



## FRANCHISE DISCLOSURE DOCUMENT

CONROY'S, INC.

A California Corporation

Two Jericho Plaza, Suite 200

Jericho, New York 11753

(516) 237-6000

[www.1800conroys.com](http://www.1800conroys.com)

Conroy's, Inc. offers franchises for retail flower shops that offer flowers, plants, fresh fruit products, including fresh cut fruit bouquets and related products, cookies, candy, gift items, novelty items, personalized gift and novelty items and related products and services to the general public. We offer the rights for 2 different franchises in this Disclosure Document.

Single Unit Franchise Program. Under the Single Unit Franchise Program, you will sign a Franchise Agreement to operate one 1-800-Flowers|Conroy's Franchised Unit at a single location. The total investment necessary to begin operations of one Conroy's Franchised Unit ranges from \$258,500 to \$932,500. This includes \$31,150 to \$70,500 that must be paid to us and/or an affiliate.

Fruit Bouquets Program. Under the Fruit Bouquets Program, we will grant you the right to offer and sell fruit bouquets and related products from your Franchised Unit. The total initial investment necessary to begin operations of your first Fruit Bouquets Business at your Franchised Unit is \$18,500 to \$53,500. This includes \$0 to \$7,500 that must be paid to us and/or an 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 payments to the franchisor or an affiliate in connection with the proposed franchise sale. Note, however, that no government 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 our Vice President of Franchise and Retail Operations, Stephen Lenzovich, Two Jericho Plaza, Suite 200, Jericho, New York 11753, (516) 237-6000.

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 accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. Information about comparisons of franchisors is available. 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, DC 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information.

There may also be laws on franchising in your state. Call your state agency listed on Exhibit P or visit your public library for other sources of information on franchising.

ISSUANCE DATE: OCTOBER 11, 2024

## How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits M and N.
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 O 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 1-800-Flowers Conroy's business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a 1-800-Flowers Conroy's franchisee?	Item 20 or Exhibits M and N list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

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

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

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

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

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

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

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

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

### Some States Require Registration

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

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 litigation or arbitration only in New York. Out-of-state litigation or arbitration may force you to accept a less favorable settlement for disputes. It may also cost you more to participate in litigation or arbitration with the franchisor in New York than in your home state.
2. 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.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

CONROY'S, INC.  
UNIFORM FRANCHISE DISCLOSURE DOCUMENT  
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## ITEM 1

### THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

#### The Franchisor

Conroy's, Inc. is a California corporation that was incorporated on January 22, 1974. To simplify the language in this Disclosure Document, "Franchisor", "our", "we" and "us" means Conroy's, Inc. "You" or "Franchisee" means the business entity, person or persons who sign the Franchise Agreement. Our principal business address is Two Jericho Plaza, Suite 200, Jericho, New York 11753. We do business under our corporate name as well as under the trade name "1-800-Flowers|Conroy's". We do not do business under any other names. Our agents for service of process are listed in Exhibit P.

#### Parents, Predecessors and Affiliates

We have no predecessors. We are a wholly-owned subsidiary of 1-800-Flowers.com, Inc., a Delaware corporation ("1-800-Flowers"), our parent, through another subsidiary of 1-800-Flowers, 1-800-Flowers Retail Inc., a Delaware corporation ("Retail"). Our affiliates are BloomNet, Inc., a Delaware corporation ("BloomNet"), 800-Flowers, Inc., a New York corporation, ("800-Flowers"), 1-800-Flowers.Com Franchise Co., Inc., a Delaware corporation ("1-800-Flowers Franchise Co."), Napco Marketing Corp, a Delaware corporation ("Napco"), Cheryl & Co., an Ohio company ("Cheryl"), The Popcorn Factory, Inc., a Delaware corporation ("Popcorn"), Flowerama of America, Inc., an Iowa corporation ("Flowerama"), DesignPac Gifts LLC, an Illinois limited liability company ("Design"); Harry & David Operations, Inc., a Delaware corporation ("HDO"); and CI Acquisition, LLC, a Delaware limited liability company ("CardIsle"). 1-800-Flowers does not guarantee our performance under the Franchise Agreement.

1-800-Flowers, through its subsidiaries, is an e-commerce provider of floral products, plants, gifts, sentiment items, and fresh fruit products, including fresh cut fruit bouquets and related products (collectively "fruit bouquets") and conducts international flowers-by-telephone business under the names "1-800-Flowers", "Fruit Bouquets by 1-800-Flowers.Com", and "fruitbouquets.com", and utilizes the toll-free telephone number 1-800-356-9377, corresponding to "1-800-Flowers", to receive orders for flowers, fruit bouquets, gifts, and other related products. 1-800-Flowers, through one of its subsidiaries, operates a business (the "BloomNet Network") that refers orders received from consumers through the Internet and by telephone for fulfillment and delivery. Retail operates company-owned retail floral shops. 1-800-Flowers is the holder of the "Conroy's Flowers", "1-800-Flowers|Conroy's", "1-800-Flowers", "1-800-Flowers.Com", "Fruit Bouquets", "Fruit Bouquets by 1-800-Flowers.Com" and "fruitbouquets.com" service marks, trademarks, logos and other identifying marks (the "Marks"). BloomNet grants limited licenses to use certain software, documentation and copyrighted content that comprise the "BloomNet Technologies System" for communications functions and the fulfillment of orders at retail flower shops. Napco is a subsidiary of BloomNet and sells hard goods and other products for retail flower shops. In addition, our franchisees may purchase certain products from Cheryl, Popcorn, Design, CardIsle and HDO in order to fulfill certain types of orders from 800-Flowers.

With the exception of BloomNet, Napco, Cheryl, Popcorn, Design, HDO, and Flowerama, the principal business address of our parent and its affiliates is Two Jericho Plaza, Suite 200, Jericho, New York 11753. BloomNet and Napco's principal business address is 7800 Bayberry Road, Jacksonville, Florida 32256. Cheryl's principal place of business is 646 McCorkle Boulevard, Westerville, Ohio 43082. Popcorn's principal place of business is 13970 West Laurel Drive, Lake Forest, Illinois 60045. HDO's principal place of business is 2500 South Pacific Highway, Medford, Oregon 97501. Design's principal place of business is 2457 West North Avenue, Melrose Park, Illinois 60160. Flowerama's principal place of business is 5108 Nordic Drive, Cedar Falls, Iowa 50613.

## Operating and Franchising Experience

We do not operate a business of the type being franchised. 1-800-Flowers and its predecessors and affiliates have operated businesses of the type being franchised since March 1974. Retail currently operates 1 retail store of the type being franchised under the trade name "1-800-Flowers" and 8 Flowerama shops operating under the trade name "1-800-Flowers|Flowerama".

We have offered franchises for retail flower shops since March 1974 and do not conduct any other business activities. Between October 1995 and October 1999, we franchised the right to operate retail flower shops under the trade names "1-800-Flowers" and "Conroy's 1-800-Flowers". We began offering the Fruit Bouquets by 1-800 Flowers.com program in November 2011. Flora Plenty of America, Inc., a New York corporation ("Flora Plenty"), the predecessor of Retail, offered franchises for retail flower shops for sale from 1981 to 1982. Flora Plenty has since been liquidated and its assets were distributed to Retail.

1-800-Flowers Franchise Co. has offered franchises for retail flower shops for sale since April 3, 2002. As of the fiscal year ended June 30, 2024, there were 17 1-800-Flowers franchisees operating 22 retail flower shops, 7 1-800-Flowers design centers doing business under the trade name "1-800-Flowers", 18 franchisees operating 21 Co-Brand retail flower shops that use both the "1-800-Flowers" name and marks and their existing name and 1 company-owned location owned by Retail. 1-800-Flowers Franchise Co. has offered 1-800-Flowers conversion franchises since June 2010 and has offered the Fruit Bouquets Program to franchisees since October 2011. Flora Plenty, the predecessor of Flora Plenty, Inc., a New York corporation that was liquidated and whose assets were distributed to Retail in June 1995, offered franchises for retail flower shops for sale from 1981 to 1982.

We franchise the right to operate 1-800-Flowers|Conroy's retail flower shops under the trade name "1-800-Flowers|Conroy's". We have offered franchises for retail flower shops since March 1974. As of our fiscal year ended June 30, 2024, there are 19 franchisees of ours operating 24 retail flower shops doing business under the trade name "1-800-Flowers|Conroy's".

Flowerama has offered franchises for retail flower shops for sale since 1970. As of June 30, 2024, there were 24 Flowerama franchises operating 32 retail shops under the trade name "Flowerama," of which 1 retail shop is a co-brand shop under the trade name "1-800-Flowers|Flowerama." 8 company owned locations are owned by Retail.

We do not offer franchises for sale in other lines of business. Except for Flora Plenty, Conroy's and Flowerama, none of our affiliates have offered franchises for sale in this line of business. None of our affiliates have offered franchises for sale in any other line of business.

Franchises for "1-800-Flowers" shops and "Flowerama" and "1-800-Flowers|Flowerama" shops are available under separate Franchise Disclosure Documents.

## Conroy's Marks, System and Trade Practices

We have developed the 1-800-Flowers|Conroy's system (the "1-800-Flowers|Conroy's System") for the operation of retail flower shops ("1-800-Flowers|Conroy's Shops") that use the trade name "1-800-Flowers|Conroy's" and the Marks and our valuable trade practices, designs, phrases, logos, signs, formulas, operating procedures, electronic systems, merchandising methods, cost control, accounting and general business techniques, strategies, routines, copyrights, manuals, training materials, bulletins and all other items we own, use or develop

(collectively, the "1-800-Flowers|Conroy's Trade Practices") to offer flowers, plants, cookies, candy, gift baskets, gift items, novelty items, personalized gift and novelty items and related products and services and sentiment items for sale to the public. All 1-800-Flowers|Conroy's franchisees are members of the BloomNet Network.

On June 17, 2011, we began working with our existing franchisees to change their trade name from "Conroy's" and "Conroy's Flowers" to "1-800-Flowers|Conroy's". All existing franchisees have changed their trade name from "Conroy's" and "Conroy's Flowers" to "1-800-Flowers|Conroy's".

### Franchise Programs

We offer 2 separate franchises in this Disclosure Document, though we have the right to not necessarily grant you the opportunity to purchase under any of these programs:

#### Single Unit Franchise Program

Under this program, you will sign a Franchise Agreement (Exhibit A) to operate one 1-800-Flowers|Conroy's retail unit (a "Franchised Unit") at a location that you select and we accept (a "Franchised Location"). Your Franchised Location will be designated in your Franchise Agreement before we sign the Franchise Agreement.

#### The Fruit Bouquets Program

Under this program (the "Fruit Bouquets Program"), you will sign a Fruit Bouquets Addendum to Franchise Agreement (Exhibit B), which will grant you the right to offer and sell fruit bouquets and other related products from your Franchised Unit (a "Fruit Bouquets Business"). A Fruit Bouquets Business may only be added into a Franchised Unit. You will add fruit bouquets to your product offerings and use the "Fruit Bouquets", "fruitbouquets.com" and/or "Fruit Bouquets by 1-800-Flowers" brand names, as we designate, on signage in your Franchised Unit, on the delivery vehicles, and in all of your marketing efforts and packaging, with our approval. If you would also like to receive fruit bouquet orders for fulfillment from 800-Flowers separate and apart from our franchise program, then you may also sign a Fruit Bouquets Order Fulfillment Agreement (Exhibit K-2). If you sign a Fruit Bouquets Order Fulfillment Agreement separate and apart from our Fruit Bouquet Program, you will not be permitted to use "Fruit Bouquets", "fruitbouquets.com" and/or "Fruit Bouquets by 1-800-Flowers" brand names on signage in your Franchised Unit, on the delivery vehicles, and in your marketing of the Franchised Unit.

#### BloomNet Membership; BloomNet Technologies Systems; Premier Order Fulfillment

In addition to the Franchise Agreement, you must sign a BloomNet Membership Agreement (Exhibit L-1) and a BloomNet Technologies Systems Agreement (Exhibit L-2). The BloomNet Membership Agreement allows you to join the BloomNet Network, and the BloomNet Technologies Systems Agreement allows you to refer and receive orders and communications through the BloomNet Technologies Systems.

Separate and apart from our franchise programs, 800-Flowers may, in its discretion, offer you and you may choose to sign an optional Premier Order Fulfillment Agreement (Exhibit K-1). If you enter into a Premier Order Fulfillment Agreement, then 800-Flowers will refer you floral and gift orders to fulfill in your trade area if you maintain a standard of high quality and fulfill these orders to the complete satisfaction of 800-Flowers. You are not required to sign the Premier Order Fulfillment Agreement. The Premier Order Fulfillment Agreement will entitle you to receive floral and gift orders for 800-Flowers in your trade area on a more frequent basis than you would otherwise receive.

### The Market

The market for retail outlets offering flowers, plants, fresh cut fruit bouquets, gift items and related products and services to the general public is well developed and sales, although typically non-seasonal, may be higher during holidays or on certain dates such as Valentine's Day or Mother's Day. Your competitors include other retail flower and plant shops, including members of the BloomNet Network, franchisees of ours and our affiliates, gift shops and other retail operators such as grocery stores and discount retailers, as well as street vendors, telephone services and Internet merchants, including 1-800-Flowers.com, which offer flowers, plants and gift items for sale to the public. If you add a Fruit Bouquets Business into your Franchised Unit, you will also have competition from us and other companies that provide these products, some of which may be Internet-based and/or franchise systems.

### Industry Specific Regulations

The Franchised Unit must, however, comply with federal, state and local laws applicable to the operation of a floral service business, including (a) obtaining all applicable permits and approvals by municipal, county or state agencies; (b) establishing general standards, specifications and requirements for the construction, design and maintenance of the Franchised Unit; (c) maintaining prescribed standards pertaining to employee health and safety, fire safety and general emergency preparedness; (d) using vending machines as prescribed; and (e) using, storing and disposing of waste, insecticides, and other hazardous materials as prescribed. If you offer fruit bouquets, you must comply with applicable laws regarding the handling, storage, preparation and delivery of fresh fruit. This may require you to obtain food service licenses or other licenses or permits.

The Americans with Disability Act of 1990 requires readily accessible accommodation for disabled people and therefore may affect your building construction, site elements, entrance ramps, doors, etc. You must obtain all required real estate permits, licenses and operational licenses. You should investigate whether there are regulations and requirements that may apply in the geographic area in which you are interested in locating your Franchised Unit and you should consider both their effect and cost of compliance. You must also comply with all local, state, and federal laws that apply to your operations, including health, sanitation, insurance, smoking laws and regulations, EEOC, OSHA, non-discrimination, employment, and sexual harassment rules, regulations and laws.

