer, reverse compile, disassemble or create derivative works based on our Confidential Information, Proprietary Products and/or Software (if developed);

19. Manufactures or produces any piece of equipment or product that is similar to, or competes with any of our Products, Proprietary Products or any third-party equipment or products used or offered in the Business without our advanced written consent;

20. Engages in activity to distribute, act as an exclusive distributor or secure exclusive rights to distribute any Products, Proprietary Products or any third-party equipment or products without our written consent;

21. Engages in activity to sublicense, rent, lease, sell, distribute or otherwise transfer our Confidential Information and/or Software or any portion thereof, or any rights therein, to any person or entity;

22. Exhibits a reckless disregard for the physical or mental well-being of employees, clients, us or our representatives, or the public at large, including battery, assault, harassment or discrimination, alcohol or drug abuse or other forms of threatening, outrageous or unacceptable behavior as determined in our sole and absolute discretion;

23. Fails to procure and maintain all required insurance coverage (including any lapses, alterations, or cancellations to the insurance policies) as defined in Section XIII of this Agreement;

24. Fails or refuses to: (i) offer, sell, use, modify, change or discontinue any Service, Curriculum, Product or Proprietary Product as we specify; (ii) cease using and/or remove or replace any piece of equipment, technology item, product, Proprietary Product or other items necessary for the operation of the Business deemed to constitute a violation of this Agreement by us; (iii) maintain all equipment and technology items (clean, service and repair) as specified by us; and (iv) use and execute our Curriculum, perform Services and sell Products according to our standards (as specified in Sections XII.H and XII.I of this Agreement);

25. Fails or refuses to: (i) purchase or use any third-party equipment, products and services as specified by us; (ii) purchase any third-party equipment, products or services from us, our affiliates or approved vendors and suppliers or purchases such items from an unapproved vendor or supplier; and (iii) adhere to our purchasing strategies, operating procedures and the merchandising of all products (including Proprietary Products) according to our standards and specifications as described in Sections XII.H and XII.I of this Agreement;

26. Fails or refuses to comply with our inventory requirements or Minimum Representation requirements (if applicable) as set forth in the Operations Manual;

27. Fails to comply with the terms of any auto-ship programs as set forth in the Operations Manual (currently not in effect);

28. Engages in Target Marketing to solicit and obtain clients by any type of advertising or marketing outside Franchisee's assigned Territory; fails or refuses to refer large group promotional gatherings or clients to other franchisees or company-owned businesses; or fails to seek our permission to perform Services or conduct business at large group promotional gatherings in unassigned geographic areas (as described in Section VI);

29. Uses the Names and Marks or any part thereof in any form on the Internet, including but not limited to, addresses, domain names, URLs, Websites, links, metatags, locators, search techniques and co-branding arrangements without our prior written consent;

30. Is convicted of a felony or has pleaded nolo contendere to a felony, is arrested or convicted on charges relating in any way to the possession or use of illegal drugs, controlled substances or steroids or is charged and convicted of a crime of moral turpitude;

31. Engages in unfair business practices or unethical conduct;

32. Fails to discharge within a reasonable time, any valid lien placed against the property of the Business;

33. Makes an assignment for the benefit of creditors or an admission of Franchisee's inability to pay its obligations as they become due;

34. Files a voluntary petition in bankruptcy or any pleading seeking any reorganization, arrangement, disposition, adjustment, liquidation, dissolution or similar release under any law, or admitting or failing to contest the material allegations of any such pleading filed against Franchise, or is adjudicated bankrupt or insolvent, or a receiver is appointed for a substantial part of the assets of Franchisee or the Business, or the claims of creditors of Franchisee or the Business are abated or subject to a moratorium under any laws;

35. If a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's Business or assets is filed and consented to by Franchisee;

36. If proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee.

37. If a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed); or if Franchisee is dissolved or extinguished;

38. If execution is levied against Franchisee's Business or property or against any ownership interest in Franchisee;

39. If any real or personal property of Franchisee's Business shall be sold after levy by any sheriff, marshal, or constable;

40. If, in material violation of the terms of Sections XII, XVI, XX and/or XXII;

41. If Franchisee maintains false books or records, or submits any false reports to us;

42. If Franchisee's Business has three (3) or more material complaints reported to a governmental entity or other public forum (material complaints are determined in our sole and absolute discretion) with respect to the Business in any twelve (12) month period.

D. Termination by Franchisee

If we violate a material and substantial provision of this Agreement and we fail to remedy or to make substantial progress toward curing the violation within thirty (30) days after receiving written notice from Franchisee detailing our alleged default, Franchisee may terminate this Agreement if so permitted under applicable law. Any termination of this Agreement and the Franchise by Franchisee, without complying with the foregoing requirements, or for any reason other than breach of a material and substantial provision of this Agreement by us and our failure to cure such breach within thirty (30) days after receipt of written notice thereof, shall not be permitted.

E. General Effect of Termination

On termination or expiration of this Agreement, all of Franchisee's post-termination obligations, including covenant not to compete, non-disclosure, return of the Operations Manual and other proprietary materials, and indemnity, will remain in full force and effect. If this Agreement terminates for any reason prior to its expiration date, we will be entitled to certain damages (as described in Section XXIV.H).

F. Territory Alteration as An Alternative to Termination

If Franchisee is in default of the Franchise Agreement, as an alternative to termination, we may modify or completely eliminate any rights that Franchisee may have with respect to the protected status of the Territory, effective ten (10) days after delivery of written notice to Franchisee. In addition, we may modify or completely eliminate Franchisee's Territory.

XXIV. FRANCHISEE'S OBLIGATIONS UPON TERMINATION OR EXPIRATION

A. Franchisee Shall Cease Using Names and Marks

Franchisee further agrees that, upon termination or expiration of this Agreement, Franchisee shall immediately and permanently cease to use, by advertising, or any manner whatsoever, any Confidential Information, methods, trade secrets, procedures, Services and Products associated with us and the Names and Marks and any proprietary marks and distinctive forms, slogans, symbols, signs, logos or devices associated with the System. In particular, Franchisee shall cease to use, without limitation, all signage, Vehicles with graphics, advertising materials, stationery, forms and any other articles, which display our Names and Marks. Franchisee shall make or cause to be made, at its expense, changes directed by us in signs, buildings, structures and Vehicles so as to effectively distinguish the surviving business entity, if any, from its former appearance as a The Flower Garage™ business, and from other existing The Flower Garage™ businesses. Franchisee shall comply with the covenant not to compete and the agreement to maintain the confidentiality of proprietary information, as well as return all information that is considered to be Confidential Information under the terms and conditions of this Agreement back to us.

B. Franchisee Shall Cease Operating Business, Refrain from Notifying Clients, Refund and Transfer Clients

Franchisee shall immediately cease to operate The Flower Garage™ Business and shall not thereafter, directly or indirectly, represent itself to the public or hold itself out as a present or former franchisee of ours.

In addition, Franchisee shall not give notice of termination or expiration of this Agreement to Franchisee's clients without our prior written consent. We shall have the sole right to notify all of Franchisee's clients of the termination or expiration of this Agreement at the time and in the manner, we determine to be most appropriate. All existing client lists of the Franchisee shall be our property. In addition, Franchisee must, within five (5) days after termination or expiration of this Agreement, contact all clients who prepaid for their Services or gave Franchisee a deposit for Services to be performed and offer full refunds of any unearned payments. Franchisee shall assist us in transferring all clients to another franchisee, company-owned business or to us upon termination or expiration of this Agreement at such times and in the manner we require.

Franchisee must immediately tender all new or used inventory of our Proprietary Products, décor, signage, apparel, promotional, advertising, marketing materials and/or anything that displays the Marks in addition to all Confidential Information to us and/or our designated affiliates or destroy, if notified by us in writing to do so, all inventory of such items in a timely manner in accordance with the terms of the Operations Manual and as specified in Section XXIV.G of this Agreement.

C. Franchisee May Not Adopt Confusingly Similar Names and Marks

Franchisee agrees, in the event it continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the Names and Marks, either in connection with such other business or in the promotion thereof, which is likely to cause confusion, mistake or deception, or which is likely to dilute our exclusive rights in and to the Names and Marks, and further agrees not to utilize any designation of origin or description or representation which

falsely suggests or represents an association or connection with us or a former association or connection with us.

D. Franchisee Shall Cancel Assumed Names and Transfer Phone Numbers

Franchisee further agrees that upon termination or expiration of this Agreement, Franchisee shall take all action necessary to cancel all assumed names or equivalent registrations relating to its use of any or all of the Names and Marks. Franchisee shall take all actions necessary to transfer all phone numbers, addresses, domain names, Websites, email, listings and location contacts for the Business and/or used in the Business to us or our designee, including but not limited to authorizing all telephone, Internet, Websites, email, electronic network, directory and listing entities to effectuate the same.

E. Franchisee Shall Transfer or Terminate Domain Name and Website

Upon termination or expiration of this Agreement, Franchisee agrees that, we will have the absolute right to notify InterNIC, ICANN and all other Internet authorities of the termination or expiration of Franchisee's right to use all domain names, websites, web pages, Websites, mobile app platforms and other search engines for the Business and to authorize the above and other search engines to transfer to us or our designee all domain names, websites, web pages, Websites, mobile app platforms and search engines associated with the Business. Franchisee acknowledges and agrees that we have the absolute right to, and interest in, all domain names, websites, web pages, Websites, mobile app platforms and search engines related to the Business and that we have the full right and authority to direct the above Internet authorities and all search engines to transfer Franchisee's domain names, websites, web pages, Websites, mobile app platforms and search engines to us or our designee if this Agreement expires or is terminated for any reason. Franchisee further acknowledges that this Agreement will constitute a release by Franchisee of the above Internet authorities from any and all claims, liabilities, actions, and damages that Franchisee may, at any time, have the right to allege against them in connection with this provision.

F. Franchisee Must Return Operations Manual and Other Materials

Franchisee further agrees that upon termination or expiration of this Agreement, it will immediately return to us all copies of the Operations Manual, training materials and any other materials, which have been loaned to Franchisee by us. Franchisee further agrees to turn over to us all items containing any of the Marks, and all client lists and contracts for the Franchised Business.

G. Franchisor May Purchase Assets

We shall have the right of first refusal to purchase or assume Franchisee's interest in the Franchised Business or in its assets on the same terms as those contained in a bona fide offer from a third party. As used in this Section, "Assets" means leasehold improvements, furnishings, fixtures, equipment, technology items (as described in Section XII.I), Vehicles, signage, décor items, products, inventory (such as non-perishable products and merchandise in addition to all advertising and marketing materials), vehicles (if applicable) and the lease or sublease for the Business (if applicable). If we exercise our right of first refusal, Franchisee must transfer Franchisee's interest in the Franchised Business and in the Assets.

If Franchisee is selling its Assets, we shall have the right (but not the duty), to be exercised by notice of our intent to do so within thirty (30) days after termination or expiration of this Agreement, to purchase any or all Assets related to the operation of the Business and all items bearing the Names, Marks, at the lesser of Franchisee's cost or fair market value (less the amount of any outstanding liens or encumbrances). The cost shall be determined based upon a five (5) year straight-line depreciation of Franchisee's original costs. For any Asset that is five (5) or more years old, the Parties agree that fair market value shall be deemed to be ten percent (10%) of the Asset's original cost. However, for any products or Proprietary Products (excluding Vehicles) that display our Marks and for any Proprietary Products used in the System and in the operation of the Business regardless of whether or not our Marks

are displayed, the fair market value shall be deemed to be twenty percent (20%) of the Assets' original cost, regardless of when such items were purchased (however if any such items are broken or damaged for example: the seals are broken, packages are either torn, stained, discolored and/or if such items are broken, destroyed, expired or otherwise unusable or unsellable the fair market value is agreed to be zero). We and Franchisee agree that the terms and conditions of our right and option to purchase the Assets may be recorded, if deemed appropriate by us. If we elect to exercise any option to purchase the Assets as herein provided, we shall have the right to set off any amounts due from Franchisee.