The Payment Card Industry Data Security Standard ("PCI DSS") requires that all companies that process, store or transmit credit or debit card information maintain a secure environment. PCI DSS applies to all organizations or merchants, regardless of size or number of transactions, that accept, transmit or store any cardholder data. You should consult with your attorney concerning these and other local laws and ordinances that may affect your Franchised Unit.

ITEM 2  
BUSINESS EXPERIENCE

Executive Chairman and Chief Executive Officer:

James F. McCann

Mr. McCann has served as Executive Chairman of 1-800-Flowers, Jericho, New York, since July 2016. He has also served as our Chairman, in Jericho, New York, since 2006. Mr. McCann has served as Chief Executive Officer of 1-800-Flowers, in Jericho, New York, since July 2023.

Vice President:

Christopher G. McCann

Mr. McCann was appointed as Chief Executive Officer of 1-800-Flowers, in Jericho, New York, in July 2016 and served until July 2023. He currently serves as our Vice President, in Jericho, New York.

President:

Jonathan Feldman

Mr. Feldman has served as our President, in Jericho, New York, since June 2024. Mr. Feldman has also served as President of BloomNet, Napco, Flowerama and 1-800-Flowers, in Jericho, New York, since June 2024. From October 2023 to May 2024, Mr. Feldman was a self-employed strategy and operations consultant, located in New York, New York. From May 2023 to September 2023, Mr. Feldman was the Executive Vice President of Clear Secure Inc. in New York, New York. From February 2023 to April 2023, Mr. Feldman was a self-employed strategy and operations consultant, located in New York, New York. From June 2021 to January 2023, Mr. Feldman was the Vice President of Operations for GoBrands, Inc. in New York, New York. From April 2014 to June 2021, Mr. Feldman was the Director of Global Operations Strategy & Planning, Delivery of Uber Technologies, Inc. in New York, New York and in Philadelphia, Pennsylvania.

Senior Vice President and Chief Financial Officer:

William Shea

Mr. Shea has been Senior Vice President and Chief Financial Officer for 1-800-Flowers, in Jericho, New York, since September 2000. He has also served as our Vice President and Treasurer, in Jericho, New York, since 2001.

General Counsel, Senior Vice President and Corporate Secretary:

Michael R. Manley

Mr. Manley has served as General Counsel, Senior Vice President and Corporate Secretary for 1-800 Flowers, in Jericho, New York, since July 2018. From August 2013 to July 2018, he was a Partner and member of the Corporate Group of Venable, LLP located in New York, New York.

Senior Vice President-Real Estate and Construction:

Brian McGee

Mr. McGee has served as Senior Vice President-Real Estate & Construction, in Jericho, New York, since August 2014. He joined 1-800-Flowers as the Director of Real Estate, in Jericho, New York, in February 1996.

Senior Vice President- Products and Services and BloomNet Management:

Ted Nelson

Mr. Nelson has served as Senior Vice President – Products and Services and BloomNet Management, in Jericho, New York since July 2014. Before that, from July 2008 to June 2014, he served as Vice President of BloomNet in Jericho, New York.

Senior Vice President – Florist Operations and Fruit Bouquets by 1-800-Flowers.com:

Camilo Escobar

Mr. Escobar has served as Senior Vice President of Florist Operations and Fruit Bouquets for 1-800-Flowers.com, in Jericho, New York, since September 2008.

Vice President of Franchise and Retail Operations:

Stephen Lenzovich

Mr. Lenzovich has been Vice President of Franchise Operations for 1-800-Flowers in Jericho, New York since July 2024. Before that, from August 2021 to June 2024, he served as Senior Director of Franchise and Retail Operations for 1-800-Flowers, in Jericho, New York. From November 2011 to July 2021, Mr. Lenzovich served as Director of Franchise and Retail Operations for 1-800-Flowers in Jericho, New York.

### ITEM 3 LITIGATION

State of Maryland Determination, File Number 2014-0102. In June 2014, the State of Maryland concluded that our affiliate, 1-800-Flowers.com Franchise Co. Inc., violated the Maryland Franchise Registration and Disclosure Law (the “Maryland Franchise Law”) between February 25, 2013 and February 25, 2014 by (i) offering and selling its co-brand franchises to 3 Maryland flower shop owners without providing them with its then-current Maryland registered Franchise Disclosure Document, (ii) not requiring them to sign the Maryland state-specific Addendum included in the Franchise Disclosure Document at the time they signed the Franchise Agreement, and (iii) collecting initial franchise fees from one Maryland flower shop owner in violation of Maryland’s requirement that it defer collection of initial franchise fees and payments until it completed its initial obligations as franchisor under the parties’ Franchise Agreement. On June 19, 2014, 1-800-Flowers, without admitting or denying any violation of law, voluntarily entered into a Consent Order with the Office of the Attorney General of Maryland and agreed to cease and desist from the offer and sale of franchises in violation of the Maryland Franchise Law and pay the Attorney General \$5,000 as a civil monetary penalty.

Arizona Family Florists, LLC, Bradley Denham, Cheryl Denham, South Florals DC, LLC, Daniel Sanchez, Samuel Noriega, Water Mill Flowers, Inc., Thomas Dowd and Cesar Rivera, Plaintiffs, vs. 1-800-Flowers.Com, Inc., 1-800-Flowers.Com Franchise Co., Inc. and BloomNet, Inc., Defendants, Case Number 2:16-cv-2638-JFB-AYS. On May 24, 2016, the 1-800-Flowers franchisees named as plaintiffs above filed a Complaint in the United States District Court for the Eastern District of New York against the defendants, which was followed by their filing of an Amended Complaint on July 15, 2016. The claims of plaintiffs South Florals, Daniel Sanchez and Samuel Noriega (the “Miami Plaintiffs”) were settled and dismissed with prejudice on February 8, 2017. No monies were paid to the Miami Plaintiffs by any of the Defendants; rather, the parties entered into an order fulfillment agreement; the term of one existing Franchise Agreement was reduced and new Franchise Agreements and Co-Brand Franchise Addenda were entered into for 2 of the Miami Plaintiffs’ other shops, all with coterminous terms, and provision was made for the potential execution of Franchise Agreements and Co-Brand Franchise Addenda for future new shops on mutually agreed upon terms. A Second Amended Complaint was filed on February 3, 2017 (with the Complaint and the Amended Complaint collectively, the “Complaint”) by the remaining Plaintiffs (Arizona Family Florists, LLC, Bradley Denham and Cheryl Denham, collectively the



"Arizona Plaintiffs" and Water Mill Flowers, Inc., Thomas Dowd and Cesar Rivera, collectively the "Ft. Lauderdale Plaintiffs"). The Complaint was for breach of contract and the covenant of good faith and fair dealing, common law unfair competition, violation of the Arizona Consumer Fraud Act, violation of Florida's Deceptive and Unfair Trade Practices Act, Violation of New York's Franchise Sales Act, common law fraud, common law negligent misrepresentation, common law fraudulent inducement and conversion, and seeking damages in the amount of \$13,540,120, attorneys' fees, an accounting, a declaration discharging non-compete restrictions, declaratory relief, rescission of an alleged Arizona Fruit Bouquets Franchise Agreement, and a permanent injunction prohibiting defendants from improperly competing in a portion of Fort Lauderdale, Florida, and alleging, among other things, that defendants breached their Order Fulfillment Agreements with the plaintiffs and failed to renew them, failed to pay plaintiffs commissions for completed floral order and gift order fulfillment, failed to provide minimum value in orders, engaged in unfair competition, and made misrepresentations regarding defendants' fruit bouquets program, and that plaintiffs suffered damages as a result. The Defendants filed Answers and Counter-Claims to the Complaint on April 7, 2017. The Answer denied the allegations in the Complaint and asserted numerous affirmative defenses, including release or waiver of certain claims by all or some of the plaintiffs and that certain claims were barred by applicable statutes of limitation, statute of frauds, and rights of set-off. The Counter-Claims sought dismissal of the Complaint, monetary damages for breach of contract, breach of the Arizona Franchise Agreement and abandonment of the Arizona Franchise by the Arizona Plaintiffs, and injunctive relief regarding the Arizona Plaintiffs' continued unauthorized use of the 1-800-Flowers marks and for enforcement of the non-competition provisions in the plaintiffs' agreements, plus legal fees and expenses.

Following discovery and cross motions for summary judgement, the Defendants engaged in settlement discussions with Arizona Plaintiffs. These settlement discussions proved successful and, in order to avoid the cost of a trial with these plaintiffs, the case was settled in January 2022 for a total sum of \$150,000. A settlement agreement was executed by the parties in which there was no admission of liability by any party and which contained mutual releases. A Stipulation of Discontinuance with Prejudice was filed with the Court.

The remaining Ft. Lauderdale Plaintiffs and the Defendants engaged in settlement discussions. These settlement discussions proved successful and, in an effort to avoid the cost of a trial with these plaintiffs, the case was settled in March 2022 for a total sum of \$275,000. A settlement agreement was executed by the parties in which there was no admission of liability and contained mutual releases. A Stipulation of Discontinuance with Prejudice was filed with the Court.

Other than these 2 actions, no litigation is required to be disclosed in this Item.

#### ITEM 4 BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

#### ITEM 5 INITIAL FEES

The amount of your initial franchise fee (the "Initial Franchise Fee") and the procedures for payment and refunds are determined by the type of franchise you purchase.

#### Initial Franchise Fee for Single Franchised Unit

You must pay us an Initial Franchise Fee of \$30,000 (the "Initial Franchise Fee"). The Initial Franchise Fee is payable in full when you sign the Franchise Agreement, and is not refundable under any circumstances. If the term of your Franchise Agreement is less than 10 years, then the Initial Franchise Fee may be reduced on a pro-rata basis. We did not sell any franchises for the fiscal year ended June 30, 2024, and therefore did not collect any Initial Franchise Fees.

#### Initial Franchise Fee for Fruit Bouquets Business

You must pay us an Initial Franchise Fee (the "Fruit Bouquets Initial Franchise Fee") of \$7,500 if we grant you the right to sell fruit bouquets and related products at one Franchised Unit, in addition to the \$30,000 Initial Franchise Fee for your first Franchised Unit, and a Fruit Bouquets Initial Franchise Fee of \$3,500 for a Fruit Bouquets Business at each additional Franchised Unit. A Fruit Bouquets Business may only be added into a Franchised Unit. The Fruit Bouquets Initial Franchise Fee is payable in full when you sign the Fruit Bouquets Addendum to the Franchise Agreement (Exhibit B), and is not refundable under any circumstances. If you sign a Franchise Agreement and the Fruit Bouquets Addendum to the Franchise Agreement on or before October 1, 2025, we will waive payment of the entire Fruit Bouquets Initial Franchise Fee.

#### Franchisor Financing

If you meet our criteria, including a minimum credit score of 650, we have the right to offer you the opportunity to finance up to \$30,000 with us, for the build-out of your Franchised Unit and/or for the purchase and installation of signage. If you are granted a Successor Franchise and meet our criteria, including a minimum credit score of 650, we may offer to finance up to an additional \$30,000 for your Successor Franchise Fee. We may also offer you the opportunity to finance up to an additional \$30,000 of remodeling costs and/or signage costs, if you are granted a Successor Franchise. If you are purchasing a Fruit Bouquets Business and meet our criteria, including a minimum credit score of 650, we may offer to finance up to an additional \$30,000, for your Fruit Bouquets build-out costs and/or the signage costs for a Fruit Bouquets Business. Offers of financing are made to franchisees, in our sole discretion, on a case-by-case basis. If we offer financing to you, you must sign our form of Promissory Note attached to this Disclosure Document as Exhibit H. If you are an entity, your owners must guarantee payment of the Promissory Note under a Guarantee attached to this Disclosure Document as Exhibit I and you must also grant us a security interest in the assets of your Franchised Unit under our form of Security Agreement attached to this Disclosure Document as Exhibit J. Financing is generally repaid over a term of 1 year with interest at the rate of 7% per annum. The length of time to repay and the interest rate may vary on a case-by-case basis. If we offer you financing for multiple purposes, you may have to sign multiple Promissory Notes, Guarantees and Security Agreements.

#### Product Purchases

We may require you to purchase an initial inventory of items that are specific to the 1-800-Flowers|Conroy's System, such as branded signature products, branded packaging, and gift items. As described in Item 8 below, you will purchase these products from our affiliates, BloomNet and/or Napco. We estimate that the cost of this initial inventory will be between \$1,150 and \$3,000, which will be payable in full upon delivery of the inventory and is not refundable under any circumstances.

## Sublease

If you sublet the Franchised Location from us or a subsidiary or affiliate under our Sublease, you will pay us (or our subsidiary or affiliate, as we direct) rent, which we estimate will be between \$0 and \$37,500 (3 months' rent plus a security deposit equal to 2 months' rent).

## Refunds, Different Fees and Financing

Qualified employees of 1-800-Flowers|Conroy's or its affiliates may pay reduced fees. Otherwise, all franchisees must pay the initial fees described in this Item 5. The Initial Franchise Fee and Fruit Bouquets Initial Franchise Fee are fully earned by us when paid and are not refundable under any circumstances. We use the proceeds from Initial Franchise Fees to defray a portion of our expenses in connection with the sale and establishment of franchises, such as: (i) costs related to developing and improving our services; (ii) expenses of preparing and registering this Disclosure Document; (iii) legal fees; (iv) accounting fees; (v) costs of obtaining and screening franchisees; and (vi) general administrative expenses. We have the right to reduce, defer or waive the Initial Franchise Fee or Fruit Bouquets Initial Franchise Fee if and when we determine, in our sole discretion, on a case-by-case basis. In the fiscal year ended June 30, 2024, franchisees paid us Initial Franchise Fees of \$15,000. There are no other required payments to, or purchases from, us or any of our affiliates before you begin operating as our franchisee.

## ITEM 6 OTHER FEES

Name Of Fee	Amount	Due Date	Remarks
Continuing Franchise Fee – Floral Business	6% of "Adjusted Gross Sales"; 6% of all "Incoming Sales"; 6% of your share of the Gross Sales Price of orders referred as "Outgoing Sales"; 6% of "Outgoing Service Handling Fees"	Payable monthly no later than the 15 <sup>th</sup> day of the month for the immediately preceding month	(Note 1, Note 14)
Continuing Franchise Fee – Fruit Bouquets Business	6% of "Fruit Bouquets Gross Sales"	Payable monthly no later than the 15 <sup>th</sup> day of the month	(Note 1, Note 15)
Marketing Fee – Floral Business	3% of "Adjusted Gross Sales"	Payable monthly no later than the 15 <sup>th</sup> day of the month for the immediately preceding month	(Note 1) We do not presently charge you a Marketing Fee, but reserve the right to do so in the future
Marketing Fee – Fruit Bouquets Business	2% of "Fruit Bouquets Gross Sales"	Payable monthly no later than the 15 <sup>th</sup> day of the month	(Note 1) The Marketing Fee for the Fruit Bouquets Business is paid into a fund that is separate from the Floral Marketing Fund. We do not presently charge you a Fruit

Name Of Fee	Amount	Due Date	Remarks
			Bouquets Marketing Fee, but reserve the right to do so in the future.
Rent and Other Occupancy Charges; Sublease Security Deposit	Rent and other charges will vary depending on the site. Your security deposit will generally equal 2 months' rent	Payable no later than the 1 <sup>st</sup> day of each month	(Note 2) Applicable only to properties that are subleased from our affiliate under our Sublease (Exhibit C).
Late Charges	10% on delinquent fees; 10% on rent due under our Sublease if not paid by the first day of each month, which is currently 10% annually in California.	Payable with delinquent balance	(Note 2, Note 3)
Interest	10% per annum or maximum amount permitted by law	Payable with delinquent balance	(Note 3)
Audit Costs	Cost of audit, interest on underpayment at 10% or maximum amount permitted by applicable law and a penalty of 25% of the underpayment	Payable no later than the 15 <sup>th</sup> day of the month following billing	(Note 4)
Repossession Costs	Legal, repossession, re-letting and other damages according to proof	As directed by our Sublease or by the Court	(Note 5)
Opening Corporate Staff Expenses	Will vary depending upon number of days in Franchised Unit (\$2,000 -\$6,000)	Payable no later than the 20 <sup>th</sup> day of the month following billing	(Note 6)
Additional Training Fee – Floral Business	\$1,500, per each additional trainee, to defray direct cost of providing training	Payable no later than the 5 <sup>th</sup> day of the month following billing	(Note 8)
Administrative Transfer Fee (Franchise Agreement)	\$10,000 plus our out-of-pocket costs associated with the transfer, including costs of attorneys' fees associated with the transfer	At the close of escrow for the transfer of the Franchise	To reimburse our administrative costs in effecting the transfer, subject to state law.
Administrative Transfer Fee (Fruit Bouquets Business)	\$5,000 plus our out-of-pocket costs associated with the transfer, including costs of attorneys' fees associated with the transfer	At the close of escrow for the transfer of the Fruit Bouquets Business	To reimburse our administrative costs in effecting the transfer. You must also reimburse our out-of-pocket costs associated with the transfer, subject to state law.
Administrative Reconciliation Fee	\$250 per occurrence	Payable no later than the 15 <sup>th</sup> day of the month following billing	(Note 1)
Reimbursement for Advances	As incurred	Payable no later than the 15 <sup>th</sup> day of the month following billing	(Note 7)

Name Of Fee	Amount	Due Date	Remarks
Remedial Training	Our then-current additional training fee plus our out-of-pocket costs for the lodging, travel and meals for our personnel to defray the direct costs for providing the training	On demand	(Note 8)
Attorneys' Fees	Reasonable as incurred	As ordered	(Note 9)
Indemnification Expenses	As incurred	Payable as ordered by Court or 15 <sup>th</sup> day of the month following billing	(Note 10)
Gross-Up Fees	Up to 6%	On Demand	(Note 1)
Successor Franchise Fee – Floral Business	\$30,000	When you sign the Successor Franchise Agreement	(Note 11)
Successor Franchise Fee – Fruit Bouquets Business	\$7,500	When you sign the Successor Franchise Agreement and then-current Fruit Bouquets Addendum to the Franchise Agreement, as required	(Note 11)
Special Programs Service Fee	Up to 6% of Gross Sales generated from special programs	Payable monthly no later than the 15 <sup>th</sup> day of the month following billing	(Note 12)
Additional Layout Charges	As incurred	Payable no later than the 15 <sup>th</sup> day of the month following billing	(Note 13)
Order Fulfillment Fees	As incurred. Currently, \$3.50 per order or \$1.00 net of delivery confirmation	As incurred	(Note 1, Note 14, Note 17, Note 18)
De-identification Expenses	As incurred	As incurred	(Note 16)
BloomNet Monthly Membership Rates	As incurred per terms of BloomNet Membership Agreement. The monthly rates are calculated on a monthly-orders-referred and fulfilled basis and are currently as follows: 0-10 orders: \$0.00; 11-29 orders: \$49.99; 30-59 orders: \$129.99; 60-99 orders: \$199.99; 100-199 orders: \$349.99; 200-299 orders: \$649.99; 300-499 orders: \$849.99; 500-749 orders: \$999.99; 750-999 orders: \$1,249.99; 1000+ orders: \$1,499.99	Monthly	See BloomNet Order Referral Program Rate Schedule (Exhibit L-3) (Note 14, Note 17)

Name Of Fee	Amount	Due Date	Remarks
BloomNet Monthly Access Rates	As incurred per terms of BloomNet Technologies Systems Agreement. The monthly access rates are calculated on a monthly-orders-referred and fulfilled basis and are currently as follows: 1-10 orders: \$0; 11-29 orders: \$49.99; 30-59 orders: \$79.99; 60-99 orders: \$119.99; 100-199 orders: \$179.99; 200-299 orders: \$229.99; 300-499 orders: \$269.99; 500+ orders: \$314.99. BloomNet Software License Fee: \$5.00 per month	Monthly	See BloomNet Order Referral Program Rate Schedule (Exhibit L-3) (Note 14, Note 17)
Other BloomNet Fees	Varies	Varies	See BloomNet Order Referral Program Rate Schedule (Exhibit L-3) (Note 14, Note 17)
Website and Intranet Rates	Initial Setup Fee: \$159.00; Web Hosting Basic: \$99.99 per month; Web Hosting Advanced: \$149.99 per month; URL Registration Fee: \$19.99 per year; Additional Domain Name Fee: \$19.99 per year; Domain Name Change Fee: \$19.99 (onetime fee); Order Capture Rate: \$4.99 per order, Web Marketing Program: \$24.99 per month	Annually, unless otherwise noted	(Note 17, Note 19)
Product or Supplier Approval	Reimbursement of our costs, not to exceed \$500	On demand	If you request that we evaluate a product or supplier.
Misuse of the Marks Fee	\$1,000 per infraction	On demand	(Note 21)
Customer Service Fee	25% of the retail value of merchandise we provide or the amount of money we refund to a customer to satisfy a customer service issue that you do not resolve to our satisfaction	As incurred	(Note 20)
Optional Marketing	\$1,800 - \$2,500	Annually	(Note 22)
Liquidated Damages	5% of the gross revenue of any business that provides similar services at your Franchised Location or any site within 10 miles of any 1-800-Flowers Conroy's Flower Shop or your Franchised Location	On demand	If you violate the post-term covenant not to compete, you must pay us, throughout the 2-year period following the termination, transfer, or expiration of your Franchise Agreement.

Name Of Fee	Amount	Due Date	Remarks
Relocation Assessment	An amount equal to the Continuing Franchise Fees you paid for your Franchised Unit at its previous location, plus an additional 10%, during the most recent calendar year during which it was operational	On demand	If we consent to a relocation of your Franchised Unit, you may close the Franchised Unit at your current Franchised Location within 12 months, but must then reopen at the new franchised location within 12 months from the date you closed. If you fail to do so, we have the right to bill you for the Relocation Assessment.
Private Offering Fee (Franchise Agreement)	\$10,000 or such greater amount as is necessary to reimburse us for our reasonable costs and expenses with reviewing the proposed offering.	Before offering.	Payable for each proposed private offering of securities, partnership or other ownership interests in Franchisee and is in addition to any Transfer Fee under any Franchise Agreement.

Except for the allocation of revenues established by BloomNet or a recognized floral wire service (which may be changed by BloomNet or the floral wire services at any time and which is currently approximately 20% to the referring florist, 71% to the fulfilling florist and 9% to BloomNet or the wire service as a payment processing charge), all fees are uniformly imposed by and are payable to us, unless we determine otherwise. No other fees or payments are to be paid to us, nor do we impose or collect any other fees or payments for any third party. Any fees paid to us are non-refundable unless otherwise noted. Fees payable to third parties are refundable based on your individual arrangements. We have the right to change all fees paid to us as discussed in Item 6 at any time.

Note 1:

As discussed in Item 1, one of our parent's subsidiaries operates the BloomNet Network, which is an international floral service business that refers orders for floral and related gift products received from consumers through the Internet and by telephone for fulfillment and delivery through the BloomNet Network of retail flower shops. All 1-800-Flowers|Conroy's franchisees are required to be members of the BloomNet Network. As a member of the BloomNet Network, you will refer and receive orders for fulfillment and delivery of flowers and other gift products from other Franchised Units, members of the BloomNet Network, and from unaffiliated third-party florists and gift providers.

"Adjusted Gross Sales" are the proceeds from all sales made at or by the Franchised Unit. "Adjusted Gross Sales" do not include "Incoming Sales", "BloomNet Incoming Sales", "Outgoing Sales", "BloomNet Outgoing Sales", "Fruit Bouquets Gross Sales", monies spent on purchases of supplies and/or products from us and/or our affiliates, money refunded to a customer upon return of merchandise or sales taxes or other taxes collected from customers and paid over to the appropriate governmental authority imposing the tax.

"Incoming Sales" are orders referred to your Franchised Unit for fulfillment and delivery from unaffiliated, third-party floral providers and other Franchised Units.

"BloomNet Incoming Sales" are orders referred to your Franchised Unit for fulfillment and delivery by 800-Flowers and/or its affiliates through the BloomNet Network.

"Outgoing Sales" are orders you refer (as the "referring florist") from the Franchised Unit to unaffiliated third-party florists and gift providers and other Franchised Units for fulfillment and delivery by these other florists (as the "fulfilling florist").

"BloomNet Outgoing Sales" are orders referred from your Franchised Unit for fulfillment and delivery by 800-Flowers and/or its affiliates through the BloomNet Network.

As a member of the BloomNet Network, you must pay the current fees and transaction charges due under the BloomNet Membership Agreement ("Exhibit L-1"), the BloomNet Technologies Systems Agreement ("Exhibit L-2") and as specified on the BloomNet Order Referral Program Rate Schedule ("Exhibit L-3"), and the Premier Order Fulfillment Agreement ("Exhibit K-1"). If orders for BloomNet Incoming Sales are referred to you through the BloomNet Technologies Systems, you will be assessed, or you must pay the then-current monthly membership rate and an order fulfillment rate per order, as detailed in the table above.

"Fruit Bouquets Gross Sales" are all revenues from operating a Fruit Bouquets Business, including from the sale of all products and services, in, through or from your Franchised Unit, by any means of business conducted at your Franchised Unit, including any orders referred from a third party for fulfillment (except for fruit bouquets orders referred for fulfillment by 800-Flowers pursuant to the terms of a Fruit Bouquets Order Fulfillment Agreement). Fruit Bouquets Gross Sales excludes (a) sales or service taxes collected from customers and paid to the appropriate taxing authority, and (b) all customer refunds, adjustments and credits given to customers in good faith.

To ensure that we receive a full 6% of Adjusted Gross Sales; 6% of Incoming Sales; and 6% of your share of the net of service charges, credits, charge backs, refunds and taxes (cumulatively, the "Gross Sales Price") of floral and gift orders referred as Outgoing Sales; 6% of Outgoing Service Handling Fees, and 6% of Fruit Bouquets Gross Sales and the full Marketing Fees, if we are charging Marketing Fees, that are due, you must pay us, whether in arrears, in advance, in a lump sum or in the same manner that you pay us Continuing Franchise Fees and Marketing Fees, the amount of all taxes we must pay on revenue we earn or collect based upon your use of our intellectual property or other intangibles or based upon the existence of the Franchise Agreement.

You will authorize us to debit from your designated primary business checking or savings operating account, any funds due and payable to us for Continuing Franchise Fees, Marketing Fees, rent and rent-related expenses and all other sums that you owe to us or our affiliates. You will also authorize us and our affiliates to process your credit card sales transactions, and following the settlement of these transactions, to credit any net amount due to you against all Continuing Franchise Fees, Marketing Fees, rent, rent-related expenses, or other sums that are then due from you to us or our affiliates, that you incurred prior to the settlement of these transactions, whether incurred under the Franchise Agreement, the Sublease, or under any other agreement between you and us, or our affiliates. In addition, you will authorize BloomNet, at its option, to deduct and retain an amount equal to all Continuing Franchise Fees, Marketing Fees, rent and rent-related expenses, BloomNet Access fees and all sums due and owing to us, or our affiliates, from any funds due to you under the BloomNet Membership Agreement



and BloomNet Technologies Systems Agreement, Premier Order Fulfillment Agreement and/or Fruit Bouquets Order Fulfillment Agreement.

You must supply us with all required monthly sales data by the 10<sup>th</sup> day of the month for the immediately preceding month to permit us to calculate the amount of your Continuing Franchise Fees and Marketing Fees. If you do not do so, we will estimate your Continuing Franchise Fees and Marketing Fees for the missing period based upon your Adjusted Gross Sales, Incoming Sales and Outgoing Sales at the Franchised Unit during the identical period of the immediately preceding calendar year plus an additional 10% of those amounts, or, if you did not operate the Franchised Unit during the identical period of the immediately preceding calendar year, based upon your average monthly Adjusted Gross Sales, Incoming Sales and Outgoing Sales during the number of months you operated the Franchised Unit plus an additional 10% of those amounts. If you believe that our estimate of your Continuing Franchise Fees and Marketing Fees exceeds your actual Continuing Franchise Fees and Marketing Fees for any period, you must contest our estimate within the time period provided in our current 1-800-Flowers Franchise Operations and Brand Standards Manual (the "Franchise Manual") or the Fruit Bouquets by 1-800 Flowers.com Operations Manual (the "Fruit Bouquets Manual"), if you add a Fruit Bouquets Business into your Franchised Unit. We will charge you an administrative reconciliation fee of \$250 each time you request a reconciliation of estimated and actual fees. We will make any adjustment or refund as necessary, for any over-payments made to us under these procedures within 90 days after we receive all missing sales data from you, BloomNet or the applicable wire service. If you do not contest the amount of our estimate of your Continuing Franchise Fees and Marketing Fees (if any) within the time period in our current Franchise Manual or Fruit Bouquets Manual, our estimate will be presumed to be correct and you will have no further right to contest it.