H. Franchisee Must Pay Monies Owed to Franchisor; Liquidated Damages

Franchisee shall pay to us, within thirty (30) days after the effective date of termination or expiration of this Agreement, such Royalty Fees, System Brand Fund contributions, other advertising fees, payments or any other sums owed to us or our affiliates by Franchisee, which are then unpaid. Franchisee shall pay to us or our affiliates all damages, costs, and expenses, including reasonable attorney's fees, incurred by us in obtaining injunctive or other relief for the enforcement of any provisions of Sections XIX and XXIV.

In the event of termination of this Agreement prior to its expiration date, Franchisee acknowledges that the parties have considered the following in determining the amount of liquidated damages ("Damages"): (i) that the amount of Damages is reasonable under the circumstances existing at the time this Agreement is made; (ii) that the amount of Damages bears a rational relationship to the damages the parties anticipate would flow from the breach of this Agreement; (iii) the agreement to the amount of the Damages is necessary because actual damages are difficult or impossible to prove; and (iv) the amount of the Damages are not so large that they act as a penalty. Franchisee accordingly agrees that in such event it shall be obligated to pay to us, the amount of the Damages which is the total of all Royalty Fees and System Brand Fee payments that we would have received, if this Agreement remained in effect until its scheduled expiration date, subject to the following: this amount of Damage shall be calculated by adding together the average monthly Royalty Fee payments and the average System Brand Fee payments that were paid to us during the previous twelve (12) months for either the remaining term of this Agreement or two (2) years (whichever comes first). If Franchisee has not made twelve (12) months of payments, then the number of payments it has made will be used to calculate the average of Royalty Fee and System Brand Fee payments. Such payments shall be due to us within thirty (30) days after the effective date of termination or expiration.

Except as otherwise provided in this Agreement, Franchisee shall retain whatever interest it may have in the Assets of the Franchised Business.

XXV. PROVISIONS RELATING TO ENFORCEMENT

A. Franchisee May Not Withhold Payments Due Franchisor

Franchisee agrees that Franchisee will not withhold payments of any Royalty Fees, System Brand Fees or any other amounts of money owed to us for any reason, on grounds of alleged nonperformance by us of any obligation. All such claims by Franchisee shall, if not otherwise resolved by us and Franchisee, be submitted to mediation and/or arbitration as provided in this Agreement. Franchisee has no right of offset, or set off to any amounts due and owing to us.

B. Severability

All provisions of this Agreement are severable, and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and any partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. If any applicable law or rule requires a greater prior notice of the termination of this Agreement than is required hereunder, or requires the taking of some other action not required hereunder, the prior notice or other action required by such law or rule shall be substituted for the notice or other requirements.

C. Mediation

The Parties agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction before resorting to arbitration as set forth in Section XXV.D. Any party to this Agreement may initiate mediation by serving a written demand on the other party stating the particulars of the demand being served. Mediation fees shall be divided equally among the parties involved. Before any mediation commences, the Parties will agree to a date and/or certain event which will constitute a completion of the mediation process. All mediations shall be held in Maricopa County, Arizona. If, for any dispute or claim to which this paragraph applies, any party commences an action without first attempting to resolve the matter through mediation or refuses to mediate within ninety (90) days after a request has been made, then the other party ("Mediating Party") shall be entitled to recover attorney's fees and costs, even if such Mediating Party was not otherwise entitled to recover its attorney fees and cost in any arbitration or legal action between the Parties pursuant to the terms of this Agreement. This mediation provision applies whether or not the arbitration provision is initiated. The requirement to pay the Mediating Party's attorney's fees and costs apply regardless of whether the other party waits until the expiration of the ninety (90) day period to file the arbitration and applies as long as said party refuses to attend mediation. Mediation shall be held at the same venue as for arbitration as described in Section XXV.D.

D. Arbitration

Except as we elect to enforce this Agreement by judicial process, injunction, or specific performance (as provided below), all disputes and claims relating to any provision hereof, any specification, standard or operating procedure, or any other obligation of Franchisee prescribed by us, or any obligation of ours, or the breach thereof (including, without limitation, any specification, standard or operating procedure or any other obligation of Franchisee or us, which is illegal or otherwise unenforceable or voidable under any law, ordinance, or ruling) shall be settled by mandatory binding arbitration in Maricopa County, Arizona. Arbitration must be in accordance with the then current Commercial Rules of the American Arbitration Association ("AAA") and, where applicable, the provision of the Federal Arbitration Act, i.e. 9 USC §1, et al; and provided that at our option or Franchisee that the arbitrator shall be selected from a list of retired federal or state judges supplied by the American Arbitration Association which could include an attorney with twenty (20) years or more franchise experience. The actual selection of the arbitrator from the list will be in accordance with the procedures for selecting an arbitrator under the Commercial Rules of the AAA. The Parties agree that, in connection with any such arbitration proceeding, each will submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 1-3 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. The Parties further agree that arbitration will be conducted on an individual and not a class-wide or multiple plaintiff basis.

The party having an arbitrable claim (or if the matter is required to be litigated) will have one (1) year from the date of discovery but not to exceed two (2) years from the date the claim occurred, in which to settle the claim or to commence arbitration on the claim. Otherwise, the claim or demand will be deemed abandoned and shall be barred. The arbitrator shall allow discovery in accordance with the Arizona Rules of Civil Procedure and may apply the sanctions relating to noncompliance with discovery orders therein provided. The arbitrator shall issue a written opinion explaining the reasons for his or her decision and award and the arbitrator shall have the right to award or include in the award the specific performance of this Agreement. Unless specifically provided for by applicable statute, no punitive or exemplary damages shall be awarded against either us or Franchisee, or entities related to them, in an arbitration proceeding or otherwise, and are hereby waived. Judgment upon the award of the arbitrator will be entered in any court having competent jurisdiction thereof or of us or of Franchisee. During the pendency of any arbitration proceeding hereunder, we and Franchisee shall fully perform our/its respective obligations pursuant to the terms and conditions of this Agreement. Arbitration fees shall be shared equally and the prevailing party shall be entitled to their attorney fees, provided should there be no prevailing party each party shall pay their own attorney fees.

The requirement to arbitrate under this arbitration provision as well as to mediate under the mediation provision in Section XXV.C shall not apply to any of the following disputes or controversies: any action for injunctive or other provisional relief including but not limited to enforcement of liens, security agreements, or attachment, as we deem to be necessary or appropriate to compel Franchisee to comply with Franchisee's obligations to us and/or to protect the Names and Marks or any claim or dispute involving or contesting the validity of any of the Names and Marks, or any claim or dispute involving any of the Confidential Information, trade secrets, or copyrights provided by us to Franchisee under this Agreement.

E. Rights of Parties are Cumulative

The rights of us and Franchisee are cumulative, and the exercise or enforcement by us or Franchisee of any right or remedy shall not preclude the exercise or enforcement by us or Franchisee of any other right or remedy hereunder which we or Franchisee are entitled by law to enforce by the provisions of this Agreement or of the Operations Manual. In addition, both Parties agree that during any type of dispute or claim neither Party will attempt to: publicly publish any proceedings, make any publicly available claims; or make any disparaging statement which could tarnish the reputation of the other Party.

F. Judicial Enforcement, Injunction and Specific Performance

Notwithstanding anything to the contrary contained in Section XXV.D above relating to arbitration, we shall have the right to enforce by judicial process our right to terminate this Agreement for the causes enumerated in Section XXIII of this Agreement, to collect any amounts owed to us for any unpaid Royalty Fees, or other unpaid fees or charges due hereunder, arising out of the Business conducted by Franchisee pursuant hereto, and to pursue any rights we may have under any leases, subleases, sales, purchases, or security agreements or other agreements with Franchisee. We shall be entitled, without bond, to the entry of temporary or permanent injunctions and orders of specific performance enforcing any of the provisions of this Agreement. If we secure relief by judicial enforcement, Franchisee agrees to pay to us an amount equal to the aggregate costs of obtaining such relief, including, without limitation, reasonable attorneys' fees, costs of investigation, court costs, and other litigation expenses, travel, accommodations, food, other expenses and any damages incurred by us as a result of Franchisee's breach of any provision of this Agreement.

G. Arizona Law Applies

Except to the extent governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C., Section 1051 et. seq.) or the U.S. Arbitration Act, this Agreement shall be governed by the laws of the State of Arizona, and the sole and exclusive venue for arbitration or litigation shall lie in Maricopa County, Arizona, or in the applicable United States District Court for Arizona.

H. Attorney Fees

In the event that either party incurs any expenses (including but not limited to reasonable attorney fees and reasonable expert witness fees) in enforcing the provisions of this Agreement by arbitration or legal action, the prevailing party shall be entitled to recover such expenses directly from the other.

I. Binding Effect

This Agreement is binding upon the Parties hereto and their respective permitted assigns and successors in interest.

J. Entire Agreement/Integration/No other Agreements/Manual(s) May Change

This Agreement and the exhibits to this Agreement constitute the final, complete and exclusive agreement of the Parties with respect to the subject matter hereof and supersedes and merges all prior discussions between the Parties. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnished to Franchisee. No amendment to this Agreement shall be binding on either party unless mutually agreed to by the Parties in writing. The Operations Manual may be amended at any time by us, and Franchisee shall adopt its methods or procedures to comply with the requirements thereof.

K. Force Majeure

Except for monetary obligations or as otherwise specifically provided in this Franchise Agreement, if either party to this Agreement shall be delayed or hindered in or prevented from the performance of any act required under this Agreement by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, pandemics or other causes beyond the reasonable control of the party required to perform such work or act under the terms of this Agreement through no fault of such party, then performance of such act shall be excused for the period of the delay, but in no event to exceed ninety (90) days from the stated time periods as set forth in this Franchise Agreement.

XXVI. NOTICES

Any and all notices permitted or required to be given hereunder shall be deemed duly given: (i) upon actual receipt if delivery is by hand; or (ii) upon receipt by the transmitting party of a confirmation or return response when delivery is by facsimile or email; (iii) forty-eight (48) hours after deposit to a reputable overnight carrier with confirmation sent or being available, or (iv) seventy-two (72) hours after deposit into the United States mail if delivery is by postage prepaid, registered or certified, return receipt requested mail. Each such notice shall be sent to the respective party at the address indicated in this Agreement or to any other address as the respective party may designate by notice delivered pursuant to this Agreement.

XXVII. COUNTERPARTS

This Agreement and any amendments or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all of which counterparts together shall constitute but one and the same instrument. This Agreement shall become effective upon the execution of a counterpart hereof by both of the Parties hereto. A signed copy of this Agreement delivered by email, Docusign, or other means of electronic transmission (to which a PDF copy is attached) will be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

XXVIII. TIME IS OF THE ESSENCE

Time is of the essence. The Parties to this Agreement hereby agree that time is of the essence with respect to each of their respective duties and obligations under this Agreement.

XXIX. APPROVALS AND WAIVERS

Whenever this Agreement requires our prior approval or consent, Franchisee shall make a timely written request to us and such approval or consent shall be obtained in writing.

We make no warranties or guarantees upon which Franchisee may rely, and assume no liability or obligation to Franchisee, by providing any waiver, approval, consent, or suggestion to Franchisee or in connection with any consent, or by reason of any neglect, delay, or denial of any request thereof.

No failure of us to exercise any power reserved to us by this Agreement or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of our right to demand exact compliance with any of the terms herein. Waiver by us of any particular default or breach by Franchisee shall not affect or impair our rights with respect to any later default or breach of the same, similar or different nature, nor shall any delay, forbearance, or omission, breach or default by us to exercise any power or right arising out of any breach or default by Franchisee of any of the terms, provisions, or covenants hereof, affect or impair our right to exercise the same, nor shall such constitute a waiver by us of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

XXX. AUTHORITY

Franchisee or, if Franchisee is a corporation, limited liability company or partnership, the individuals executing this Agreement on behalf of such corporation, limited liability company or partnership, warrant to us, both individually and in their capacities as Owners, partners, managers, members, shareholders, directors and officers, that all of them as the case may be, have read and approved this Agreement, including the restrictions which this Agreement places upon their right to transfer their respective interests in such entity as set forth in Section XXII.