Note 2:

If you sublet the Franchised Location from us or a subsidiary or affiliate under our Sublease (Exhibit C), you will pay us (or our subsidiary or affiliate, as we direct), rent under the Sublease in an amount that we will establish. We do not currently require you to pay us rent in excess of the rent we pay to a "Master Landlord" for the service we are providing to you by acting as the tenant under a "Master Lease", but we reserve the right to do so in the future. You must pay all rent, other occupancy expenses and cost-of-living or other adjustments to rent and other occupancy expenses as they become due. You must pay rent due no later than the first day of each month or a 10% late charge will also be due. You must also reimburse us, when you sign the Sublease, for all expenses we have paid for the negotiation, signing and/or securing of the Master Lease and for the acquisition of the Master Lease and pay us a security deposit under our Sublease in an amount equal to the greater of the amount required under the Master Lease or 3 months' rent. At our discretion, we have the right to require you to pay rent and all other charges that become due under the Sublease directly to the Master Landlord.

Note 3:

You must pay us a late charge of 10% of overdue fees. You must pay us or our affiliate rent due under the Sublease no later than the first day of each month or the 10% late charge will be due. You must pay us interest on the overdue amount at the rate of 10% per annum from the due date. Interest accrues from the original due date until the overdue amount is paid in full and is in addition to the late charges. We will not assess interest or late charges at rates that exceed the maximum amounts permitted by applicable law.

Note 4:

We have the right to review all books, sales records and supporting materials for the Franchised Unit at all reasonable times. We generally conduct the audit at our expense. If you understate Adjusted Gross Sales, Incoming-Sales, Outgoing Sales, and/or Fruit Bouquets Gross Sales (collectively, the "Sales Figures"), you must

pay us the undisclosed fees. If you understate any Sales Figures by 3% or more, you must pay us our audit expenses plus interest on the amount understated at the rate of 10% or the maximum interest rate allowed by law plus a penalty of 25% of the amount of the underpayment. Interest accrues from the date of the underpayment. If you understate any Sales Figures more than once during the term of the Franchise Agreement, we have the right to terminate your Franchise Agreement.

Note 5:

If we or our affiliate terminate your Sublease due to your default, you are liable for our costs of recovering possession of the Franchised Location, and the expenses of re-letting the Franchised Location (including renovation and alteration of the Franchised Location) and for other damages, including the then-current value of the amount of unpaid rent for the balance of the term, less the amount you prove can be reasonably avoided.

Note 6:

We will provide you with members of our staff to assist you in the operation of your Franchised Unit for up to one week after the Franchised Unit opens for business at no additional charge. We have the right to require you to permit our staff to remain in the Franchised Unit for more than one week, if we determine that our operations staff is necessary for the proper operation of the Franchised Unit. If our staff remains at the Franchised Unit for more than one week, you must pay us the costs we incur to provide this additional service.

Note 7:

You must pay us the amount we advance on your behalf and interest on the advance from the day it is made.

Note 8:

If you send more than 2 persons to the Initial Training Program, you must pay us our then-current additional training fee (the "Additional Training Fee"), currently \$1,500, for each additional trainee for their attendance at the Initial Training Program. If you request us to provide additional Initial Training Programs for your new or replacement supervisory or managerial personnel following the opening of your Franchised Unit and, in our discretion, we agree to do so, you must pay us the Additional Training Fee for each such new trainee for their attendance at the Initial Training Program. When we provide you with an additional training program related to the 1-800-Flowers System, you will also pay us the Additional Training Fee for the program to defray our costs associated with providing the program. In addition, you must pay travel and living expenses for your supervisory and managerial employees who attend such additional training programs. You must pass our training exam before receiving your training certificate. We have the right to require you to attend refresher training courses every 5 years during the term of the Franchise Agreement to receive training on new items and standard operating procedures that we designate. In addition, and if you are not meeting our minimum performance standards, we may provide training and education updates and have the right to impose a fee on you to defray our direct costs for providing these services. Our direct costs include expenses incurred for training materials, travel expenses, the costs for the site where the programs are held, and the like.

If we determine that it is necessary, we have the right to require you to attend remedial training and may provide other assistance subject to the availability of our personnel. We have the right to charge you our then-current Additional Training Fee for providing such remedial training, to defray the direct costs of providing the training.

Note 9:

If we or our affiliates incur legal expenses to collect any sum due under the Franchise Agreement, Sublease, Premier Order Fulfillment Agreement, BloomNet Membership Agreement, BloomNet Technologies System Agreement, Fruit Bouquets Order Fulfillment Agreement, or Fruit Bouquets Addendum to the Franchise Agreement, or to enforce any provision of these Agreements, we have the right to recover our attorneys' fees, expenses and court costs.

Note 10:

You must indemnify, defend and hold us and our affiliates and their respective officers, directors, shareholders, employees and agents free and harmless from all claims of third parties, including our attorneys' fees, expenses and court costs, arising out of the Franchise Agreement, the Premier Order Fulfillment Agreement, the BloomNet Membership Agreement, the BloomNet Technologies System Agreement, the Fruit Bouquets Addendum to the Franchise Agreement, the Fruit Bouquets Order Fulfillment Agreement, or the business conducted at the Franchised Unit. You may incur expenses as a result of this indemnification.

Note 11:

If, at the expiration of your Franchise Agreement, we grant you an extension to the term of the franchise (a "Successor Franchise"), you must execute our then-current form of Franchise Agreement (a "Successor Franchise Agreement"), and pay us a fee (a "Successor Franchise Fee") of \$30,000. If the term of your Successor Franchise Agreement is less than 10 years, then the Successor Franchise Fee may be reduced on a pro-rata basis. If we also grant you an extension to the term of your Fruit Bouquets Business, you must pay us an additional Successor Franchise Fee of \$7,500, and, if we require, execute our then-current form of Fruit Bouquets Addendum to the Franchise Agreement.

Note 12:

We have the right to develop special programs designed to generate sales for our franchisees. For all of your gross sales generated from these programs, in addition to the Continuing Franchise Fees you must pay on those sales, we also have the right to retain up to 6% of those sales, as a service fee to reimburse the Floral Marketing Fund or Fruit Bouquets Marketing Fund for any advances that it made for the development of such programs, and to generate revenue to us.

Note 13:

If you change the location of the Franchised Unit during the term of the Franchise Agreement, you must pay us any costs we incur for the preparation and delivery of any suggested layout plans for the Franchised Unit at the new location.

Note 14:

Separate and apart from our franchise programs, 800-Flowers may refer you floral and gift orders to fulfill in your trade area if you maintain a standard of high quality and fulfill these orders to the complete satisfaction of 800-Flowers. In addition, 800-Flowers may, in its discretion, offer you and you may choose to sign, a Premier Order Fulfillment Agreement (Exhibit K-1). The Premier Order Fulfillment Agreement will entitle you to be referred and

fulfill floral and gift orders for 800-Flowers in your trade area on a more frequent basis than you would otherwise receive for which you will receive a commission, less processing charges, in an amount equal to 80% of the gross sales price of the orders referred by 800-Flowers to you and which are directly fulfilled by you. Your commission and processing charges may vary during the term of your Premier Order Fulfillment Agreement. 800-Flowers may send incoming orders to the Franchised Unit through the BloomNet Network. 800-Flowers may also refer you orders for fruit bouquets if you choose to sign the Fruit Bouquets Order Fulfillment Agreement. 800-Flowers may use one of the recognized floral wire services, the BloomNet Technologies Systems, or other electronic communications systems designated by 800-Flowers to send these orders. Wire service charges and BloomNet Technologies System commissions and fees are in addition to, and exclusive of, the fees due to us under the Franchise Agreement. You must sign a BloomNet Membership Agreement (Exhibit L-1) and a BloomNet Technologies Systems Agreement (Exhibit L-2). The BloomNet Membership Agreement allows you to join the BloomNet Network, and the BloomNet Technologies Systems Agreement allows you to refer and receive orders and communications through the BloomNet Technologies Systems. You will pay BloomNet a monthly membership rate as a BloomNet member and certain processing and access fees. The monthly membership rates are calculated on a monthly-orders-referred and fulfilled basis and may vary during the term of your BloomNet Membership Agreement. You will also pay BloomNet a monthly software fee and an order fulfillment rate per order for each BloomNet order you fulfill from your Franchised Unit (see the BloomNet Order Referral Program Rate Schedule attached as Exhibit L-3). Certain fees are calculated on a monthly-orders-referred and fulfilled basis and may vary during the term of your BloomNet Technologies Systems Agreement. We have the right to require you to use certain wire services and/or to restrict the wire services you may use.

#### Note 15

The Fruit Bouquets Pricing Guide, which is governed by the Fruit Bouquets Order Fulfillment Agreement, provides that you will be paid a flat fee commission based on the particular fruit arrangement you provide. 800-Flowers has the right to update this fee structure at any time in its sole discretion, and it expects to update it at least twice a year. The Fruit Bouquets Pricing Guide is provided on-line to franchisees purchasing a Fruit Bouquets Business.

#### Note 16:

Before the final date of termination of your Franchise Agreement, you must modify the Franchised Location to our satisfaction to remove items that identify the Franchised Location as a 1-800-Flowers|Conroy's or Fruit Bouquets by 1-800-Flowers.com (if applicable) Franchised Unit. These items include all exterior, interior and reader-board signs and any other items in, or on, the building, property and delivery vans containing the Marks. You may be required to assign or transfer to us all telephone and fax numbers used by the Franchised Unit. Our Franchise Manual, Fruit Bouquets Manual (if you add a Fruit Bouquets Business into your Franchised Unit), and stationery containing our Marks must be turned in to our authorized representative. You must cease use of any website URL containing our Marks plus remove any reference to 1-800-Flowers|Conroy's, Conroy's and Fruit Bouquets by 1-800 Flowers.com from websites, internet search engines, ads in the yellow and white pages and any delivery vehicles that you control. If you do not do so, we have the right to do so or cause the same to be done at your expense.

#### Note 17:

You must pay 1-800-Flowers and BloomNet their current fees and transaction charges due under the BloomNet Membership Agreement and the BloomNet Technologies Systems Agreement. The current BloomNet Order

Referral Program Rate Schedule is included in Exhibit L-3 to this Disclosure Document. These fees are subject to change at any time.

Note 18:

If you do not timely send your delivery confirmation on an order (by 7:00 PM in the time zone where your Franchised Unit is located), or if your delivery confirmation is missing on an order, you must pay an additional charge of \$2.25 on such orders. If you do not reply with your rejection of an order request within the time periods that we will specify, or fail to meet our specified order referring requirements, additional charges will apply, as disclosed in Exhibit L-3 to this Disclosure Document.

Note 19:

We have the right, but are not obligated, to establish and maintain a website to provide information about the 1-800-Flowers|Conroy's System and the goods and services that 1-800-Flowers|Conroy's shops provide. In addition, we have the right, but are not obligated, to establish and maintain an "Intranet" through which we and our franchisees may communicate with each other. If we do so, you shall establish and continually maintain (during all times that the Intranet shall be established and until the termination of the Franchise Agreement) an electronic connection (the specifications of which shall be specified in the Manuals) with the Intranet that allows us to send messages to and receive messages from you, subject to the standards and specifications that we provide. We have the right to require you and all other franchisees who use the Intranet to contribute a reasonable amount toward the cost of the Intranet's maintenance.

Note 20:

You must immediately address and resolve customer service issues with your customers. If you fail to do so to the reasonable satisfaction of a customer and we or any of our affiliates believe it is necessary to provide the customer with merchandise at a reduced or no cost to the customer to satisfy the customer service issue, then we will provide such merchandise to the customer at a reduced or no cost to the customer, as we determine to be appropriate, and you must reimburse us for the retail value of such merchandise plus 25% of such value as a customer service fee.

Note 21:

If you misuse our Marks, you must pay us \$1,000 per infraction upon our demand.

Note 22:

We have established an optional marketing program whereby we arrange the production and distribution to participating franchisees of certain marketing materials, including banners, seasonal advertising and similar items. If you choose to participate in this program, we will charge you a monthly fee.