XXXI. FURTHER REPRESENTATIONS AND WARRANTIES BY FRANCHISEE

Franchisee acknowledges and warrants that it has received a complete and final copy of this Agreement, our Disclosure Document and applicable exhibits, in a timely fashion as required; and that before signing this Agreement, Franchisee was given ample opportunity to review and examine our Disclosure Document and was furnished with copies of the documents. **NO ORAL, WRITTEN OR VISUAL CLAIM OR STATEMENT THAT CONTRADICTS THE DISCLOSURE DOCUMENT WAS MADE.**

FRANCHISEE ACKNOWLEDGES THAT FRANCHISEE AND ALL OF ITS OWNERS HAVE BEEN ADVISED TO HAVE THIS AGREEMENT AND ALL OTHER DOCUMENTS REVIEWED BY AN ATTORNEY AND THAT FRANCHISEE AND ITS OWNERS HAVE READ, UNDERSTOOD, HAD AN OPPORTUNITY TO DISCUSS AND AGREED TO EACH PROVISION OF THIS AGREEMENT. FRANCHISEE AND ITS OWNERS AGREE THAT THERE HAS BEEN NO PRESSURE OR COMPULSION BY US OR OUR AGENTS TO SIGN THIS AGREEMENT.

FRANCHISEE ACKNOWLEDGES AND AGREES THAT THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED TO BE UNDERTAKEN BY FRANCHISEE AND ITS OWNERS IS SPECULATIVE AND WILL BE DEPENDENT ON PERSONAL EFFORTS AND SUCCESS IS NOT GUARANTEED. FRANCHISEE AND ITS OWNERS ACKNOWLEDGE AND REPRESENT THAT IT HAS ENTERED INTO THIS AGREEMENT AND MADE AN INVESTMENT ONLY AFTER MAKING AN INDEPENDENT INVESTIGATION OF THE OPPORTUNITY, INCLUDING HAVING RECEIVED A LIST WITH THE FRANCHISE DISCLOSURE DOCUMENT OF OTHER CURRENTLY AND PREVIOUSLY OPERATED THE FLOWER GARAGE™ FRANCHISES.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Christakos Franchise, LLC Franchise Agreement in duplicate on this date_____/_____20____.

FRANCHISOR:

Address for Notices:
Christakos Franchise, LLC
8865 E Bell Road Suite 102
Scottsdale, AZ 85260
Telephone: (480) 444-8080
Attn: Danielle Christakos

Christakos Franchise, LLC

Signed: _____

Name: _____

Title: _____

Dated: _____

FRANCHISEE:

Address for Notices:

_____

_____

Telephone:

_____

Attn:

_____

Signed: _____

Name: _____

Date: _____

Signed: _____

Name: _____

Date: _____

Signed: _____

Name: _____

Dated: _____

SCHEDULE 1
CHRISTAKOS FRANCHISE, LLC
ELECTRONIC FUNDS TRANSFER AUTHORIZATION AGREEMENT

BY AND BETWEEN CHRISTAKOS FRANCHISE, LLC AND_____ ("Franchisee") DATED _____20___.

Franchisee hereby authorizes Christakos Franchise, LLC ("Franchisor") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below for payment of Royalty Fees, System Brand Fees and any other amounts owed by Franchisee to Franchisor or its affiliates under the Franchise Agreement.

_____	_____
Name on Account	Banking Institution
_____	_____
Pay to the order of	Bank's Address
_____	_____
Address on Account	Phone #
_____	_____
Bank Transit/ABA Number	Account Number

Such debit entries shall occur on a monthly basis, or on such other schedule as Franchisor shall specify in writing. This authorization will remain in full force and effect until sixty (60) calendar days after Franchisor has received signed written notification from Franchisee of its termination.

Franchisee:	**Franchisor:**
_____	_____
Signature	Signature
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

SCHEDULE 2
CHRISTAKOS FRANCHISE, LLC
PRE-EXISTING BUSINESSES

As a condition precedent to the effectiveness of the franchise agreement ("Franchise Agreement") and in consideration of the terms and conditions of the Franchise Agreement.

Franchisee represents and warrants to Franchisor as follows:

1. Individually and as an entity owned by [Franchisee and/or affiliates of Franchisee] currently operate a business known as, ("Pre - Existing Business"), and

2. Any and all existing franchise agreements, stockholder agreements, membership agreements, partnership agreements, option agreements or any other third-party rights relating to the Pre-Existing Business, do not contain any covenants, terms and conditions which do now, or may in the future, prohibit the execution of the Franchise Agreement and the participation of any of the Owners, managers or employees of Franchisee in the Franchised Business, and

3. Other than the consents of Franchisee and Franchisor, there is no other third-party consent required for the acquisition of the franchise to be legally binding and effective, and

4. There are no existing restrictive covenants, other than those which the Pre-Existing Business has waived, binding on Franchisee or any of its partners, owners, agents' representatives or employees that would be breached by the acquisition and operation of the Franchised Business obligations of Franchisee to Franchisor, and

5. The Pre- Existing Business provides the following goods and services to its customers at the following locations:

5.1 Goods and services of Pre-Existing Business(es)

_____

_____

_____

5.2 Location(s) of Pre-Existing Goods Business(es)

_____

_____

_____

and from the date hereof will continue to operate as [an independent organization] and shall not carry out any other businesses directly or indirectly competing with the Franchised Business, and

6. Franchisee shall convert the entire Pre-Existing Business into the Franchised Business and shall hence forth operate that business as Franchised Business under the trade name "The Flower Garage™" and

7. Franchisee agrees that any business currently operated or to be operated by any affiliate of Franchisee outside of the Franchised Business which later becomes a part of the Franchised Business shall be folded into the Franchised Business after notice and approval by Franchisor, and

8. Franchisee shall indemnify, defend and hold harmless Franchisor and its affiliates, against all losses, costs, proceedings, judgments, liabilities, expenses, court costs, and reasonable fees of attorneys and other professionals, arising out of or resulting from any breach of the representations and warranties set out in this Schedule or in connection with any willful or negligent act or omission of Franchisee or Franchisee's employees or agents, including but not limited to such act or omission that contributes to any economic damage, bodily injury, sickness, disease or death. This indemnity shall survive termination of the Franchise Agreement.

FRANCHISEE

Signed: _____

Printed Name: _____

Title: _____

Date: _____

SCHEDULE 3
CHRISTAKOS FRANCHISE, LLC
EXECUTIVE ORDER 13224 AND RELATED CERTIFICATIONS

If Franchisee is an individual or individuals, the Franchisee certifies that he/she/they are not, nor to my/our best knowledge have I/us been designated, a terrorist and/or a suspected terrorist, nor am I/us associated and/or affiliated in any way with any terrorist and/or suspected terrorist person and/or organization, as defined in U.S. Executive Order 13224 and/or otherwise.

If Franchisee is a company, the person(s) signing on behalf of Franchisee certify(ies) that, to Franchisee's and such person's best knowledge, neither Franchisee, such person, and/or any owners, officers, board members, similar individuals and/or affiliates/associates of Franchisee have been designated, a terrorist and/or a suspected terrorist, nor is Franchisee or any such persons and/or affiliates/associates owned, controlled, associated and/or *affiliated* in any way with any terrorist and/or a suspected terrorist person and/or organization, as defined in U.S. Executive Order 13224 and/or otherwise.

Franchisee agrees to fully comply and/or assist Franchisor in its compliance efforts, as applicable, with any and all laws, regulations, Executive Orders or otherwise relating to antiterrorist activities, including without limitation the U.S. Patriot Act, Executive Order 13224, and related U.S. Treasury and/or other regulations, including properly performing any currency reporting and other obligations, whether relating to the Franchise or otherwise, and/or required under applicable law. The indemnification responsibilities provided in the Franchise Agreement cover Franchisee's obligations hereunder.

FRANCHISEE

Signed: _____

Printed Name: _____

Title: _____

Date: _____

SCHEDULE 4
CHRISTAKOS FRANCHISE, LLC
ADA & RELATED CERTIFICATIONS

Christakos Franchise, LLC ("Franchisor") and _____ ("Franchisee") are parties to a franchise agreement (the "Franchise Agreement") dated, _____20____ for the operation of a The Flower Garage™ Business (the "Business").

In accordance with Section XII.C of the Franchise Agreement, Franchisee certifies to Franchisor that the Business and its adjacent areas comply with all applicable federal, state and local accessibility laws, statutes, codes, rules, regulations and standards, including but not limited to the Americans with Disabilities Act and all local zoning regulations and building codes. Franchisee acknowledges that it is an independent contractor and the requirement of this certification by Franchisor does not constitute ownership, control, leasing or operation of the Business. Franchisee acknowledges that Franchisor has relied on the information contained in this certification. Furthermore, Franchisee agrees to indemnify Franchisor, its members, managers, officers, employees and agents, and each and all of the Franchisor-Related Entities, in connection with any and all claims, losses, costs, expenses, liabilities, compliance costs, and damages incurred by the indemnified party (ies) as a result of any matters associated with Franchisee's compliance (or failure to comply) with the Americans with Disabilities Act, all local zoning regulations and building codes and otherwise, as well as the costs, including attorneys' fees, related to the same.

FRANCHISEE

Signed: _____

Printed Name: _____

Title: _____

Date: _____

SCHEDULE 5
CHRISTAKOS FRANCHISE, LLC
FRANCHISE AGREEMENT: INDIVIDUAL GUARANTY
(USE FOR CORPORATE, PARTNERSHIP OR OTHER ENTITY FRANCHISEE)

This Guaranty is a Schedule to the franchise agreement ("Franchise Agreement") between Christakos Franchise, LLC ("Franchisor") and _____ ("Franchisee") dated the _____ day of _____, 20___.

1. The undersigned agree, individually and on behalf of his or her marital community, to personally and unconditionally guarantee the performance of Franchisee under the Franchise Agreement and to perform all obligations under this Guaranty on default by Franchisee. The undersigned further agree to pay any judgment or award against Franchisee obtained by Franchisor. Guarantors are also bound by covenants of the Franchise Agreement that by their nature or terms survive the expiration or termination of the Franchise Agreement, including but not limited to non-competition, indemnity and non-disclosure provisions.

2. Each Guarantor has consulted legal counsel of his/her own choosing as to his/her responsibilities and liabilities under this Guaranty.

3. Each Guarantor waives:

   (a) Notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed;

   (b) Protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed;

   (c) Any right he or she may have to require that an action be brought against Franchisee or any other person as a condition of liability;

4. Each Guarantor consents and agrees that:

   (a) Liability under this Guaranty is joint and several with any other guarantor and Franchisee;

   (b) Each will render any payment or performance required under this Guaranty on demand, if Franchisee fails or refuses punctually to do so;

   (c) Each will individually comply with the provisions and all subsections of the Agreements and associated documents;

   (d) Liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person;

   (e) Liability is not affected by any extension of time, acceptance or part performance, release of claims, or other compromise that Franchisor may grant Franchisee or other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Guaranty.

(f) Each waives acceptance and notice of acceptance by Franchisor; waives notice of demand, and waives protest and notice of default, except as may be required by the Franchise Agreement.

5. Each Guarantor further hereby consents and agrees that:

(a) Guarantor's liability under this undertaking shall be direct, immediate, and independent of the liability of Franchisee, other guarantors, and the other owners of Franchisee;

(b) This undertaking will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by an abandonment of the Agreement by a trustee of Franchisee. Neither the Guarantor's obligations to make payment or render performance in accordance with the terms of this undertaking nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or any remedy for enforcement resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency;

(c) Franchisor may proceed against Guarantor and Franchisee jointly and severally, or Franchisor may, at its option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against Franchisee. Guarantor hereby waives the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligation hereby guaranteed; and

(d) Guarantor agrees to pay all reasonable attorneys' fees and costs and other expenses incurred in any collection or attempt to collect amounts due pursuant to this undertaking or any negotiations relative to the obligations hereby guaranteed or in the enforcing of this undertaking against Guarantor.

Guarantor agrees to be personally bound by the arbitration obligations under Section XXV.D of the Franchise Agreement, including without limitation, the obligation to submit to binding arbitration for the claims described in Section XXV.D of the Franchise Agreement in accordance with its terms.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature, in his or her individual capacity, on the same day and year as the Guaranty was executed.

Dated on the _____date of _____20____.

(Set forth the name, address and percentage ownership of each owner of Franchisee, their spouse and their percentage ownership, if applicable):

NAME	ADDRESS	PERCENTAGE
_____	_____	_____
Signed	_____	
_____	_____	
Printed		
_____	_____	_____

Signed _____

_____ _____

Printed

_____ _____ _____

Signed _____

_____ _____

Printed

_____ _____ _____

Signed _____

_____ _____

Printed

SCHEDULE 6
CHRISTAKOS FRANCHISE, LLC
COLLATERAL ASSIGNMENT OF LEASE

Franchisee: _____

_____

Franchisor: Christakos Franchise, LLC

Date of this Collateral Assignment of Lease (the "Assignment"): _____

Franchisee, to effect various provisions of that certain Franchise Agreement dated _____, 20 __, by and between Franchisee and Franchisor (the "Franchise Agreement"), hereby collaterally assigns to Franchisor (subject to the terms and conditions below) all of Franchisee's right, title and interest in, to and under that certain lease (the "Lease") dated _____ 20__, between Franchisee and _____, ("Landlord"), for that property commonly known as:_____(the "Premises"), a copy of which Lease is attached to this Assignment.

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained, the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and notwithstanding anything in the Lease to the contrary, it is hereby agreed as follows:

No material modification or amendment of the Lease shall occur or be effective without the prior written consent of Franchisor. Landlord will not consent or allow Franchisee to assign the Lease or sublease the Premises without Franchisor's prior written consent, which shall not be unreasonably withheld.

Except as provided in the Franchise Agreement, Franchisor will not take possession of the Premises under this Assignment until and unless there is a default by Franchisee under the Lease or a termination, cancellation, rescission or expiration of Franchisee's rights, or a default by Franchisee, under the Franchise Agreement. In such event(s), Franchisor (or its designee) may (but has no obligation to) take possession of the Premises and assume Franchisee's rights under the Lease, and, in such event, Franchisee will have no further right, title or interest in or under the Lease or to the Premises, all such rights thereby passing to Franchisor or its designee, without the Landlord's further consent. Franchisee will fully cooperate therewith and do all acts necessary or appropriate thereto. Franchisor will have no liabilities or obligations of any kind arising from, or in connection with, this Assignment, the Lease, the Premises or otherwise until and unless Franchisor takes possession of the Premises pursuant to this Assignment and, in any event, Franchisor will only be responsible for those obligations accruing with respect to the Lease after the date of such express assumption. Upon taking possession of the Premises, Franchisor shall be obligated from that date forward to perform all of the duties and obligations of Franchisee under the Lease. Franchisor shall notify Landlord, in writing, within five (5) days of taking possession of the Premises.

Franchisee will not permit any surrender, termination, amendment or modification of the Lease and will elect and exercise all options to extend the term of or renew, or assume in bankruptcy, the Lease not less than thirty (30) days prior to the last day that said rights must be exercised. If Franchisee does not do so, Franchisor may to the extent consistent with the United States Bankruptcy Code (but has no obligation to) do such acts for the account of Franchisee and without any liability or obligation of Franchisor. Failure of Franchisor to exercise any remedy hereunder shall not be a waiver of any of its rights. The rights and remedies of Franchisor under this Assignment are in addition to those which Franchisor has under the Franchise Agreement or otherwise. This Assignment shall bind, and benefit, Franchisor and Franchisee, and their respective successors and assigns. With respect to Franchisor and Franchisee, the dispute resolution provisions (including, but not limited to, mediation, binding arbitration, waiver of jury trial and limitation of damages) of the Franchise Agreement shall apply to this Assignment, and/or any matter related in any way to it, but Franchisor may, in any event and at its option, proceed with any action in

court for possession of the Premises and any related remedies. If there is more than one Franchisee, their obligations are joint and several. As between Landlord and Franchisor and/or Franchisee, the dispute resolution provisions of the Lease shall apply.

In the event Franchisee fails to perform or observe any of the terms, conditions or agreements in the Lease, Landlord shall give written notice thereof to Franchisor and Franchisor shall have the right (but not the obligation) to cure such default. Landlord shall not take any action with respect to such default under the Lease, including without limitation any action in order to terminate, rescind or avoid the Lease, for a period of fifteen (15) days following expiration of any cure period Franchisee may have under the Lease with respect to such default; provided, however, that in the case of any default which cannot with diligence be cured within said additional fifteen (15) day period, if Franchisor shall proceed promptly to cure such default and thereafter prosecute the curing of such default with diligence and continuity, the time within which such default may be cured shall be extended for such period as may be necessary to complete the curing of such default with diligence and continuity.

Landlord will recognize and accept the performance by Franchisor of any act or thing required to be done by Franchisee under the terms of the Lease and will accept such performance as if it were performed by Franchisee.

Landlord agrees that in any case commenced by or against Franchisee under the United States Bankruptcy Code, Franchisor shall have standing to appear and act as a party to the Lease for purposes of the Bankruptcy Code, (but shall not have any obligations under the Lease unless Franchisor expressly assumes the Lease). Landlord shall, during Franchisee's bankruptcy case, serve on Franchisor a copy of all notices, pleadings or documents which are given to Franchisee, and service shall be in the same manner as given to Franchisee. If the Lease or Franchisee's rights under the Lease are terminated, whether by reason of default of Franchisee or Landlord, rejection of the Lease in any bankruptcy case, voluntary surrender and acceptance, or otherwise, then Landlord shall give written notice of such termination to Franchisor. Franchisor or its nominee shall have the option, exercisable by written notice to Landlord delivered not later than the 30th day after written notice that the termination has occurred, to receive from Landlord a new lease of the Premises on the same terms and conditions as the Lease, for the remaining term of the Lease (that is, the portion of the term that would remain absent the termination and the conditions or events causing the same), and such same terms and conditions shall include any extension rights provided for in the Lease.

Any notice or other communication required or permitted to be given under this Assignment shall be in writing and addressed to the respective party as set forth below. Notices shall be effective (i) on the next business day if sent by a nationally recognized overnight courier service, (ii) on the date of delivery by personal delivery and (iii) on the date of transmission if sent by facsimile during business hours on a business day (otherwise on the next business day) (with receipt of confirmation). Any party may change the address at which it is to receive notices to another address in the United States at which business is conducted (and not a post-office box or other similar receptacle), by giving notice of such change of address in accordance with this provision.

Notices to Franchisor, Franchisee or Landlord shall be addressed as follows:

Landlord: _____
_____
_____
_____

This Assignment may be executed in one or more counterparts, each of which when so executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same instrument.

If any portion or portions of this Assignment shall be held invalid or inoperative, then all of the remaining portions shall remain in full force and effect, and, so far as is reasonable and possible, effect shall be given to the intent manifested by the portion or portions held to be invalid or inoperative.

This Agreement shall be governed by and construed in accordance with the laws of the State of _____.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the date first above written.

FRANCHISEE:

_____
Signature

_____
Printed Name

_____
Signature

_____
Printed Name

LANDLORD

_____

by _____

its_____

FRANCHISOR:

Christakos Franchise, LLC

by_____

its_____

SCHEDULE 7
CHRISTAKOS FRANCHISE, LLC
STATEMENT OF OWNERSHIP INTERESTS AND PRINCIPALS

A. The following is a list of all managing partners, partners, members, managers, shareholders, other Owners, investors in Franchisee (including all investors who own or hold direct or indirect interest in Franchisee) as well as all Franchisee's Principals described in and designated pursuant to Section XIX.B of the Franchise Agreement. A description of the nature of their interest is also provided below.

Name	**Percentage of Ownership/Nature of Interest**

B. In addition to the persons listed in paragraph A., the following is a list of all Franchisee's Principals described in and designated pursuant to Section XIX.B of the Franchise Agreement. Unless designated as a controlling Principal, each of Franchisee's Principals shall execute the Confidentiality Agreement in the form set forth in Schedule 8.

SCHEDULE 8
CHRISTAKOS FRANCHISE, LLC
CONFIDENTIALITY AND NON-COMPETE AGREEMENT

This Agreement is made and entered into _____20_____, between Christakos Franchise, LLC, an Arizona limited liability company (hereinafter referred to as Franchisor/we/us/our"), and _____ (hereinafter referred to as "You").

RECITALS:

WHEREAS, we have acquired the right to develop a unique system (the "System") for the development and operation of a floral arranging business that also offers workshops that teach how to make floral arrangements, under the name and mark "The Flower Garage™" (each a "Business"); and

WHEREAS, the System includes but is not limited to certain trade names, service marks, trademarks, symbols, logos, emblems, and indicia of origin, including, but not limited to the mark The Flower Garage™ and such other trade names, service marks, and trademarks as we may develop in the future to identify for the public the source of services and products marketed under such marks and under the System and representing the System's high standards of quality, appearance and service standards which include our: Services, themed workshops, Curriculum (including all workbooks, handouts and materials) in addition to specific operational strategies, methods, processes, unique techniques when executing Services and selling Products; relationships with vendors and suppliers, purchasing strategies, inventory management systems, merchandising, cost and pricing strategies; service standards, safety, efficient scheduling and operational procedures; specifications for all equipment, products and supplies used in the operation of the Business; strategies for site acquisition, build out and design specifications with specific flooring, furnishings, equipment, décor, color scheme and signage (if Franchisee chooses to operate out of a location rather than from a home garage); guidelines for hiring, training and retaining employees and engaging independent contractors (if Franchisee chooses to use independent contractors); Operations Manual, workbooks and materials, photographs, video presentations, social media and promotional strategies; Vehicle appearance standards (including vehicle graphics), website, intranet system, third-party software, forms, contracts, waivers, record keeping and reporting procedures; proprietary sales presentations, client acquisition and retention programs; advertising, marketing, networking, social media and promotional strategies and materials all of which may be changed, improved and further developed by us from time to time and are used by us in the operation of the System ("Trade Secrets"); and

WHEREAS, the Trade Secrets provide economic advantages to us and are not generally known to and are not readily ascertainable by proper means by our competitors who could obtain economic value from knowledge and use of the Trade Secrets; and

WHEREAS, we have taken and intend to take all reasonable steps to maintain the confidentiality and secrecy of the Trade Secrets; and

WHEREAS, we have granted You (individually and/or through ownership of an entity) a limited right to manage and participate in the operation of a Business using the System and the Trade Secrets for the period defined in the Franchise Agreement made and entered into _____, 20_____ ("Franchise Agreement") between us and You; and

WHEREAS, We and You have agreed in the Franchise Agreement on the importance to us and to You and other licensed users of the System of restricting use, access and dissemination of the Trade Secrets; and

WHEREAS, it will be necessary for certain of you to have access to and to use some or all of the Trade Secrets in the management and operation of your Business using the System; and

WHEREAS, You have agreed to obtain from your staff written agreements protecting the Trade Secrets and the System against unfair competition; and

WHEREAS, each member of your staff wishes to remain, or wishes to become a staff member; and

WHEREAS, You will receive and use the Trade Secrets in the course of operating your Business;

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

1. We shall disclose to You some or all of the Trade Secrets relating to the System.

2. You shall receive the Trade Secrets in confidence, maintain them in confidence and use them only in connection with the management and/or operation of your Business using the System for so long as you are licensed by us to use the System.

3. You shall not at any time make copies of any documents or compilations containing some or all of the Trade Secrets without our express written permission.

4. You shall not at any time disclose or permit the disclosure of the Trade Secrets except to your staff members and then only to the limited extent necessary to train or assist your staff members in the management or operation of your Business using the System.

5. That all information and materials, including without limitation, build out drawings, specifications, techniques and compilations of data which we shall designate as confidential shall be deemed Trade Secrets for the purposes of this Agreement.