ITEM 7  
ESTIMATED INITIAL INVESTMENT  
SINGLE FRANCHISED UNIT  
YOUR ESTIMATED INITIAL INVESTMENT

Type Of Expenditure	Amount	Method Of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee	\$30,000 (Note 1)	Cashier's Check	When you sign the Franchise Agreement	Us
Franchised Location (3 months' Pre-Paid Rent & Security Deposit)	\$10,000 - \$37,500 (Note 2)	As Incurred	As Incurred	Landlords and Us
Leasehold Improvements	\$40,000 - \$325,000 (Note 3)	As Arranged	As Incurred	Landlords and Suppliers
Site Selection, Space Planning, Project Management	\$5,000 - \$18,000 (Note 3)	As Incurred	As Incurred	Suppliers
Equipment and Fixtures	\$50,000 - \$150,000 (Note 4)	As Arranged	As Incurred	Suppliers and Lessors
Signs	\$7,500 - \$45,000 (Note 4)	As Arranged	As Incurred	Suppliers and Lessors
Travel & Living Expenses While Training	\$1,000 - \$12,000 (Note 5)	As Incurred	As Incurred	Airlines, Hotels & Restaurants, etc.
Miscellaneous Opening Costs	\$9,000 - \$20,000 (Note 6)	As Incurred	As Incurred	Suppliers, Utilities, Wire Services, Taxing Authorities, etc.
Van	\$20,000 - \$40,000 per van (Note 7)	As Arranged	As Incurred	Automobile Dealer or Lessor
Insurance	\$9,000 - \$25,000 (Note 8)	As Arranged	As Incurred	Insurance Carrier or Finance Company
Opening Inventory	\$15,000 - \$75,000 (Note 9)	Lump Sum	Before or Immediately Following Opening	BloomNet, Napco, Suppliers
Additional Funds (for 3 months)	\$60,000 - \$150,000 (Note 10)	As Incurred	As Incurred	Employees, Suppliers, Utilities, etc.
Grand Opening Promotional Campaign	\$2,000 - \$5,000 (Note 11)	Lump Sum	As Incurred	Suppliers
TOTAL	\$258,500 - \$932,500 (Notes 10 and 12)			

**FRUIT BOUQUETS BUSINESS  
YOUR ESTIMATED INITIAL INVESTMENT**

Type Of Expenditure	Amount	Method Of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee	\$0 - \$7,500 (Note 1)	Cashier's Check	When you sign the Fruit Bouquets Addendum to the Franchise Agreement	Us or Our Affiliate
Equipment and Fixtures	\$12,000 - \$20,000 (Note 4)	As Arranged	As Incurred	Suppliers and Lessors; Us
Signs	\$5,000 - \$20,000 (Note 4)	As Arranged	As Incurred	Suppliers and Lessors
Travel & Living Expenses While Training	\$1,000 - \$5,000 (Note 5)	As Incurred	As Incurred	Airlines, Hotels & Restaurants, etc.
Product Inventory	\$500 - \$1,000	As Arranged	Before Opening	Suppliers
Additional Funds – 3 months	\$0	As Needed	As Incurred	Employees, Suppliers, Utilities, etc.
<b>TOTAL</b>	<b>\$18,500 - \$53,500</b> (Notes 10 and 12)			

**Note 1:**

See Item 5 for the amount of the Initial Franchise Fee and when each payment is due. All fees and payments are uniformly imposed, payable to us and are non-refundable unless otherwise noted. As described in Items 5 and 10, in our sole discretion, we have the right to offer franchisees the opportunity to finance up to \$30,000 of the build-out and/or signage costs for a Franchised Unit, and we may offer franchisees the opportunity to finance up to an additional \$30,000 of the Successor Franchise Fee, if they are granted a Successor Franchise. We may also offer franchisees the opportunity to finance up to an additional \$30,000 of remodeling costs and/or signage costs, if they are granted a Successor Franchise. In addition, we or our affiliate may offer franchisees the opportunity to finance up to an additional \$30,000 of a portion of the build-out costs and signage costs for a Fruit Bouquets Business. We do not offer financing for any other fees.

If you sign a Franchise Agreement and a Fruit Bouquets Addendum to the Franchise Agreement on or before October 1, 2025, we will waive the Fruit Bouquets Initial Franchise Fee. The low estimate in the “Fruit Bouquets Business, Your Estimated Initial Investment” chart above assumes that the Franchise Agreement and the Fruit Bouquets Addendum to the Franchise Agreement have been signed on or before October 1, 2025, and the Fruit Bouquets Initial Franchise Fee has been waived.

**Note 2:**

You must lease the Franchised Location unless you purchase or own an acceptable site for your Franchised Unit. In our discretion, Conroy's or a subsidiary or affiliate may lease the Franchised Location from a landlord (a “Master Landlord”) under a master lease (a “Master Lease”) and sublet the Franchised Location to you under our then-current Sublease, or we have the right to lease the Franchised Location to you independent of the terms of a Master Lease and may require the same, different or additional terms than those of the Master Lease. Alternatively, you may lease the Franchised Location directly from a third party landlord (a “Third-Party Landlord”) under a direct lease (a “Third-Party Lease”). Typical sites for Franchised Locations are free-standing pads in a mall, shopping center or strip shopping center properties, corner or mid-block properties in commercial areas or in-line end-cap

sites in shopping center or strip shopping center properties. The typical Franchised Unit has 1,800 - 3,500 square feet. Rent is estimated at between \$2,500 and \$7,500 per month. The low estimate includes 3 months' rent, plus a security deposit equal to 1 month's rent. The high estimate includes 3 months' rent, plus a security deposit equal to 2 months' rent. The amount of rent payable for a Franchised Location is dependent upon factors such as the type of franchise purchased, the location, size, age, condition and visibility of the Franchised Location, and the amount, if any, of a landlord's contribution towards the costs of construction of a Franchised Unit. In addition, the amount of rent is generally subject to scheduled cost-of-living or fixed rent adjustments. These estimates assume that your Franchised Unit will be a leased, unimproved, unfinished retail store-type unit and are based on the assumption that a Third-Party Landlord will require a prepayment of one months' rent and a security deposit equal to 1 month's rent. Some landlords may charge you a higher security deposit. If you sublet the Franchised Location from us, you will pay us, or an affiliate, rent and other occupancy expenses under a Sublease in the amounts we determine, including a security deposit equal to 2 months' rent. Other occupancy expenses are not included in these estimated rent figures and vary from site to site.

Note 3:

You must pay all expenses for your leasehold improvements unless a Master Landlord or a Third-Party Landlord makes a contribution for these expenses. If you pay these expenses, you will generally make installment payments over the course of construction of the leasehold improvements to contractors, material suppliers, and the like. These estimates include costs of construction, materials, permits, overhead and profit, architectural fees, building supervision and bonds and insurance. These estimates do not include the costs for construction of a new building under a ground lease. These estimates also include the cost of hiring a third party to assist you with locating a suitable site, negotiating a lease or purchase agreement, space planning and project management for the build-out of your Franchised Unit. We have the right to designate the vendor whom you must use for these services.

Note 4:

You must pay all expenses for your equipment, fixtures, furnishings, signs, telephones and computer hardware, software, point of sale and accounting systems for the Franchised Unit. You can either purchase these items directly from a vendor or dealer, in which case you will likely make lump sum payments to the vendor at or about the time of installation, or you can arrange for an equipment lessor or other financing source to participate in the acquisition of these items with you. You will pay a deposit and/or a number of installment payments at the funding of the obligation and must typically make monthly installment payments for 24-60 months if you arrange financing of this type.

If you add a Fruit Bouquets Business into your Franchised Unit, you will have additional expenses for required equipment, signage and supplies, such as are contained in a fruit bouquets starter kit, which includes tools, packaging and containers, and may include equipment required for compliance with applicable health laws related to food service businesses. In some cases, you may purchase certain equipment from us or our affiliates. Your costs may be lower if we determine that your Franchised Unit already has sufficient refrigerator, storage, prep space and/or equipment to accommodate a Fruit Bouquets Business. The estimate includes the costs to meet our signage requirements, which include a vehicle wrap for your van (if applicable), interior signage and exterior signage.



Note 5:

The initial training fee is included in the Initial Franchise Fee, but you must pay all travel and living expenses for you and your trainee(s) to attend our initial training program (the "Initial Training Program"). Expenses included in this item are estimated round-trip air fares, lodging and meal expenses for 4 weeks and auto rental charges for you and one additional trainee.

Note 6:

These estimates include security deposits, utility deposits, legal and accounting fees, initial set up, initial website set up and domain name change fees, automated credit card clearing setup, bond expenses and the like.

Note 7:

You must pay all expenses if you acquire a van for the Franchised Unit. You can either purchase a van directly from a vendor or dealer, in which case you must either make a lump sum payment at the time of delivery or arrange for a vehicle lessor or other financing source to participate in the acquisition of a van with you. You will pay a deposit and/or a number of installment payments at the funding of the obligation and must typically make monthly installment payments for 24-60 months if you arrange financing of this type. If requested by us, your delivery vehicle must be wrapped with the current corporate-approved vehicle wrap standards, set forth in the Franchise Manual or Fruit Bouquets Manual (if applicable).

Note 8:

You must acquire and maintain the required forms of insurance coverage for the Franchised Unit. If you add a Fruit Bouquets Business into your Franchised Unit, you may have to purchase additional types of insurance related to the provision of food products. We have the right to require you to maintain insurance coverage in amounts that exceed any coverage required by a Master Lease or Third-Party Lease. You must either make a lump sum payment to the insurance company at the time the coverage becomes effective or arrange for a financing source to participate in the acquisition of this coverage with you. You will pay a deposit and/or a number of installment payments at the funding of the obligation and must typically make monthly installment payments for 4-10 months if you arrange financing of this type. You may not amend or cancel your insurance policies without at least 30 days' prior written notice to us. You must provide us with certificates of insurance evidencing coverage on an ongoing basis.

Note 9:

We may require you to purchase an initial inventory of items that are specific to the 1-800-Flowers|Conroy's System, such as branded signature products, branded packaging, and gift items. As described in Item 8 below, you will purchase some of these products from our affiliates, BloomNet and/or Napco. We estimate that the cost of this initial inventory will be between \$15,000 and \$75,000, which will be payable in full upon delivery of the inventory and is not refundable under any circumstances. All 1-800-Flowers|Conroy's franchisees are required to be members of the BloomNet Network.

Note 10:

You must, at all times, maintain adequate reserves and working capital sufficient for you to fulfill all your obligations under the Franchise Agreement and to cover the risks and contingencies of your Franchised Unit for at least 3 months. The estimates provided above for "Additional Funds" include estimated employee wages, 3

months of inventory, facility expenses, opening cash, and other miscellaneous expenses that you may incur during the first 3 months of operations, but do not include a salary or draw for you. These estimates do not take into account the finance charges, interest and related costs you may incur if you finance any portion of your initial investment or any other recurring monthly operating expenses. These amounts are the minimum recommended levels to cover operating expenses, including employees' salaries for 3 months.

Note 11:

You must conduct a grand opening campaign to promote your Franchised Location, and we estimate you will spend between \$2,000 and \$5,000 on this campaign.

Note 12:

We relied on over 50 years of experience in the floral and gift business to compile these estimates, and on the experiences of our franchisees opening and operating Conroy's Franchised Units, if and to the extent that they shared this information with us. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. Generally, all the payments discussed in Item 7 are not refundable; however, each vendor establishes and enforces its own refund policies.

There are no other direct or indirect payments to us in conjunction with the purchase of the franchise.

ITEM 8  
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Purchases from Designated and Approved Suppliers

You must purchase or lease all goods, merchandise, services, supplies, fixtures, equipment (which may include computer hardware and software) and inventory for the Franchised Unit from designated or approved suppliers according to our standards and specifications. We will provide you with a list of our designated and approved suppliers for you after you sign your Franchise Agreement. You must purchase specific products and services that we require you to obtain from specific suppliers, and we or our affiliates may be included in those suppliers. All flowers, plants, fruit bouquets, accessories, gift and sentiment items and other merchandise sold from the Franchised Unit, and all fixtures, furnishings, signs and equipment installed at the Franchised Unit must conform to the standards and specifications we establish in the Franchise Manual, the Fruit Bouquets Manual (if you add a Fruit Bouquets Business into your Franchised Unit), and other manuals, company directives and materials that we provide. You must use our current, approved designs for merchandise placement in your Franchised Unit and must stock an inventory of these items in the amounts that we determine. If you fail to remove any unapproved flowers, plants, fruit bouquets, accessories, gift and sentiment items or other merchandise from the Franchised Unit within 5 days after our written notice to you to do so, we have the right to enter the Franchised Unit without prior notice to remove such unapproved merchandise from the Franchised Unit.

You may only use bookkeepers and accountants we approve to assist you with your record keeping and financial reporting obligations under the Franchise Agreement and the Franchise Manual and under the Fruit Bouquets Manual, if you add a Fruit Bouquets Business into your Franchised Unit. You must select your bookkeepers and accountants and submit them to us for our approval at least 30 days before you open the Franchised Unit for business. You may recommend bookkeepers and accountants to us at any time in accordance with our procedures. We will test and evaluate bookkeepers and accountants at our expense and at no cost to you and approve or disapprove the bookkeepers and accountants with reasonable promptness, not to exceed 90 days. You must

submit quarterly financial statements, including a balance sheet and a profit and loss statement to us, prepared by a certified public accountant. You must prepare and submit to us daily and/or weekly revenue reports, which shall be submitted to us electronically or via such other means we identify.

We and/or our affiliates have the right to negotiate purchase arrangements with suppliers (including price terms, fees and/or rebates, such as from wire services) for your benefit. There are currently no purchasing or distribution cooperatives in which you must participate. We do not provide any material benefits to our franchisees (such as the grant of additional franchises or territories) based on our franchisees' use of approved suppliers. We do not currently derive any revenue from approved or designated suppliers, however, our affiliates do so. We have the right to derive revenue from approved or designated suppliers in the future if rebates or other considerations become available to us because of your purchases or our purchases of products or services.

#### Purchases from Us or Our Affiliates

You must purchase goods we designate from BloomNet.net, a division of BloomNet, and/or from Napco, as we require. BloomNet, through BloomNet.net, or Napco, will generally be the only approved supplier of certain products. As a member of the BloomNet Network, you must pay BloomNet membership rates and enter into a BloomNet Membership Agreement with BloomNet. You must also enter into a BloomNet Technologies Systems Agreement with BloomNet to obtain a limited license to use certain software, documentation and copyrighted content that comprise the BloomNet Technologies Systems or other software systems BloomNet designates to fulfill orders and communications functions at the Franchised Unit. BloomNet or its designee are the only approved suppliers of the BloomNet Technologies Systems. In addition, we, our subsidiary or one of our affiliates may sublease the Franchised Location to you. We do not currently require you to pay us rent in excess of the rent we pay to a "Master Landlord" for the service we are providing to you by acting as the tenant under a "Master Lease", but we reserve the right to do so in the future. We anticipate such amount will not exceed \$250 per month. You may also purchase certain confection products from Cheryl, Popcorn, Design, CardIsle and HDO in order to fulfill certain types of orders from 800-Flowers.

With these exceptions, neither we, nor our affiliates, are the only approved suppliers of any required products or services. We or our affiliates have the right to derive revenue from Subleases and from the sale of designated products to our franchisees. BloomNet may derive revenue from the licensing of the BloomNet Technologies Systems to our franchisees and from the BloomNet membership rates they pay, and Napco derives revenues from the sale of designated products to our franchisees.

We estimate that your required purchases or lease will range from 75% to 80% of your total initial investment and 30% to 40% of your annual operating expenses. If you are co-branding your existing business, we estimate that your required purchases or lease will range from 15% to 21% of your total initial investment and 28% to 34% of your annual operating expenses.

BloomNet's (including Napco) total revenues were \$107,801,600 during the fiscal year ended June 30, 2024. BloomNet's (including Napco) total revenues from the sale of their designated products and services to 1-800-Flowers|Conroy's franchisees during this period were \$806,718 or 0.75% of its total revenues. BloomNet's total revenues from its software licensing with 1-800-Flowers|Conroy's franchisees during this period were \$494,752 or 0.46% of its total revenues. BloomNet's total revenues from membership rates paid by 1-800-Flowers|Conroy's franchisees during this period were \$260,134 or 0.24% of its total revenues. BloomNet's total revenues from its sale of designated wholesale products paid by 1-800-Flowers|Conroy's franchisees during this period were \$51,833 or 0.05% of its total revenues. The sources of this information are the financial books and records of BloomNet.

If you sublet the Franchised Location from us, you will pay us or a subsidiary or affiliate rent and other occupancy expenses under a Sublease in amounts we determine. Our total revenues based on the most recent audited financial statements were \$1,002,920 during the fiscal year ended June 30, 2024. Our total revenues from Subleases with franchisees during this period were \$327,047 or 33% of our total revenues.

Our parent company 1-800-Flowers, owns us, BloomNet and Napco, which are approved suppliers. James F. McCann, Christopher McCann, Jonathan Feldman, William Shea, Michael R. Manley, Ted Nelson, Brian McGee, Stephen Lenzovich and Camilo Escobar each own an interest in 1-800-Flowers.

### Recommended Suppliers

You may recommend suppliers to us at any time. We test and evaluate recommended suppliers at your expense and approve or disapprove the suppliers with reasonable promptness, not to exceed 90 days, based upon our tests and evaluations of their products or services. A supplier must demonstrate to our reasonable satisfaction that it can supply an item meeting our standards and specifications for the item, that it is in good financial standing in the business community and that its products and/or services are reliable. Our specifications and standards for supplier approval are generally available upon written request. We will notify you if and when we no longer approve a previously approved supplier. A supplier must continually adhere to our standards to maintain its approval. You may not use a supplier before we approve the supplier in writing. We currently do not charge any fee beyond our actual expenses for testing and evaluating recommended suppliers.

### Rebates

If marketing rebates become available from suppliers and we, or our affiliates, earn rebates during the term of your Franchise Agreement as a result of our franchisees' purchases of products from these suppliers, we or our affiliates, will deposit these rebates into the Floral Marketing Fund, if reinstated, or Fruit Bouquets Marketing Fund, if established, as applicable. During the fiscal year ended June 30, 2024, we received no rebates from sales of items to franchisees.

There are no purchasing or distribution cooperatives in the system at this time.

### POS System

You must purchase or lease the point of sale/computer system that we require. As described in Item 11 below, we currently have 2 different systems that we have approved for use in Franchised Units. You must choose one of these systems for your Franchised Unit.

### Insurance

You must obtain and maintain the minimum insurance coverages that we require. If you do not already maintain insurance that meets our minimum requirements, you must obtain additional insurance as necessary. You must provide us with a certificate of insurance or other evidence that you have met our insurance requirements within 10 days after the insurance is obtained, but not later than the date your Franchised Unit opens while displaying the Marks. We have the right to require you to obtain insurance coverages that are greater than those required by the terms of your lease, or your lease may require insurance coverages that are greater than what we require. All of your insurance plans, with the exception of your Employment Practices Liability Insurance and Worker's Compensation must name us as an additional insured, and all policies must provide us with 30 days' advance

written notice of any cancellation or termination of coverage. We have the right to change our insurance requirements, and you must comply with any such changes. If you do not obtain all required insurance coverage, we have the right to purchase the missing insurance coverage on your behalf and you must reimburse our costs incurred to obtain this insurance for you.

Currently, we require that you have and maintain with responsible companies approved by us and qualified to do business in the state where the Franchised Location is located the following insurance coverages: (i) auto liability for hired and non-owned vehicles and scheduled vehicles (if owned) for a combined single limit of \$1,000,000; (ii) public liability insurance including products liability insuring us and our agents against all claims, demands, or actions for injury or death of any one person in an amount of not less than \$1,000,000 and for injury to or death of more than one person in any one accident in an amount of not less than \$2,000,000, and for damage to property in an amount not less than \$500,000 made for or on behalf of any person, firm or corporation, arising from, related to, or connected with the conduct or operation of your Franchised Location and in addition, and in like amounts, covering your contractual liability under the hold harmless clause in the Franchise Agreement; (iii) worker's compensation insurance with companies and in amounts as are required by the state in which the Franchised Location is operated; (iv) employer's liability for a limit of \$1,000,000 for each accident or disease; (v) fire and extended coverage insurance on the Franchised Unit and its property in an amount adequate to rebuild or replace all of it in the event of an insured loss; (vi) fire-legal liability insurance in an amount of the value of the Franchised Location; (vii) business interruption insurance in sufficient amounts to cover 12 months of Continuing Franchise Fees and Marketing Fee (if any) payments to us, 12 months of rent and other direct site costs for the Franchised Location, and 12 months of insurance premiums and other fixed expenses; (viii) Employment Practices Liability Insurance; and (ix) an umbrella policy in the amount of at least \$2,000,000.

#### Credit Cards

You are required to honor all credit, charge and cash cards approved by us in writing. To the extent that you store, process, transmit or otherwise access or possess cardholder data in connection with your operation of the Franchised Unit, you are required to maintain the security of such data and adhere to the then-current Payment Card Industry Data Security Standards (the "PCI DSS"), currently found at [www.pcisecuritystandards.org](http://www.pcisecuritystandards.org), for the protection of cardholder data throughout the term. You shall, if we request that you do so, provide appropriate documentation to us to demonstrate compliance with applicable PCI DSS requirements by you and all of your identified subcontractors.

We may require you to refurbish the Franchised Unit at your expense at any time to conform to our current retail image, but not more often than once every 5 years.

**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	Section 3 of Franchise Agreement	Items 6, 7, 8, and 11
b. Pre-opening purchases/ leases	Sections 3, 9, 10(l), 10(m), 10(o), 10(u), 10(v), 10(y), 12 and 13 of Franchise Agreement	Item 8
c. Site development and other pre-opening requirements	Sections 3, 9, 10(m), 10(n), 10(o), 10(v) and Sections 12 and 13 of Franchise Agreement	Items 6, 7, 8 and 11
d. Initial and ongoing training	Sections 10(j), 10(l), and 11(a)-11(c) and 11(f) of Franchise Agreement	Item 11
e. Opening	Sections 9(c) and 10(n) of Franchise Agreement	Items 7 and 11
f. Fees	Sections 3, 5, 7, 8, 10(f), 17(d)(vii) and (ix), 17(e), 17(g), 18 and 22(f) and (g) of Franchise Agreement; Sections " <u>Receipt of Orders</u> " and " <u>Settlement Processing Statement</u> " of BloomNet Membership Agreement; Sections 1 and 5 of BloomNet Technologies Systems Agreement	Items 5,6, 7 and 11
g. Compliance with standards and policies/operating manual	Sections 2(b), 7(c), 8(c)(iv), 8(d), 9(a), 9(b), 9(e), 9(g), 10, 12, 14, 15 and 18 of Franchise Agreement; Fruit Bouquets and company directives; Sections " <u>Appearance</u> ", " <u>Capabilities</u> ", " <u>Attitude</u> ", and " <u>General</u> " of BloomNet Membership Agreement; Section 4 of BloomNet Technologies Systems Agreement; Section 3 of Fruit Bouquets Order Fulfillment Agreement; Section 3 of Premier Order Fulfillment Agreement	Items 8 and 11
h. Trademarks and proprietary information	Sections 2(b), 2(c), 2(d), 9(g), 15, 16(d)-16(e) and 18 of Franchise Agreement; Sections " <u>Confidential Information</u> " and " <u>Trademarks</u> " of BloomNet Membership Agreement; Sections 3, 6 and 9 of BloomNet Technologies Systems Agreement; Sections 2 and 12 of Fruit Bouquets Order Fulfillment Agreement; Sections 2 and 12 of Premier Order Fulfillment Agreement	Items 13 and 14
i. Restrictions on products/ services offered	Sections 2(b)-2(d), 10(a), 10(h), 10(p), 10(x), 12(a), 12(c), 12(f) and 12(g) of Franchise Agreement; Section 4 of BloomNet Technologies Systems Agreement; Sections 1 and 7 of Fruit Bouquets Order Fulfillment Agreement; Sections 1 and 7 of Premier Order Fulfillment Agreement	Item 16
j. Warranty and customer service requirements	Sections 8(c)(iv) and 10(r) of Franchise Agreement; Section " <u>Attitude</u> " of BloomNet Membership Agreement; Section 4 of BloomNet Technologies Systems Agreement;	Item 11

Obligation	Section In Agreement	Disclosure Document Item
	Section 1 of Fruit Bouquets Order Fulfillment Agreement; Section 1 of Premier Order Fulfillment Agreement	
k. Territorial development and sales quotas	Not applicable	Item 12
l. Ongoing product/service purchases	Sections 10(u), 10(v), 10(x), 12 and 18 of Franchise Agreement; Section 4 of BloomNet Technologies Systems Agreement	Items 6 and 8
m. Maintenance, appearance and remodeling requirements	Sections; 9(g), 9(h), 10(b), 10(d), 10(e), 10(m), 10(o), 10(t), 10(u), 10(v) and 18 of Franchise Agreement; Section 4 of BloomNet Technologies Systems Agreement	Items 7 and 11
n. Insurance	Section 13 of Franchise Agreement; Section 10 of Fruit Bouquets Order Fulfillment Agreement; Section 10 of Premier Order Fulfillment Agreement	Items 7 and 8
o. Advertising	Sections 8, 15(g) and 18 of Franchise Agreement	Items 6, 7 and 11
p. Indemnification	Sections 3(e), 7(e), 7(k), 9(f), 10(l), 10(s), 17(g) and Section 19 of Franchise Agreement; Section 10 of the Sublease; Section “ <u>Indemnification</u> ” of BloomNet Membership Agreement; Sections 4-5 and Exhibit A (Section 7) of BloomNet Technologies Systems Agreement; Section 9 of Fruit Bouquets Order Fulfillment Agreement; Section 9 of Premier Order Fulfillment Agreement	Item 6
q. Owner’s participation/ management/staffing	Sections 10(i), 10(j), 10(k), 10(l), 10(t) and 10(x) of Franchise Agreement	Items 11 and 15
r. Records/reports	Sections 10(l) and 14 of Franchise Agreement; Section 11 of Fruit Bouquets Order Fulfillment Agreement; Section 11 of Premier Order Fulfillment Agreement	Item 6
s. Inspection/audits	Sections 8(c)(vi), 9(c), 10(d), 11(f), 11(g), 14(b), 14(d) and 15(g) of Franchise Agreement	Items 6 and 11
t. Transfer	Section 17 of Franchise Agreement; Section 11 of the Sublease; Section “ <u>Change of Ownership</u> ” of BloomNet Membership Agreement; Section 9 of BloomNet Technologies Systems Agreement; Section 14(g) of Fruit Bouquets Order Fulfillment Agreement; Section 14(g) of Premier Order Fulfillment Agreement	Item 17
u. Renewal	Sections 4(b) – 4(f) of Franchise Agreement; Section 2 of BloomNet Technologies Systems Agreement; Section 4 of Fruit Bouquets Order Fulfillment Agreement; Section 4 of Premier Order Fulfillment Agreement	Item 17
v. Post-termination obligations	Sections 16(b), 16(e), 16(f), 17(e), 18(c), 18(e) and 22 of Franchise Agreement; Section “ <u>Termination</u> ” of BloomNet Membership Agreement; Section 8 of BloomNet Technologies Systems Agreement; Sections 2 and 12(b) of Fruit Bouquets Order Fulfillment Agreement; Sections 2 and 12(b) of Premier Order Fulfillment Agreement	Item 17
w. Non-competition covenants	Sections 16(a), 16(b), 16(c), 18(c) and 22(a) of Franchise Agreement; Section 15 of Fruit Bouquets Order Fulfillment Agreement	Item 17

Obligation	Section In Agreement	Disclosure Document Item
x. Dispute resolution	Sections 23(a), 23(b) and 23(s) of Franchise Agreement; Section 13(f) of Fruit Bouquets Order Fulfillment Agreement; Section “ <u>Errors, Omissions and Disputes</u> ” of BloomNet Membership Agreement; Section 9 of BloomNet Technologies Systems Agreement; Section 14(f) of Fruit Bouquets Order Fulfillment Agreement; Section 14(f) of Premier Order Fulfillment Agreement	Item 17
y. Security Interest	Section 7(j) of Franchise Agreement	Items 10 and 17
z. Charges	Sections 7 and 8 of the Franchise Agreement; Section 5 and Exhibit B of Fruit Bouquets Order Fulfillment Agreement; Section 5 and Exhibit A of Premier Order Fulfillment Agreement	Items 6, 7 and 11

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ITEM 10  
FINANCING

Item Financed (Source)	Amount Financed	Down Payment	Terms (Years)	Apr %	Prepay Penalty	Security Required	Liability Upon Default	Loss Of Legal Right On Default
Leased Space for Franchised Location (Note 3)	Not Applicable	Not Applicable	5 - 10	Not Applicable	None	(Note 3)	Loss of franchise, back rent damages, & attorney fees	None
Partial Build-out Costs and Signage (Note 1)	Up to \$30,000	Not Applicable	Up to 1	7%	None	Personal Guarantee, security interest on assets of business (Note 1)	Loss of franchise, damages, attorneys' fees and/or repossession of business (Note 2)	Waive presentment for payment, notice of dishonor, and protest.
Partial Build-Out Costs and Signage (Fruit Bouquets Business only) (Note 1)	Up to \$30,000	Not Applicable	Up to 1	7%	None	Personal Guarantee, security interest on assets of business (Note 1)	Loss of franchise, damages, attorneys' fees and/or repossession of business (Note 2)	Waive presentment for payment, notice of dishonor, and protest.
Remodeling Costs and/or Signage (Note 1)	Up to \$30,000	Not Applicable	Up to 1	7%	None	Personal Guarantee, security interest on assets of business (Note 1)	Loss of franchise, damages, attorneys' fees and/or repossession of business (Note 2)	Waive presentment for payment, notice of dishonor, and protest.
Successor Franchise Fee (Note 1)	Up to \$30,000	Not Applicable	Up to 1	7%	None	Personal Guarantee, security interest on assets of business (Note 1)	Loss of franchise, damages, attorneys' fees and/or repossession of business (Note 2)	Waive presentment for payment, notice of dishonor, and protest.

Except as described above and below, we do not offer direct or indirect financing. We do not guarantee your note, lease or any other obligation. Any offer of financing we make to you will depend on your individual circumstances. Our decision to offer financing is in our sole discretion and we do not guarantee that you will receive an offer of financing from us. We do not receive direct or indirect payments for arranging financing. We do not currently sell, assign or discount to a third party any part of the financing arrangement we make with you, but we have the right to do so in the future. We do not arrange financing from any other sources.