6. You shall surrender the confidential Franchise Operations and Procedures Manual and such other manuals and written materials we developed ("Manuals") described in the Franchise Agreement and any other materials containing some or all of the Trade Secrets to us, upon request, or upon termination of the Franchise Agreement, or upon conclusion of the use for which the Manuals or other information or materials may have been furnished to your staff.

7. You shall not, directly or indirectly, commit any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Trade Secrets and the System.

8. The Manuals are loaned by us to You for limited purposes only and remain our property and may not be reproduced, in whole or in part, without our written consent.

9. In further consideration for the disclosure to You of the Trade Secrets and to protect the uniqueness of the System, You agree that during the term of the Franchise Agreement and for two (2) years following the earlier of the expiration, termination or transfer of all of your interest in the Franchise Agreement You will not, without our prior written consent:

    a. Divert or attempt to divert any business, business opportunity or client of the Business, with which or with whom you have had business contact during the term of this Agreement, to any competitor.

    b. Employ or seek to employ any person who is at the time employed by us or any franchisee or developer of us, or otherwise directly or indirectly induce such persons to leave that person's employment.

    c. Directly or indirectly for yourself or through, on behalf of or in conjunction with any person, partnership or corporation, own, maintain, operate, engage in, consult with or have any

financial or beneficial interest in (including interest in corporations, limited liability companies, partnerships, trusts, unincorporated associations or joint ventures), advise, assist or make loans to, any business which is the same as or similar to Franchisee including, but not limited to, any type of business offering services, products or furnishings that are similar to the Services, Products and/or furnishings of a The Flower Garage™ business which business is or intended to be, located within a ten (10) mile radius of the Accepted Location in the Franchise Agreement or of any other The Flower Garage™ business (which includes company-owned businesses and/or other franchise businesses) in existence or under construction as of the earlier of the expiration or termination of, or the transfer of all of your interest in, the Franchise Agreement.

10. You undertake to use your best efforts to ensure that your staff acts as required by this Agreement.

11. You agree that in the event of a breach of this Agreement, we would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, we shall be entitled to enforce this Agreement and shall be entitled, in addition to any other remedies which are available to us at law or in equity, including the right to terminate the Franchise Agreement, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

12. You agree to pay all expenses (including court costs and reasonable legal fees) incurred by us in enforcing this Agreement.

13. Any failure by us to object or to take action with respect to any breach of this Agreement by you shall not operate or be construed as a waiver of or consent to that breach or any later breach by you.

14. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF ARIZONA. THE PARTIES AGREE THAT ANY ACTION BROUGHT BY ANY PARTY AGAINST ANOTHER IN ANY COURT, WHETHER FEDERAL OR STATE, SHALL BE BROUGHT IN ARIZONA IN THE JUDICIAL DISTRICT IN WHICH WE HAVE OUR PRINCIPAL PLACE OF BUSINESS; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF, YOU OR WE MAY BRING SUCH ACTION IN ANY COURT IN THE STATE WHICH HAS JURISDICTION. THE PARTIES HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION.

15. The parties agree that each of the above covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having a valid jurisdiction in an un-appealed final decision to which we are a party, You expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

16. This Agreement contains the entire agreement of the parties regarding the subject matter herein. This Agreement may be modified only by a duly authorized amendment executed by all parties.

17. All notices and demands required to be given herein shall be in writing and shall be sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested, first-class postage prepaid or facsimile, telegram or telex (provided that the sender confirms the facsimile, telegram or telex by sending an original confirmation copy by certified or registered

mail or expedited delivery service within three (3) business days after transmission), to the respective parties.

If directed to us, the notice shall be addressed to:

Christakos Franchise, LLC
8865 E Bell Road Suite 102
Scottsdale, AZ 85260
Attention: Danielle Christakos
Email: Owner@The-Flower-Garage.com
Telephone: (480) 444-8080

If directed to you, the notice shall be addressed to:

_____

_____

Attention:_____

Telephone:_____

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by facsimile or email shall be deemed given upon transmission, provided confirmation is made as provided above.

Any notices sent by expedited delivery service or certified or registered mail shall be deemed given three (3) business days after the time of mailing. Any change in the above addresses shall be effected by giving fifteen (15) days' written notice of such change to the other party.

18. The rights and remedies of us under this Agreement are fully assignable and transferable by us and shall inure to the benefit of our successors, assignees and transferees. The respective obligations of You and your staff herein are personal in nature and may not be transferred or assigned by You or your staff, as applicable.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement, as an entity and in his or her individual capacity, as witnessed by their signatures below.

Christakos Franchise, LLC
an Arizona limited liability company:

Printed Name:_____

Signature:_____

Title:_____

You:

Printed Name:_____

Signature:_____

EXHIBIT B

DIRECTORY OF FEDERAL AND STATE FRANCHISE REGULATORS

AGENTS FOR SERVICE OF PROCESS

EXHIBIT B

DIRECTORY OF FEDERAL AND STATE FRANCHISE REGULATORS

FEDERAL

FEDERAL TRADE COMMISSION
Division of Marketing Practices
Seventh and Pennsylvania Avenues, N.W.
Room 238
Washington, D.C. 20580
202-326-2970

STATE FRANCHISE REGULATORS & AGENTS FOR SERVICE OF PROCESS

ARIZONA
Danielle Christakos
8865 E Bell Road Suite 102
Scottsdale, AZ 85260
480-444-8080

CALIFORNIA
California Department of Financial Protection and Innovation
651 Bannon Street, Suite 300
Sacramento, CA 95811
866-275-2677

FLORIDA
State Department of Agriculture and
Consumer Services
P.O. Box 6700 Suite 7200
Tallahassee, FL 32314-6700
850-410-3754

ILLINOIS
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62701
217-782-4465

MARYLAND
Securities Commissioner
Division of Securities
200 St. Paul Place 20th Floor
Baltimore, Maryland 21202-2020
410-576-6360

CONNECTICUT
Connecticut Department of Banking
Securities Division
260 Constitution Plaza
Hartford, Connecticut 06103
800-831-7225

HAWAII
Commissioner of Securities of the State of Hawaii
Department of Commerce & Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street Room 205
Honolulu, Hawaii 96813
808-586-2722

INDIANA
Chief Deputy Commissioner
Securities Divisions
302 West Washington Street Room E-111
Indianapolis, Indiana 46204
317-232-6681

MICHIGAN
Consumer Protection Division
Franchise Administrator
G. Mennen Williams Building 1st Floor
525 West Ottawa Street
Lansing, Michigan 48933
877-765-8388

MINNESOTA
Minnesota Department of Commerce
Securities Section
85 Seventh Place East Suite 500
St. Paul, Minnesota 55101
651-539-1600

NORTH DAKOTA
Franchise Examiner
600 East Boulevard
State Capitol 5th Floor
Bismarck, North Dakota 58505
701-328-2910

RHODE ISLAND
Department of Business Regulation
Division of Securities
1511 Pontiac Avenue Bldg. 69-2
Cranston, Rhode Island 02920
401-462-9527

SOUTH DAKOTA
Franchise Administrator
Division of Securities
124 S. Euclid Ave Suite 104
Pierre, South Dakota 57501
605-773-4823

VIRGINIA
Clerk of the State Corporation Commission
1300 East Main St, 1st Floor
Richmond, Virginia 23219
804-371-9733

State Administrator:
State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main St. 9th Floor
Richmond, Virginia 23219
804-371-9051

NEW YORK
New York Secretary of State
One Commerce Plaza
99 Washington Avenue
Albany, New York 12231
518-473-2492

New York State Department of Law
Investor Protection Bureau
120 Broadway 23rd Floor
New York, New York 10271
212-416-8236

SOUTH CAROLINA
Secretary of State
1205 Pendleton St Suite 525
Columbia, South Carolina 29201
803-734-2170

TEXAS
Registration Unit
Secretary of State
P.O. Box 13193
Austin, Texas 78711-2697
1019 Brazos
Austin, Texas 78701
512-463-5701

WASHINGTON
Securities Administrator
150 Israel Road SW
Tumwater, Washington 98501
360-902-8760

WISCONSIN
Franchise Registration
Divisions of Securities
P.O. Box 1768
Madison, Wisconsin 53701
608-261-9140

EXHIBIT C

FRANCHISE DISCLOSURE QUESTIONNAIRE

EXHIBIT C

FRANCHISE DISCLOSURE QUESTIONNAIRE

As you know, Christakos Franchise, LLC ("we," "us" or "Franchisor") and you are preparing to enter into a Franchise Agreement for the operation of a The Flower Garage™ Franchised Business. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we have not authorized and that may be untrue, inaccurate, or misleading.

Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed our Franchise Agreement and each exhibit and schedule attached to it?

   Yes _____ No _____ Your Initials _____

2. Do you understand all of the information contained in the Franchise Agreement and each exhibit and schedule attached to it?

   Yes _____ No _____ Your Initials _____

   If "No," what parts of the Franchise Agreement do you not understand?
   (Attach additional pages, if necessary)

   _____

   _____

   _____

   _____

3. Have you received and personally reviewed the Disclosure Document we provided to you?

   Yes _____ No _____ Your Initials _____

4. Do you understand all of the information contained in the Disclosure Document?

Yes _____ No _____ Your Initials _____

If "No," what parts of the Disclosure Document do you not understand?
(Attach additional pages, if necessary)

_____

_____

_____

_____

5. Have you discussed the benefits and risks of operating a Franchised Business with an attorney, accountant, or other professional advisor and/or do you understand the risks?

Yes _____ No _____ Your Initials _____

6. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of a Franchised Business operated by us or our franchisees?

Yes _____ No _____ Your Initials _____

7. Has any employee or other person speaking on our behalf made any statement or promise concerning the Franchised Business that is contrary to, or different from, the information contained in the Disclosure Document?

Yes _____ No _____ Your Initials _____

8. Has any employee or other person speaking on our behalf made any statement or promise regarding the amount of money you may earn in operating a Franchised Business?

Yes _____ No _____ Your Initials _____

9. Has any employee or other person speaking on our behalf made any statement or promise concerning the total amount of revenue a Franchised Business will generate?

Yes _____ No _____ Your Initials _____

10. Has any employee or other person speaking on our behalf made any statement or promise regarding the costs you may incur in operating a Franchised Business that is contrary to, or different from, the information contained in the Disclosure Document?

Yes _____ No _____ Your Initials _____

11. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchised Business?

Yes _____ No _____ Your Initials _____

12. Has any employee or other person speaking on our behalf made any statement, promise, or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish you that is contrary to, or different from, the information contained in the Disclosure Document?

Yes _____ No _____ Your Initials _____

13. If you have answered "Yes" to any of questions 7 through 13, please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.)

If you have answered "No" to all of questions 7 through 13, please leave the following lines blank.

_____

_____

_____

_____

14. Do you understand that in all dealings with you, our officers, directors, employees, and agents act only in a representative capacity and not in an individual capacity and such dealings are solely between you and the Franchisor?

Yes _____ No _____ Your Initials _____

You understand that your answers are important to us and we will rely on them. By signing this Questionnaire, you, on behalf of yourself (and your franchise entity) are representing that you have responded truthfully to the above questions.

_____
Signature
(individually and on behalf of franchise entity)

_____
Print Name

_____
Date

EXHIBIT D

STATE ADDENDA

EXHIBIT D

STATE LAW ADDENDA
TO
FRANCHISE DISCLOSURE DOCUMENT
AND
FRANCHISE AGREEMENT

The following modifications are to the Christakos Franchise, LLC Disclosure Document and will supersede, to the extent then required by applicable state law, certain portions of the Franchise Agreement dated _____, 20____.