Note 1:

If you meet our criteria, including a minimum credit score of 650, we have the right to offer you the opportunity to finance up to \$30,000 with us, which may be used for build-out costs or costs related to store signage for your Franchised Unit. In addition, if you choose to purchase a Fruit Bouquets Business, we may offer you the opportunity to finance up to an additional \$30,000, which may be used for build-out costs and signage related to the Fruit Bouquets Business. Offers of financing are made to franchisees in our sole discretion on a case-by-case basis. We may also offer you the opportunity to finance up to an additional \$30,000 of the remodeling costs and/or signage costs, if you are granted a Successor Franchise. We may also offer you the opportunity to finance up to an additional \$30,000 of the Successor Franchise Fee if you are granted a Successor Franchise.

The financing is generally repayable over 1 year with interest at the rate of 7%, but these terms may vary and will be determined on a case-by-case basis. Build-outs, installation of floral and Fruit Bouquets store signage must be completed within 9 months after you sign the Franchise Agreement.

Your failure to pay any amounts owed to us when due is a material breach of your Franchise Agreement. We have the right to terminate your Franchise Agreement if you breach the Franchise Agreement or you fail to cure a non-payment breach.

If we grant you financing, you must sign a Promissory Note (Exhibit H) in our favor. If you are a partnership, limited liability company or corporation, all of your partners, members or shareholders must sign our Guarantee (Exhibit I). The Promissory Note is secured, and you must sign a Security Agreement (Exhibit J) in our favor. We do not offer financing for any other purpose. You may prepay the Promissory Note with no prepayment penalty.

Note 2:

If you default on any payment of principal or interest, all payments will immediately become due. Failure to make the payments required by the Promissory Note may result in termination of your Franchise Agreement and any other agreement between you and us and our repossession of the assets of the Franchised Unit and the Franchised Location. If we pursue collection of the Promissory Note, we have the right to require you to pay our legal fees and expenses.

Note 3:

In some cases, you will sublease the Franchised Location from us or an affiliate under a Sublease. The precise terms of a Sublease will vary depending upon many factors, including the size and location of the Franchised Location. If you do not make a rent payment on time, we have the right to collect the unpaid rent and other damages. If you are in default under a Sublease, we have the right to terminate the Sublease, take over the Franchised Location and terminate your Franchise Agreement. We also have the right to require you to reimburse us for our court costs and attorneys' fees due to your default.

## ITEM 11

### FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

#### Pre-Opening Obligations

Before you open your business, we will:

a. Site Criteria. Provide you with our site criteria, a sample layout for the interior of a typical Franchised Unit and a typical set of preliminary plans and décor specifications for a Franchised Unit. We have the right to change our site criteria at any time. (Franchise Agreement, Sections 3(a) and 9(b)). You must submit your proposed lease to us and allow us at least 15 days to review it, which we will do only as necessary to confirm that the provisions required by the Franchise Agreement have been included in the lease and that you and your landlord have signed an Option to Obtain Lease Assignment (Exhibit D) in the form we specify and you must provide us with a fully signed copy of any lease you sign following our acceptance. (Franchise Agreement, Section 3 (b)((ii))).

b. Plans and Specifications. Review your plans and specifications for your Franchised Unit and either approve or provide you with comments about the plans and specifications. (Franchise Agreement, Section 9(b)).

c. Consultation. Consult with you on both the construction and equipping of your Franchised Unit and provide you with a list of designated and approved suppliers of goods and services for the construction, renovation and equipping of the Franchised Unit. (Franchise Agreement, Sections 9(c) and Article 12).

d. Inspection. Make a final inspection of your Franchised Unit following completion of construction to authorize you to open the Franchised Unit for business. (Franchise Agreement, Section 9(c)). The typical length of time between the signing of the Franchise Agreement and, if applicable, the Fruit Bouquets Addendum to the Franchise Agreement, and the opening of your business is 6 to 9 months. The factors that affect this time are the ability to secure financing, obtain building permits and applicable food licenses and permits, weather conditions, mishaps during the course of construction, delayed installation of equipment, fixtures and signs, completion of the initial training program and the selection, hiring and training of competent personnel. Your Franchised Location must be fully converted to a Franchised Unit, including any leasehold improvements required and the signage that we designate and/or approve (including interior and exterior signage for the franchised unit and any required vehicle wrap, if you own a vehicle) must be installed, not later than 9 months after you sign the Franchise Agreement. If you fail to have your Franchised Unit converted and the signage installed within this 9 month period, we have the right to terminate the Franchise Agreement without giving you an opportunity to cure the default, but we may grant you an extension of this timeframe at our discretion. (Franchise Agreement, Sections 3(a) and 9(c)). If you add a Fruit Bouquets Business into your Franchised Unit, your Franchised Unit must be equipped and ready to offer fruit bouquets not later than 6 months after you sign the Fruit Bouquets Addendum to the Franchise Agreement.

e. Initial Training Program. Make our Initial Training Program available to your Principal Owner and a General Manager without charge, for a period of time that we determine, which period will be prior to the scheduled date for the Franchised Unit to open for business. Please see Item 15 for the definitions of "Principal Owner" and "General Manager". (Franchise Agreement, Section 11(a)).

f. Additional Initial Training Programs. Provide the Initial Training Program to additional supervisorial or managerial personnel, if you request us to do so, and, in our sole discretion, we agree to do so. For this service, we have the right to charge our then-current Additional Training Fee, currently \$1,500, for each trainee for their attendance at the Initial Training Program. (Franchise Agreement, Section 11(b)).

g. Virtual Training. We may provide any or all portions of the Initial Training Program and/or Additional Initial Training Program remotely over a virtual communication platform designated by us. (Franchise Agreement, Section 11(f)).

h. Manuals. Immediately following your successful completion of the Initial Training Program, loan you one hard copy of or otherwise provide you with electronic or other access to the Franchise Manual, the Fruit Bouquets Manual (if you add a Fruit Bouquets Business into your Franchised Unit), and all other manuals that govern the operations of the Franchised Unit to use during the term of the Franchise Agreement. We may post some or all of the Manuals on a restricted website, intranet, or extranet to which you will have access. The Manuals contain our standard operational procedures, policies, rules and regulations with which you must comply. (Franchise Agreement, Section 10(b)). The Franchise Manual contains 359 pages (including appendices). The Fruit Bouquets Manual contains 383 pages (including appendices). The Fruit Bouquets Pricing Guide is provided on-line to all franchisees purchasing a Fruit Bouquets Business. You will be given the opportunity to review the Franchise Manual and the Fruit Bouquets Manual (if you add a Fruit Bouquets Business into your Franchised Unit), before you sign your Franchise Agreement. You must operate your Franchised Unit in compliance with the terms of your Franchise Agreement and the Manuals. (Franchise Agreement, Section 10(a)).

i. Designated and Approved Suppliers. Provide you with a list of our designated and approved suppliers after you sign your Franchise Agreement. (Franchise Agreement, Article 12).

### Continuing Obligations

During the operation of your business, we will:

a. Marketing Plans and Materials. Review samples of all marketing and promotional plans and materials you desire to use, which you must submit to us for our approval before their use. (Franchise Agreement, Section 8(d)).

b. Standards. Determine the standards of quality, service, production, merchandising and marketing for your Franchised Unit. (Franchise Agreement, Section 10(a)).

c. Additional/Remedial Training. Provide you and your supervisorial and managerial personnel with continuing training and education updates in various ways such as through the use of videos, conventions, workshops and meetings, and the like, and provide ongoing and refresher courses in the various aspects of the operation of a Franchised Unit, all of which you must attend. (Franchise Agreement, Section 11(c)).

d. On-Site Assistance. Provide certain members of our operations staff for up to one week to assist you in establishing standard operating procedures. On-site opening assistance will not be provided if you or any of your affiliates already owns or operates another Franchised Unit or if your Franchise Agreement is signed as a Successor Franchise Agreement. We will select the representatives who will provide the on-site training and the length of time that such training will be provided. (Franchise Agreement, Section 11(e)).

e. Inspections. Inspect the Franchised Unit to determine the operational status of the Franchised Unit, to grade all aspects of the operation of the Franchised Unit, to maintain compliance with the standards and requirements of the 1-800-Flowers|Conroy's System and to enhance uniformity and quality control. (Franchise Agreement, Section 11(f)).

f. Consultation and Advisory Services. Consult with you or your supervisory or managerial personnel concerning the operation of the Franchised Unit and provide counseling and advisory services to you about the operation of the Franchised Unit. We will at reasonable times, upon request and at no charge to you, provide counseling and advisory services to you with respect to the planning, opening and operation of the Franchised Unit, including consultation and advice regarding operating problems and procedures, new developments and improvements in the 1-800-Flowers|Conroy's System, customer credit and collection advice, record keeping, purchasing, marketing, promotion and merchandising, business forms and the interpretation of policy as set forth in the Manuals, as the same may be amended, and in other directives of ours. Generally, we have the right to make recommendations that we deem appropriate to assist your efforts. However, you alone will establish all requirements, consistent with our policies, regarding (i) employment policies, hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees; (ii) the individuals to whom you will offer and sell your products and services; and (iii) the suppliers from whom you obtain any products or services used in or at your Franchised Unit for which we have not established designated or approved suppliers. (Franchise Agreement, Section 11(g)).

g. Virtual Training and Inspections. We may provide all or any portions of the Additional/Remedial Training, post-opening on-site assistance, post-opening consultations and/or post-opening inspections remotely over a virtual communication platform designated by us. (Franchise Agreement, Section 11(f)).

h. Designated and Approved Suppliers. Provide you with updated lists of our designated and approved suppliers of goods and services periodically during the term of the Franchise Agreement. (Franchise Agreement, Article 12).

i. Testing of Recommended Suppliers. Test and evaluate sources of supply you recommend to us with reasonable promptness and approve or disapprove these sources. (Franchise Agreement, Section 12(f)).

j. Uniform System of Accounting. Provide you with a uniform system of accounting and record keeping for the Franchised Unit including standardized forms. (Franchise Agreement, Section 14(a)).

k. Defense of Marks. Protect and defend your use of the Marks. (Franchise Agreement, Section 15(a)).

l. Pricing Guidelines. Provide pricing guidelines for 1-800-Flowers|Conroy's products and services, subject to Applicable Law. (Franchise Agreement, Section 8 (c)(iv)).

m. Manuals. Continue to provide you with access to our Franchise Manual and Fruit Bouquets Manual during the term of your Franchise Agreement, which may include audio, video, compact disks, computer software, other electronic media and/or written materials. We have the right to update or change the Manuals in our sole discretion and may do so at any time. (Franchise Agreement, Sections 10 (b) and 11 (d)).

### Length of Time to Open Your Franchised Unit

You must open your Franchised Unit for business within 9 months after signing your Franchise Agreement, unless we agree otherwise. (Franchise Agreement, Section 3(a)).

A Franchised Unit usually opens for business 180 days after the Franchise Agreement is signed or the location is accepted. Factors that may affect the length of time between signing of the Franchise Agreement and opening for business include the time necessary for you to: identify a location that we will accept; obtain any financing you need; obtain required permits and governmental agency approvals; fulfill local ordinance requirements; complete construction, remodeling, alteration, and improvement of the Franchised Location, including the installation of fixtures, equipment, and signs; and complete the hiring and training of personnel. Delay in construction may be caused by inclement weather, material or labor shortages, labor actions, slow deliveries, equipment shortages, pandemics and similar factors.

### Site Selection/Lease/Purchase of Real Estate

#### Franchised Unit

You must identify a location for your Franchised Unit that we must approve before you lease or purchase the location. (Franchise Agreement, Section 3(a)). We expect that you will use a third party to assist you in locating a suitable site, negotiating the lease or purchase agreement, and planning the interior of the Franchised Unit and with project management. We will provide you with our site selection criteria following the effective date of your Franchise Agreement. You are solely responsible for selecting the site for your Franchised Unit. We will review, approve, reject or provide comments to you regarding your proposed Franchised Location site within 30 days after receipt of all available information regarding the site. (Franchise Agreement, Section 3(a)). We will provide you, at your request, with our guidelines for certain terms of your proposed Third-Party Lease before your negotiations finalizing a Third-Party Lease. (Franchise Agreement, Section 3(b)(ii)). We consider the general location and neighborhood, traffic patterns, parking, size, physical characteristics, lease terms, contributions for leasehold improvements, if any, from a landlord, level of competition, the proximity of other 1-800-Flowers and 1-800-Flowers|Conroy's shops to your proposed Franchised Location and population density, income levels and other demographic information in our consideration of a site. Following our approval of a proposed Franchised Location, if you will be entering into a Third-Party Lease for the Franchised Location directly with a Third-Party Landlord, you must submit your proposed Third-Party Lease to us and allow us at least 15 days to review it, which we will do only as necessary to confirm that the provisions required by the Franchise Agreement have been included in the Lease, and that you and the Third-Party Landlord have signed an Option to Obtain Lease Assignment (Exhibit D) in the form we specify. You must provide us with a fully signed copy of any lease you sign following our acceptance. (Franchise Agreement, Section 3(b)(ii)). If you have not selected an approved Franchised Location for a Franchised Unit within 6 months from the date you sign the Franchise Agreement or open the Franchised Location within 9 months from the date you sign the Franchise Agreement, we have the right to terminate the Franchise Agreement. (Franchise Agreement, Section 3(a)).

The typical length of time between the signing of the Franchise Agreement and, if applicable, the Fruit Bouquets Addendum to the Franchise Agreement and the opening of a Franchised Unit is 6 to 9 months. If you add a Fruit Bouquets Business into your Franchised Unit after it has been constructed, we estimate the time between signing the Fruit Bouquets Addendum to the Franchise Agreement and when you begin to offer fruit bouquets will be between 4 to 6 months. The factors that affect this time include the ability to secure financing and obtain building permits and applicable food licenses and permits, as well as weather conditions, pandemics, mishaps during the course of construction/renovation, delayed installation of equipment, fixtures

and signs, your completion of the Initial Training Program and your selection, hiring and training of competent personnel.