I. FRANCHISOR/FRANCHISEE RELATIONSHIP STATUTES
(Including Renewal and Termination Rights)

For franchises governed by laws of the following states:

CALIFORNIA, COLORADO, HAWAII, ILLINOIS, INDIANA, IOWA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, WISCONSIN

These states have statutes that may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise:

ARKANSAS	Stat. Section 4-72-201 to 4-72-210
CALIFORNIA	Corporations Code Sections 31000 to 31516
CONNECTICUT	Gen. Stat. Section 42-133e to 42-133n
DELAWARE	Code, Tit. 6, Ch. 25, Sections 2551-2557
HAWAII	Rev. Stat. Section 482E-1 to 482E-12.
ILLINOIS	Rev. Stat. 815. ILCS 705/19 and 705/1 to 705/44
INDIANA	Stat. Sections 23-2-2.5.1 and 23-2-2.5.50
IOWA	Code Sections 523H.1 to H.17
MARYLAND	Business Regulation Code Ann. 14-201 to 14-233
MICHIGAN	Stat. Section 445.1501 to 445.1545
MINNESOTA	Stat. Section 80C.01 to 80C.22
MISSISSIPPI	Code Section 75-24-51 to 75-24-61
MISSOURI	Stat. Section 407.400 to 407-420
NEBRASKA	Rev. Stat. Section 87-401 to 87-414
NEW JERSEY	Stat. Section 56:10-1
NEW YORK	NY Gen. Bus 680 to 695.
RHODE ISLAND	Gen. Laws 6-50-1 to 6-50-9
VIRGINIA	Code 13.1-557-57 to 13.1-574
WASHINGTON	Code Section 19.100.01 to 19.100.940
WISCONSIN	Stat. Section 135.01 to 135.065

These and other states may have court decisions that may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise.

In addition,

ILLINOIS Illinois franchisees should note that the conditions under which your franchise can be terminated, and your rights upon non-renewal are governed by Illinois laws, Illinois Complied status 815 ILCS 709/19 and 709/20.

Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

INDIANA Indiana franchisees should note that Indiana Law provides that it is unlawful for a Franchise Agreement to contain certain provisions in the area of required purchases, modification, competition, increases in the price of goods on order termination and non-renewal, covenants not to compete, and limitations on litigation. Indiana law also prohibits franchisors from engaging in certain acts and practices, including coercion, refusing delivery of goods or services, denying the surviving spouse or estate of the Franchisee an opportunity to participate in the ownership of the franchise, unreasonable competition, unfair competition, unfair discrimination among franchisees, and using deceptive advertising.

MINNESOTA law requires that with respect to the franchises governed by Minnesota law, the Franchisor will comply with Minnesota. Statute 80C.14 subdivisions 3, 4, and 5 which require except in certain specific cases, that a Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, may prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

In accordance with Minnesota Rule 2860.4400J, and to the extent required by law, the Disclosure Document and the Franchise Agreement are modified so that the Franchisor cannot require a franchisee to waive his or her rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties, or judgment notes; provided that this part shall not bar an exclusive arbitration clause.

Pursuant to Minn. Stat. Sec. 80C.12, to the extent required by this Minnesota law, the Franchise Agreement and Item 13 of the Disclosure Document are amended to state that the Franchisor will protect your right to use the primary trademark, service mark, trade name, logotype or other commercial symbol or indemnify us from any loss, costs or expenses arising out of any claim, suit, or demand regarding the use of the Franchisor's primary trade name.

All statements in the Disclosure Document and Franchise Agreement that state that Franchisor is entitled to injunctive relief are amended to read: "franchisor may seek injunctive relief" and a court will determine if a bond is required.

Minnesota Rule 2860.4400D prohibits the Franchisor from requiring a Franchisee to assent to a general release. The Disclosure Document and Franchise Agreement are modified accordingly, and to the extent required by law.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17.Subd.5.

_____

(Signature of Franchisee)

_____

(Name of Franchisee)

_____

(Title)

RHODE ISLAND Notwithstanding anything in this Agreement to the contrary, all Rhode Island located franchisees will be governed by the Rhode Island Franchise Investment Act.

WASHINGTON If any of the provisions of this Franchise Disclosure Document or the Franchise Agreement are inconsistent with the relationship provisions of R.C.W. 19.100.180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Act will prevail over inconsistent provisions of the Franchise Disclosure Document and the Franchise Agreement with regard to any franchise sold in Washington.

WISCONSIN Chapter 135, Stats. Of the Wisconsin Fair Dealership Law supersedes any provisions of the Franchise Agreement that may be inconsistent with that law.

II. POST-TERM COVENANTS NOT TO COMPETE

For franchises governed by laws of the following states:

CALIFORNIA, CONNECTICUT, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, WISCONSIN

These states have statutes which limit the Franchisor's ability to restrict your activity after the Franchise Agreement has ended.

California Business and Professions Code	Sections 16,600 to 16.607
Michigan Compiled Laws	Section 445.771 et seq.
Montana Codes	SECTION 30-14-201
North Dakota Century Code	Section 9-08-06
Oklahoma Statutes	Section 15-217-19
Washington Code	Section 19.86.030

Other states have court decisions limiting the Franchisor's ability to restrict your activity after the Franchise Agreement has ended.

III. TERMINATION UPON BANKRUPTCY

For franchises governed by laws of the following states:

CALIFORNIA, CONNECTICUT, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, VIRGINIA, WASHINGTON, WISCONSIN

A provision in the Franchise Agreement which terminates the franchise upon the bankruptcy of the franchise may not be enforceable under Title 11, United States Code Section 101.

IV. LIQUIDATED DAMAGES PROVISIONS

The following states have statutes which restrict or prohibit the imposition of liquidated damages provisions:

CALIFORNIA	Civil Code Section 1671
INDIANA	IC 23.2-2.5-2
MINNESOTA	Rule 2860.4400

State courts also restrict the imposition of liquidated damages. The imposition of liquidated damages is also restricted by fair practice laws, contact law, and state and federal court decisions.

For franchises governed by the laws of the state of MINNESOTA, liquidated damage provisions are void.

V. STATE ADDENDUMS

The following are Addendums for Franchises governed by the laws of the respective states as follows:

CALIFORNIA

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise to be delivered together with the Disclosure Document.

California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

The franchisor, any person or franchise broker in Item 2 of the FDD is not subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et. Seq., suspending or expelling such persons from membership in such association or exchange.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control. In particular, Business and Professions Code section 20010 voids a waiver of your rights under the Franchise Relations Act.

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et. seq.)

The Franchise Agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The Franchise Agreement may contain a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The franchise agreement requires binding arbitration. The arbitration will occur in Maricopa County, Arizona with the costs being borne by the prevailing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires application of the law of Arizona. This provision may not be enforceable under California law. You may want to consult an attorney to understand the impact of out-of-state governing law on the franchise agreement.

Section 31125 of the California Corporation Code requires us to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.

You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31 000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

The highest interest rate allowed by law in California for late payments is 10% annually.

The franchise agreement contains provisions shortening the statute of limitations to bring claims and requiring you to waive your right to punitive or exemplary damages against the franchisor, limiting your recovery to actual damages for any claims related to your franchise. Under California Corporations Code section 31512, these provisions are not enforceable in California for any claims you may have under the California Franchise Investment Law.

California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

OUR URL IS: WWW.THE-FLOWER-GARAGE.COM OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

The registration of this franchise offering by California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

ILLINOIS

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the Franchise Agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a Franchise Agreement may provide for arbitration in a venue outside of Illinois.

The governing law or choice of law clause described in the Disclosure Document (including a risk factor on the cover page) and contained in the Franchise Agreement may not be enforceable under Illinois law. This governing law clause shall not be construed to negate the application for the Illinois Franchise Disclosure Act in all situations to which it is applicable.

Item 5 of the Disclosure Document and Section 4.1 of the Franchise Agreement is hereby amended if the Attorney General of Illinois requires the following: to provide that all initial franchise fees are deferred, or alternatively, deposited into escrow, until all Franchisor's pre-opening obligations to franchisee have been met and the franchisee is open for business. This deferral requirement has been imposed by the Illinois Attorney General's Office based upon Franchisor's financial condition. A financial assurance is not required as a condition of registration.

Illinois law requires that the Franchisor give you a copy of the Disclosure Document as registered with the Attorney General together with a copy of all proposed agreements relating to the sale of the franchise before the earlier of:

1. 14 days before our execution of a binding Franchise Agreement or other agreement, and

2. 14 days before the Franchisor receives any payment from you.

Your rights upon termination and non-renewal of the Franchise Agreement are set forth in Section 19 and Section 20 of the Illinois Franchise Disclosure Act.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

CHRISTAKOS FRANCHISE, LLC.		FRANCHISEE	
By:	_____	By:	_____
Title:	_____	Title:	_____
Date:	_____	Date:	_____

INDIANA

To the extent that Item 17 of the Disclosure Document and Section XVIII of the Franchise Agreement are inconsistent with the Indiana Deceptive Franchise Practice Law, which prohibits a prospective general release of any claims for liability imposed under it, the Indiana Deceptive Franchise Practice Law may supersede such inconsistent terms.

To the extent that Item 17 of the Disclosure Document and Section XXIV and Schedule 8 of the Franchise Agreement are in conflict with Section 2.7-1(9) of the Indiana Deceptive Franchise Practice Law, prohibiting non-competition agreements exceeding 3 years or an area greater than the exclusive area granted in the Franchise Agreement, Indiana law shall prevail.

Section 2.7-1(10) of the Indiana Deceptive Franchise Practice Law, which prohibits limiting litigation brought for breach of the agreement, supersedes items in this Disclosure Document and

Franchise Agreement, to the extent that such items are inconsistent with Section 27-1(10) of the Indiana Deceptive Franchise Practice Laws.

MARYLAND

Item 17 of Disclosure Document and Section XXII of the Franchise Agreement requiring that franchisee sign a general release as a condition of purchase/renewal or assignment/transfer, may not be enforceable pursuant to the Maryland Franchise Registration and Disclosure Law, and are amended to the extent required by Maryland law. The requested release shall not apply to any liability under the Maryland Franchise Registration and Disclosure law.

Any provisions of the Disclosure Document or Franchise Agreement that require franchisee to disclaim the occurrence of or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Provisions in the Disclosure Document and Franchise Agreement requiring franchisee to file any lawsuit in a court other than the State of Maryland may not be enforceable under the Maryland Franchise Registration and Disclosure Law. Franchisees may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Item 17 of the Disclosure Document and Section XXV of the Franchise Agreement are amended accordingly to the extent required by Maryland law.

To the extent that Franchise Agreement requires and the Disclosure Document discloses that a Franchisee must agree to a period of limitations of less than three years, this limitation to a period of less than three years shall not apply to any claims arising under the Maryland Franchise Registration and Disclosure Law.

Item 5 of the Disclosure Document and Sections IX(C) of the Franchise Agreement is amended to provide that the initial franchise fee and any other initial payments are due and payable when all Franchisor's pre-opening obligations to franchisee have been met.

On the next page is the form of release that will be requested of Maryland franchisees as a condition to the franchisor's consent to the transfer of the franchise.

FORM OF RELEASE FOR MARYLAND FRANCHISEES

This Release is made on _____, 20___, between Christakos Franchise, LLC, an Arizona limited liability company ("Franchisor") and its officers, directors, and agents ("Affiliates"), and_____ ("Franchisee").

RECITALS

A. Franchisor and Franchisee entered into a Franchise Agreement dated _____, 20____ (the "Franchise Agreement") in which Franchisor granted franchisee the right to located, develop, and operate a The Flower Garage™ business (the "Franchised business"), and Franchisee assumed obligations to located, develop, and operate the franchised Business.

B. As a condition to Franchisor's consent to the transfer of the Franchised Business, Franchisee is willing to release franchisor from certain obligations arising from the Franchise Agreement and related agreements, and any claims franchisee may have against each Franchisee as described herein.

AGREEMENT

1. RELEASE AND COVENANT NOT TO SUE

Subject to the terms of this Release, and in consideration for the consent described above, Franchisee and the undersigned individual guarantors, if applicable, hereby release and discharge and hold harmless Franchisor, its principals, agents, shareholders, officers, directors, employees, successors, assigns, subsidiaries, and affiliated groups and each of them ("Affiliates"), from any and all losses, claims, debts, demands, liabilities, actions, and causes of action, of any kind, whether known or unknown, past or present, that any of them may have or claim to have against Franchisor or its Affiliates and any of them before or on the date of this release, arising out of or related to the offer, negotiation, execution, and performance of the Franchise Agreement, the operation of the Franchised Business, and all circumstances and representations relating to such offer, negotiation, execution, performance, and operation (collectively, "Released Claims", except as specifically reserved:

_____

_____

_____

Franchisee and guarantors agree that Released Claims shall specifically include any claim or potential claims under the Title 14 Sections 14-201 through 14-233 of the Maryland Annotated Code and laws otherwise governing relationships between franchisors and franchisees. Franchisee and guarantors hereby covenant and agree that none of them will bring any action against Franchisor or its Affiliates in connection with any Released Claim.

2. NO ADMISSION

Nothing contained in this Agreement shall be construed as an admission of liability by either party.

3. NO ASSIGNMENT

Each party represents and warrants to the other that it has not assigned or otherwise transferred or subrogated any interest in the Franchise Agreement or in any claims that are related in any way to the subject matter of this Release. Each party agrees to indemnify and hold the other fully and completely harmless from any liability, loss, claim, demand, damage costs, expense and attorneys' fees incurred by the other as a result of any breach of this representation or warranty.

4. ENTIRE AGREEMENT

This Release embodies the entire agreement between the parties and supersedes any and all prior representations, understandings, and agreements with respect to its subject matter.

There are no other representations, agreements, arrangements, or understandings, oral or in writing, and signed by the party against whom it sought to be enforced.

5. FURTHER ACTS

The parties agree to sign other documents and do other things needed or desirable to carry out the purpose of this Release.

6. SUCCESSORS

This Amendment and Release shall bind and insure to the benefit of the parties, their heirs, successors, and assigns.

7. GOVERNING LAW; JURISDICTION

This Release shall be construed under and governed by the laws of the State of Maryland, and the parties agree that the courts of Maricopa County, Arizona, shall have jurisdiction over any action brought in connection with it, except to the extent that the Franchise Agreement is governed by the laws or venue provisions of another state.

8. SEVERABILITY

If any part of this release is held invalid or unenforceable to any extent by a court of competent jurisdiction, this Release shall remain in full force and effect and shall be enforceable to the fullest extent permitted, provided that it is the intent of the parties that it shall be entire, and if it is not so entire because it is held to be unenforceable, then this Release and the consent given as consideration for it shall be voided by frustration of its purpose.

9. VOLUNTARY AGREEMENT

Each party is entering into this Release voluntarily and, after negotiation, has consulted independent legal counsel of its own choice before signing it, is signing it with a full understanding of its consequences, and knows that is not required to sign this Amendment and Release. The parties acknowledge and agree that this Amendment and Release constitutes a release or waiver executed pursuant to a negotiated agreement between a Franchisee and a Franchisor arising after the Franchise Agreement has taken effect and as to which each part is represented by independent legal counsel.

The Flower Garage™ Franchisee

By _____

Its _____

By _____

Its _____

MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

A. A prohibition of the right of a franchisee to join an association of franchisees.

B. A requirement that a Franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a Franchisee of rights and protections provided in this act. This shall not preclude a Franchisee, after entering into a Franchise Agreement, from settling any and all claims.

C. A provision that permits a Franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the Franchisee to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

D. A provision that permits a Franchisor to refuse to renew a franchise without fairly compensating the Franchisee by repurchase or other means for the fair market value at the time of expiration of the Franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the Franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applied only if:

1. The term of the franchise is less than 5 years; and

2. The Franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of Franchisor's intent not to renew the franchise.

E. A provision that permits the Franchisor to refuse to renew a franchise on terms generally available to other Franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

F. A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the Franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

G. A provision which permits a Franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

1. The failure of the proposed transferee to meet the Franchisor's then current reasonable qualifications or standards.

2. The fact that the proposed transferee is a competitor of the Franchisor or Sub-Franchisor.

3. The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

4. The failure of the Franchisee or proposed transferee to pay any sums owing to the Franchisor or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

H. A provision that requires the Franchisee to resell to the franchisor items that are not uniquely identified with the Franchisor. This subdivision does not prohibit a provision that grants to a Franchisor a right of first refusal to purchase the assets of a Franchise on the same terms and conditions as a bon fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the Franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the Franchisee has breached the lawful provisions of the Franchise Agreement and has failed to cure the breach in the manner provided in subdivision (c).

I. A provision that permits the Franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise
670 Law Building
Lansing, Michigan 48913
Phone: 517/373-7117

MINNESOTA

Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, may prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

In accordance with Minnesota Rule 2860.440J, and to the extent required by law, the Disclosure Document and the Franchise Agreement are modified so that the Franchisor cannot require a franchisee to waive his or her rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties, or judgment notes; provided that this part shall not bar an exclusive arbitration clause.

Pursuant to Minn. Stat. Sec. 80c.12), to the extent required by this Minnesota law, the Franchise Agreement and Item 13 of the Disclosure Document are amended to state that the Franchisor will protect your right to use the primary trademark, service mark, trade name, logotype or other commercial symbol or indemnify us from any loss, costs or expenses arising out of any claim, suit, or demand regarding the use of the Franchisor's primary trade name.

All statements in the Disclosure Document and Franchise Agreement that state that Franchisor is entitled to injunctive relief are amended to read: "franchisor may seek injunctive relief" and a court will determine if a bond is required.

Minnesota Rule 2860.4400D prohibits the Franchisor from requiring a Franchisee to assent to a general release. The Disclosure Document and Franchise Agreement are modified accordingly, and to the extent required by law.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17.Subd.5.

NSF checks are governed by Minnesota Statute 604.113, which puts a cap of $30 on service charges.

NEW YORK

FRANCHISE DISCLOSURE DOCUMENT

The cover page of the Franchise Disclosure Document will be supplemented with the following inserted at the bottom of the cover page:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR

PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

Item 3 of the Franchise Disclosure Document: Add the following:

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, and any person identified in Item 2. The following is added at the end of Item 3:

With regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent. a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

Item 4 of the Franchise Disclosure Document: Add the following language:

A. Neither the Franchisor, its predecessors, or any person identified in Item 2 filled as an individual or business for protection under the U.S. Bankruptcy Code during the ten-year period immediately before the date of the Disclosure Document:

B. Filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code;

C. Obtained a discharge of its debuts under the bankruptcy code; or

D. Was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner held this position and or company or partnership.

Item 5 of the Franchise Disclosure Document: Add at the end of the last paragraph:

> The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

Item 17. Add the following:

> However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.
>
> The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee": You may terminate the agreement on any grounds available by law.
>
> The following is added to the end of the "Summary" section of Item 17(j), titled "Assignment of contract by franchisor": However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum", and Item 17(w), titled "Choice of law": The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

NORTH DAKOTA

I. Item 5 is amended by the addition of the following language to the original language:

> Refund and cancellation provisions do not apply to franchises operating under the North Dakota franchise Investment Law. If the Company elects to cancel the Franchise Agreement, the Company will be entitled to a reasonable fee for its evaluation of you and

related preparatory work performed and expenses actually incurred. This amount may not be more than fifty percent (50%) of the Franchise Fee.

II. Item 5, Note 1, the last paragraph shall be amended to read as follows:

If your Franchise Agreement is terminated, you may be required to continue royalty payments for so long as you or our assignee or successor continues to use our trademarks or systems in any way.

III. Item 6, Note 4, shall be amended to read as follows:

Note 4: You must protect, indemnify, and hold us harmless against any claims or losses arising out of your operation of the franchise business. Each party will bear its own expenses of any litigation to enforce the agreement.

IV. Item 17 is amended by the addition of the following language to the original language:

A. A provision is the Franchise Agreement that terminates the Franchise Agreement on the bankruptcy of the franchisee may not be enforceable under Title II, U.S. Code, Section 101.

B. The erosion of a general release on renewal, assignment, or termination does not apply to franchises operating under the North Dakota Franchise Investment Law.

C. The North Dakota Century Code, Section 9-08-06 limits the franchisor's ability to restrict your ability to restrict your activity after the Franchise Agreement has ended.

D. Under North Dakota law, liquidated damages provisions are void. State courts also restrict the imposition of liquidated damages. The imposition of liquidated damages is also restricted by fair practice laws, contract law, and state and federal court decisions. Thus, the provision requiring you to continue to pay amounts to franchisor if you elect to cancel the agreement may not be enforceable under North Dakota law.

V. Item 17 is amended to read as follows:

PROVISION	FRANCHISE AGREEMENT	SUMMARY
Your obligations on termination non-renewal	FA: XXIV	De-Identification, payment, non-disclosure, non-competition; you continue to pay royalties for so long as you use the trademarks if terminated for breach, unless you abandon the business,

		abide by post termination covenants, and release and indemnify us.

VI. Item 17: The Choice of Law and Arbitration sections are amended to read as follows:

A. The Franchise Agreement shall be governed by the laws of North Dakota.

B. Except as specifically otherwise provided in the Franchise Agreement, all contract disputes that cannot be amicably settled will be determined by arbitration under the Federal Arbitration Act and in accordance with the rules of the American Arbitration Association. Arbitration will take place at an appointed time and place in the county and state in which your franchised business is located. However, nothing in the Franchise Agreement limits or precludes the parties from bringing an action in a court of competent jurisdiction for injunction or other provisional relief as needed or appropriate to compel a party to comply with its obligations or to protect the marks or the company's other property rights.

C. The Choice of Forum section is amended to delete the following:

Any action will be brought in the state or federal courts in Maricopa County, Arizona.

FRANCHISE AGREEMENT

I. Article IX, concerning refunds of initial franchise fees and royalties, is amended to add the following:

Refund and cancellation provisions do not apply to franchisees operating under the North Dakota Franchise Investment Law. If Franchisor elects to cancel this Franchise Agreement, Franchisor shall be entitled to a reasonable fee for its evaluation of Franchisees and related preparatory work performed and expenses actually incurred. This amount shall be no more than fifty percent (50%) of the franchise fee.

II. Sections XXIII and XXII, relating to termination and transfer, are amended to add the following:

The execution of a general release on renewal, assignment, or termination does not apply to franchises operating under the North Dakota Franchise Investment Law.

III. Section XXIII(H), providing for liquidated damages on termination of the Franchise Agreement, is hereby amended to read as follows:

h. Pay to Franchisor royalty fees and other ongoing fees, and other amounts Franchisee owes to Franchisor, as though Franchisee were still an active Franchisee, for so long as Franchisee or its assignee or successor continues to use

the trademarks in any way. Franchisor is also entitled to all other applicable remedies.

IV. Section XXV is amended to read as follows:

In any action to enforce this Agreement or to seek remedies on default by either party, each party shall bear its own expenses of litigation or enforcement.

V. **A.** Section XXV is amended to add the following:

THIS AGREEMENT AND THE RIGHTS OF THE PARTIES HEREUNDER TAKE EFFECT ON ACCEPTANCE AND EXECUTION BY THE COMPANY AND SHALL BE INTERPRETED AND CONSTRUED UNDER THE LAWS OF NORTH DAKOTA, EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT 15, U.S.C. SECTIONS 1015, ET. SEQ.).

B. Section XXV (H) providing for exclusive jurisdiction in Maricopa County, Arizona is deleted.

C. Paragraph XXV to the extent it provides for a limitation of one year on actions under the Franchise Agreement is hereby deleted.

D. Section XXV to the extent it provides for a waiver of punitive or exemplary damages, and a waiver of jury trial, is deleted.

VI. The Arbitration section shall be deleted and amended to read as follows:

Except as specifically otherwise provided in this Agreement, the parties agree that all contract disputes that cannot be amicably settled shall be determined by arbitration under the Federal Arbitration Act as amended and in accordance with the rules of the American Arbitration Association or any successor thereof. Arbitration shall take place at an appointed time and place in the County and State in which Franchisee's franchised business is located. However, nothing contained herein shall be construed to limit or to preclude the parties from bringing any action in any court of competent jurisdiction for injunctive or other provisional relief as the parties deem to be necessary or appropriate to compel either party to comply with its obligations hereunder or to protect the marks or other property rights of franchisor.

VII. The Acknowledgement section is amended to add the following:

Franchisee acknowledges that Franchisee received a copy of this Franchise Agreement, the attachments hereto, if any, and agreements relating thereto, if any, at least seven (7) days prior to the date on which this Agreement was executed.

VIII. The Covenants section is amended to add the following:

Covenants not to compete on termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.

RHODE ISLAND

§19-28.1-14 of the Rhode Island Franchise Investment Act provides that:

> A provision in a Franchise Agreement restricting jurisdiction of venue to a forum outside this state or requiring the application of the laws of another state are void with respect to a claim otherwise enforceable under this Act.

VIRGINIA

In recognition of the restrictions contained in 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Christakos Franchise, LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are added to Item 17.h.

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute 'reasonable cause" as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Estimated Initial Investment. The franchisee will be required to make an estimated initial investment ranging from $36,125 to $74,200. This amount exceeds the franchisor's stockholders' equity as of September 30, 2025, which is $100,000.

WASHINGTON

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable

business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor.

As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring

prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this _____ day of _____ 20_____.

_____	_____
Signature of Franchisor Representative	Signature of Franchisee Representative
_____	_____
Title of Franchisor Representative	Title of Franchisee Representative

EXHIBIT E

OPERATION MANUAL
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OPERATIONS MANUAL

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Total Pages in Operations Manual: 145

EXHIBIT F

OPTION AGREEMENT

EXHIBIT F

FRANCHISE OPTION AGREEMENT

This Option Agreement is entered into as of _____, 20___ between Christakos Franchise, LLC ("Franchisor") and_____ ("Optionee").

1. Grant of Option. Optionee is hereby granted an option ("Option") to be awarded a The Flower Garage™ Franchise.

2. Location. Optionee has the exclusive right to enter into a Franchise Agreement during the term of this Option Agreement for a The Flower Garage™ franchise to be opened within the area of _____ or within _____miles of the "selected address" listed below. The exact location of the franchise is chosen by Optionee, subject to Franchisor's approval.

3. Option Fee. A non-refundable option payment of $5,000 is required with the execution of this Agreement. The option payment will be credited towards the Initial Franchise Fee of $25,000 or $12,500 for a second franchise and any additional franchises thereafter provided that the Franchise Agreement is executed on or before the expiration date of this Agreement. An Optionee must prove financial qualifications and pass the background, credit, and criminal checks generally required of The Flower Garage™ franchisees and maintain those requirements at the time Optionee exercises this Option. No refund will be paid if the financial qualifications or background check of the owners cannot be met before a franchise is granted.

4. Term. This Option will have a term of six months and begins on the date of this Agreement listed below.

5. Notices. All notices sent by one party to the other must be hand-delivered, sent by registered or certified mail, return receipt requested, or transmitted by facsimile, or sent via electronic means if the sender can verify receipt. They will be addressed to Franchisor at its office as above designated, or at the other address Franchisor designates in writing, and addressed to Optionee at the address Optionee designates in writing. Any notice is deemed given and received, when delivered, if hand-delivered; if sent by facsimile or electronic means, on the next business day after sent; and if mailed, on the third business day following the mailing.

6. Governing Law. This Agreement is valid when executed and accepted by Franchisor and is governed by the laws of the State of Arizona. Maricopa County, Arizona will be the venue for any arbitration or litigation. This choice of laws will not affect the scope of the Arizona franchise, business opportunity or related statutes, and nothing in this Agreement will be deemed to extend the scope of application of those laws.

Selected Address _____

_____

_____

Dated_____, 20_____ Expiration Date_____

FRANCHISOR:

Christakos Franchise, LLC

Signed _____

Name _____

Title _____

Signed _____

Name _____

Title _____

OPTIONEE:

Signed _____

Name _____

Title _____

Signed _____

Name _____

Title _____

EXHIBIT G

List of Franchisees

The following are the names, addresses and telephone numbers of all current The Flower Garage™ franchisees as of the date of this Disclosure Document.

Edquist Workshops, LLC
Amy Edquist
2196 E. Aloe Pl.
Chandler, AZ 85286
602-323-6287
Amy@theflowergaragechandler.com

RB Design Concepts
Rachelle Bare
2643 S. El Dorado
Mesa, AZ 85202
480-662-1120
Rachelle@theflowergaragegilbert.com

EXHIBIT H

Franchisees Who Left the System

NO FRANCHISEES HAVE LEFT THE FRANCHISE SYSTEM
AS OF THE DATE OF THE DISCLOSURE DOCUMENT.

EXHIBIT I

Financial Statements

CHRISTAKOS FRANCHISE, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2025

ELLSWORTH • STOUT
CPAs and Consultants

CHRISTAKOS FRANCHISE, LLC
FINANCIAL STATEMENTS
DECEMBER 31, 2025

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Independent Auditor's Report

To the Member
Christakos Franchise, LLC

Opinion
We have audited the accompanying financial statements of Christakos Franchise, LLC, which comprise the balance sheet as of December 31, 2025 and the related statements of operations and member's equity, and cash flows for the period June 3, 2025 (date of inception) to December 31, 2025, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Christakos Franchise, LLC as of December 31, 2025, and the results of its operations and its cash flows for the period June 3, 2025 (date of inception) to December 31, 2025 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Christakos Franchise, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Christakos Franchise, 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 generally accepted auditing standards 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Christakos Franchise, 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 Christakos Franchise, 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.

Ellsworth & Stout, LLC

January 5, 2026
Las Vegas, NV

CHRISTAKOS FRANCHISE, LLC
BALANCE SHEET
DECEMBER 31, 2025

ASSETS		
Current Assets:		
Cash	$	150,100
Total Assets	$	150,100
LIABILITIES AND MEMBER'S EQUITY		
Current Liabilities:		
Current maturities of deferred franchise fees	$	10,000
Long-Term Liabilities:		
Deferred franchise fees, net of current		40,000
Total Liabilities		50,000
Member's Equity		100,100
Total Liabilities and Member's Equity	$	150,100

See accompanying notes to the financial statements.

CHRISTAKOS FRANCHISE, LLC
STATEMENT OF OPERATIONS AND MEMBER'S EQUITY
FOR THE PERIOD JUNE 3, 2025 (DATE OF INCEPTION) TO DECEMBER 31, 2025

Revenue	$	-
Operating Expenses		-
Net Income		-
Member's Equity, Beginning of Period		-
Member contributions		100,100
Member's Equity, End of Period	$	100,100

See accompanying notes to the financial statements.

CHRISTAKOS FRANCHISE, LLC
STATEMENT OF CASH FLOWS
FOR THE PERIOD JUNE 3, 2025 (DATE OF INCEPTION) TO DECEMBER 31, 2025

Cash Flows From Operating Activities:	
Net income	$ -
Adjustments to reconcile net income to net cash provided by operating activities:	
Changes in:	
Increase (decrease) in deferred franchise fees	50,000
Net cash provided by operating activities	50,000
Cash Flows From Financing Activities:	
Member contributions	100,100
Net cash provided by financing activities	100,100
Net Change in Cash	150,100
Cash, Beginning of Period	-
Cash, End of Period	$ 150,100

See accompanying notes to the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Christakos Franchise, LLC (the Company) is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of the Business

The Company was organized on June 3, 2025 under the laws of the state of Arizona. The Company's business is offering franchises for the operation of a service-oriented business that creates, delivers and sets up floral arrangements for all types of occasions while also performing workshops that empower people to make their own floral arrangements, under the name "The Flower Garage".

Basis of Presentation

The financial statements are prepared on the accrual basis of accounting, which recognizes income when earned and expenses when incurred.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

Cash and Cash Equivalents

The Company considers all highly liquid investments available for current use with original maturity of three months or less to be cash equivalents.

Revenue Recognition

In accordance with ASC 606, the Company applies each of the following steps in the recognition of contract revenue:

- Identifies contracts with customers.
- Identifies performance obligations in contracts.
- Determines transaction prices.
- Allocates transaction prices to performance obligations in the contracts.
- Recognizes revenue when performance obligations are satisfied.

The Company executes franchise agreements for each franchise which set out the terms of the agreement with the franchisee. Franchise agreements typically require the franchisee to pay an initial, nonrefundable fee and continuing fees. Subject to the Company's approval and payment of a renewal fee, a franchisee may generally renew the franchise agreement upon its expiration.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

The Company has elected to account for pre-opening services as a single performance obligation.

Initial franchise fees are recognized once the Company has satisfied the related performance obligations. Revenue is deferred until these performance obligations are satisfied.

Continuing fees are recognized as they are earned.

The Company's contract liabilities are comprised of unamortized initial franchise fees. As of December 31, 2025, deferred franchise fees consisted of the following:

Deferred franchise fees	$	50,000
Less: current maturities		(10,000)
	$	40,000

As of December 31, 2025, the Company expects to recognize contract liabilities as revenue over the remaining term of the associated franchise agreements as follows:

2026	$	10,000
2027		10,000
2028		10,000
2029		10,000
2030		10,000
	$	50,000

Income Taxes

The Company is treated as a pass-through entity for federal and state income tax purposes. Therefore, the Company does not pay federal or state taxes on its income. No provision for income tax for the Company has been made in the accompanying financial statements.

As defined by Financial Accounting Standards Board Accounting Standards Codification (ASC) Topic 740, Income Taxes, no provision or liability for materially uncertain tax positions was deemed necessary by management. Therefore, no provision or liability for uncertain tax positions has been included in this financial statement.

The Company is no longer subject to potential tax examination by tax authorities for years in which the statute of limitations has expired.

NOTE 2 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 5, 2026, the date on which the financial statements were available to be issued.

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 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	February 11, 2026
Hawaii	Not registered
Illinois	Not registered
Indiana	Not registered
Maryland	Not registered
Michigan	Not registered
Minnesota	Not registered
New York	Not registered
North Dakota	Not registered
Rhode Island	Not registered
South Dakota	Not registered
Virginia	Not registered
Washington	Pending
Wisconsin	Not registered

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.

EXHIBIT J

Receipts

RETURN THIS SIGNED COPY TO THE FRANCHISOR

ACKNOWLEDGEMENT OF RECEIPT FOR FDD
Franchise Disclosure Document [FDD]
CHRISTAKOS FRANCHISE, LLC

This Disclosure Document summarizes provisions of the Franchise Agreement, and other information in plain language. Read this disclosure document and all agreements carefully.

If Christakos Franchise, 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.

If Christakos Franchise, 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. 20850, and the appropriate state agency as identified in Exhibit B of this Disclosure Document.

Franchisor authorizes the respective state agencies identified on Exhibit B to receive service for it in a particular state.

Christakos Franchise, LLC's franchise seller is: Danielle Christakos at 8865 E Bell Road Suite 102, Scottsdale, AZ 85260, (480) 444-8080.

Issuance Date: January 12, 2026

I received a The Flower Garage™ Disclosure Document dated January 12, 2026 that included the following Exhibits:

A	Franchise Agreement with attached Schedules
B	List of State Agencies and Regulators
C	Franchise Disclosure Questionnaire
D	State Addenda
E	Operations Manual Table of Contents
F	Option Agreement
G	List of Franchisees
H	Franchisees Who Have Left the System
I	Financial Statements
J	Receipts

Date _____ Recipient/Franchise Applicant _____

RETURN THIS SIGNED FORM TO THE FRANCHISOR Mail to: Christakos Franchise, LLC, 8865 E Bell Road Suite 102, Scottsdale, AZ 85260, or Email to: Owner@The-Flower-Garage.com

APPLICANT COPY

ACKNOWLEDGEMENT OF RECEIPT FOR FDD
Franchise Disclosure Document [FDD]
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This Disclosure Document summarizes provisions of the Franchise Agreement, and other information in plain language. Read this disclosure document and all agreements carefully.

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G	List of Franchisees
H	Franchisees Who Have Left the System
I	Financial Statements
J	Receipts

Date _____ Recipient/Franchise Applicant _____

THIS SIGNED FORM REMAINS WITH THE FRANCHISE APPLICANT