#### Successor Franchise

If we grant you a Successor Franchise, we will have an option to require you to relocate the Franchised Unit at the end of the initial term of your Franchise Agreement, based upon our analysis of market changes in your trade area during the past 10 years of your operation of the Franchised Unit. If we elect to require you to relocate the Franchised Unit, we must give you 6 months' prior written notice of our intention to do so and you must re-locate the Franchised Unit at your sole expense. If you are subletting the Franchised Unit's premises under a Sublease from us or a subsidiary or affiliate, you must give us notice that you wish to renew the Sublease and we must receive your notice not later than 30 days before the landlord requires notice of renewal under the terms of the Master Lease. (Franchise Agreement, Sections 3(e) and 4(b); Sublease, Sections 4(b) and 4(d)).

#### Website

We have the right, but are not obligated, to establish and maintain a website to provide information about the 1-800-Flowers|Conroy's System and the goods and services that 1-800-Flowers|Conroy's Shops provide. Our website may include a series of interior web pages that may identify 1-800-Flowers|Conroy's Shops by name, geographic region, address, telephone number or e-mail address. We have the right to use this website to engage in electronic commerce, or to establish another facility on the Internet to do so. (Franchise Agreement, Section 18 (c)). You may not establish a website that includes our Marks, nor may you offer, promote, or sell any products or services or make any other use of the Marks on the Internet without our prior written consent. (Franchise Agreement, Sections 18 (b) and 18(c)). As a condition to granting our consent, we have the right to establish requirements that we deem appropriate, including the requirement that your only presence on the Internet must be through one or more web pages that we establish on our website. You may not solicit or accept orders through your website for 1-800-Flowers' or its subsidiaries' products. We may, in our discretion, permit you to use an existing website and/or domain name, but if your domain name or URL contains any of our Marks, you must transfer the domain name or URL to us when we direct you to do so and on the expiration or termination of your Franchise Agreement. (Franchise Agreement, Sections 18(b)(ii) and 18 (c)).

You are strictly prohibited from using the Marks in any manner on any social media and/or networking Websites, such as, but not limited to, Facebook, LinkedIn, Instagram and Twitter (or any successor websites), without our prior written consent. (Franchise Agreement, Section 18(b)(iii)).

#### Intranet

We have the right, but are not obligated, to establish a website or other electronic system providing private and secure communications (e.g., an Intranet) between us, our franchisees, and other persons and entities that we decide are appropriate. If we require, you must establish and maintain access to the Intranet in the manner we designate. Additionally, we have the right to periodically prepare agreements and policies concerning the use of the Intranet that you must acknowledge and/or sign. (Franchise Agreement, Section 18(e)).

## Internet

We have the right, but are not obligated, to initiate an electronic commerce program. You may have the opportunity to participate in the program if you are in good standing under the Franchise Agreement and any other agreement with us or our affiliates. (Franchise Agreement, Section 18(d)).

We have the sole right to market on the Internet and use the Marks on the Internet, including all use of websites, domain names, URLs, directory addresses, email addresses, metatags, linking, advertising, cobranding and other arrangements, and in all other forms of electronic media. You may not separately register any domain name, or any portion of a domain name containing the Marks or participate or market on any website or other form of electronic media (including social technology, social media and social networking platforms) using the Marks, unless you first obtain written approval from us. Your general conduct on the Internet or other forms of electronic media, including your use of the Marks or any advertising, is subject to the terms and conditions of the Franchise Agreement, the Manuals, and any other rules, requirements or policies that we have the right to identify from time to time. (Franchise Agreement Section 18(b)). We and our affiliates, including 800-Flowers, have the right to service customers in your trade area via the Internet, and, as such, you may be competing with us or our affiliates for the business of these customers and the fulfillment of their orders.

## Marketing and Marketing Funds

We may maintain and administer 2 separate Marketing Funds. The 1-800-Flowers Franchise Co., Inc. Marketing Fund (the "Floral Marketing Fund") was suspended in January 2009 and remained suspended during the fiscal year ended June 30, 2024. If reinstated, the Floral Marketing Fund will be for the benefit of the entire 1-800-Flowers System to assist in the provision of floral services and products, and, if established, the "Fruit Bouquets Marketing Fund" will be for the benefit of all franchisees offering the Fruit Bouquets Program, and is intended to maximize general public recognition in all media of the Fruit Bouquets Marks, patronage of retail outlets participating in the Fruit Bouquets Program, and the availability of fruit arrangements and related products offered at 1-800-Flowers|Conroy's retail centers and elsewhere. If the Floral Marketing Fund is reinstated, all franchisees must contribute to the Floral Marketing Fund an amount equal to 2% of Adjusted Gross Sales. (Franchise Agreement, Section 8(a)). If you add a Fruit Bouquets Business into your Franchised Unit, you will also contribute to the Fruit Bouquets Marketing Fund an amount equal to 2% of your Fruit Bouquets Gross Sales each month (Fruit Bouquets Addendum, Section 9); however, the Fruit Bouquets Marketing Fund has not yet been established, so no money has been collected or spent by this fund. Once the Fruit Bouquets Marketing Fund is established, we have the right to begin collecting Fruit Bouquets Marketing Fund contributions from you upon 30 days' advance written notice.

National and regional marketing programs can include the use of television and radio campaigns, Yellow Pages advertising, public relations activities, the use of toll-free telephone numbers, telemarketing systems, on-line computer networks and services, the Internet, interactive television and other technological advances for local and regional coverage. We have the right to direct the activities of the Marketing Funds and have the right to utilize the services of advertising and public relations agencies to assist in these activities. (Franchise Agreement, Section 8(c)(iii)). We have the right, but not the obligation, to make expenditures for you that directly benefit you or your Franchised Unit. (Franchise Agreement, Section 8(c)(i)). Any portion of the Marketing Fund that is not spent during the fiscal year in which it accrues may be spent by the Marketing Fund during any following year. (Franchise Agreement, Section 8(c)(viii)). If reinstated or established, we will, for each of our Affiliates' company-owned retail units operating under the 1-800-Flowers|Conroy's System, in any market or region in which there are five (5) or more Franchised Units in operation, make



contributions to the Floral Marketing Fund, if reinstated, equal to the amount required of comparable franchised units within the 1-800-Flowers|Conroy's system. (Franchise Agreement, Section 8(c)(ii)).

During the term of your Franchise Agreement, at your written request, within 120 days after the end of our fiscal year, if reinstated or established, we will provide you with an annual statement summarizing the expenditures of the Marketing Fund(s) to which you may have contributed during the immediately preceding fiscal year. Neither Marketing Fund will be audited. (Franchise Agreement, Section 8(c)(vi)). 1-800-Flowers Marketing and Finance Departments administer the Marketing Funds, on our behalf. (Franchise Agreement, Section 8(c)).

During the fiscal year ended June 30, 2024, the Floral Marketing Fund did not have expenses. The Floral Marketing Fund remained suspended in the fiscal year ended June 30, 2024, but money remained in this fund and will continue to be used for promotional purposes. During the fiscal year ended June 30, 2024, the Floral Marketing Fund spent a total of \$0 of its previously accrued funds. During the fiscal year ended June 30, 2024, the Fruit Bouquets Marketing Fund was not yet established, so no money was collected or spent by the Fruit Bouquets Marketing Fund. We receive reimbursement from the Marketing Funds for all direct and indirect expenses incurred for our development of marketing programs for 1-800-Flowers|Conroy's products and services and for our supervision and administration of the Marketing Funds. (Franchise Agreement, Section 8(c)(v)). We have the right to begin collecting Floral Marketing Fund contributions again at any time and we will provide 30 days' advance written notice that you must begin contributing. No portion of the Marketing Funds are used for advertising for the sale of franchises.

#### Local Marketing.

You may undertake additional marketing and advertising at your own expense during the term of the Franchise Agreement; however, your use of any and all marketing materials in any medium is subject to our prior review and written approval and must be conducted in a dignified manner in accordance with our then-current standards and specifications. (Franchise Agreement, Section 8(d)).

#### Cooperative

We reserve the right to form a local, regional or national advertising coverage area in which your Franchised Unit is located for the purpose of developing a cooperative local, regional or national advertising or promotional program (a "Cooperative"). We, in our sole discretion, will have the right to change, merge, or dissolve the Cooperative. If formed, the Cooperative will not be dissolved until all of the money collected for the Cooperative has been spent for advertising and promotional purposes. (Franchise Agreement, Section 8(g)).

#### Grand Opening Promotional Campaign

We will develop and provide you with a promotional campaign for the grand opening of the Franchised Unit for business. We estimate that you will spend between \$2,000 and \$5,000 with respect to such campaign. (Franchise Agreement, Section 8(f)).

#### Franchise Advisory Board

We no longer have a Franchise Advisory Board but reserve the right to re-establish one in the future.

## POS Systems

During the term of your Franchise Agreement, we will exert our best efforts through our affiliates to establish and maintain standards for the required computerized point-of-sale hardware, software and/or web-based systems ("POS Systems") for the Franchised Unit and provide you either directly through our affiliates, or indirectly through the use of approved third party vendors, with ongoing technical support, maintenance and repair services, upgrades and updates for these systems. (Franchise Agreement, Section 11(g)). We will specify the currently approved POS Systems or any component thereof in the list of designated and approved suppliers that we give you and we have the right to change these approved POS Systems in the future. We currently approve the BloomNet Business Management System (BloomNet BMS) and the Visual Ticket POS System, but these POS Systems are not the only systems we may approve. The hardware distributor of the BloomNet BMS POS System is PC Connection Sales Corp., 730 Milford Road, Merrimack, NH 03054, Telephone: (603) 683-2000. The software vendor for the BloomNet BMS POS System is BloomNet, Two Jericho Plaza, Suite 200, Jericho, New York 11753, telephone: 516-237-6000.

### BloomNet Business Management System:

BloomNet Business Management System Hardware Requirements	Description
Dell Optiplex 3090 Workstation (WS360010) (or similar model)	Workstation
Brother Laser Printer (HL-L6200DW) (or similar model)	Printer
Dell Point of Sale (POS) Kit: Keyboard/Swiper, Cash Drawer & Receipt Printer (OM300010) (or similar model)	POS Kit
BloomNet Technologies BMS Software: All inclusive, multi-user license	License Agreements and Software

The estimated cost to purchase or lease the BloomNet POS System is approximately \$150 to \$10,000. The estimated costs for monthly lease, maintenance, upgrades and updates are approximately \$200 per month.

The manufacturer of the Visual Ticket POS System is FloralSystems.com, Inc., 497 Main Road, Corfu, New York 14036, telephone: 866-797-2428. The estimated cost to purchase or lease the Visual Ticket POS System is approximately \$5,000 to \$50,000. The estimated annual costs for monthly lease, maintenance, upgrades and updates are approximately \$200 to \$500 per month, depending on the number of stations and features chosen.

You must update and upgrade your POS System and any component thereof during the term of the Franchise Agreement. You must pay a monthly charge for technical support as established by your service provider. You must use your POS System in your business as a cash register system, a customer data system, an inventory system, an employee payroll and time maintenance system, a wire service reconciliation system and a daily sales reporting system. We have the right to, and will, access daily sales information from your POS System in our sole and absolute discretion and will require you to transmit this data on a daily basis by fax, telephone or through dedicated electronic polling systems. All electronic cash registers, POS Systems, electronic systems and computer hardware and software installed at the Franchised Unit must permit us to poll sales information from the Franchised Unit and to electronically transmit and obtain sales and other data to and from the Franchised Unit. (Franchise Agreement, Section 10(m)).

You must enter into a BloomNet Technologies Systems Agreement with BloomNet to obtain a limited license to use certain electronic software, documentation and content that comprise the BloomNet Technologies Systems, or other electronic systems BloomNet designates to process orders and communications functions at the Franchised Unit. (Franchise Agreement, Sections 2(a), 2(b)).

#### Initial Training Program.

All training will occur, as we determine in our discretion, at our Jericho, New York headquarters, designated locations in Jacksonville, Florida, through a virtual communication platform and/or at a Franchised Unit or company-owned 1-800-Flowers Shop. The Initial Training Program consists of approximately 18 days of training, including one week of training at one of our training facilities and one week of training at your Franchised Unit or another Franchised Unit. (Franchise Agreement, Section 11(a)).

We do not currently have a set schedule for providing training. The Initial Training Program is conducted when, in our judgment, there are a sufficient number of individuals ready to train, but, in any event, will be provided to you prior to the date scheduled for your Franchised Unit to open for business. We will train your Principal Owner and General Manager to open a Franchised Unit at no cost to you other than your initial franchise fees. (Franchise Agreement, Section 11(a)). If you send more than 2 persons to the Initial Training Program, you must pay us the Additional Training Fee, currently \$1,500, for each additional trainee for their attendance at the Initial Training Program. The Initial Training Program is mandatory for you and your General Manager and must be completed to our satisfaction before the opening of your franchise. The Initial Training Program is available to any other of your supervisory and managerial employees whom you desire to attend this program, at your expense.

We require that all trainees pass our certification test at the conclusion of the training program. You must pay for the living and travel expenses for all of your participants in the Initial Training Program. (Franchise Agreement, Section 10(l)).

We may, at your request and in our discretion, provide additional Initial Training Programs for your new or replacement supervisory or managerial personnel following the opening of your Franchised Unit. If you request us to provide such training, and, at our discretion, we agree to do so, you must pay us our then-current Additional Training Fee for each additional trainee for their attendance at the Initial Training Program. In addition, you must pay all transportation costs, food, lodging and similar costs incurred in connection with your employees' attendance at any such Additional Initial Training Programs. (Franchise Agreement, Section 11(b)).

If the trainee is not the person who will perform the accounting functions required by the Franchise Agreement, the Franchise Manual and Fruit Bouquets Manual, we have the right to require the persons who will be responsible for those functions to attend training sessions that deal with accounting matters. (Franchise Agreement, Section 10(l)(i)). You and your designated trainee must complete the Initial Training Program to our satisfaction, for which we require that you attend all sessions listed in the Initial Training Program schedule below and, if you choose to add a Fruit Bouquets Business into your franchised unit, all sessions listed in the Fruit Bouquets training schedule below. If you miss any sessions, you must attend make-up sessions that we will offer at times we determine, and you shall pay us all reasonable charges, if any, which are associated with those make-up sessions. In addition, to complete the Initial Training Program to our satisfaction, all trainees attending the Initial Training Program must take, and pass to our satisfaction, a final exam and achieve training certification from us. If any trainee does not pass the final exam and achieve training certification, we reserve the right to require the trainee to re-take the Initial Training Program, at your expense.

We generally do not require franchisees who operate multiple Franchised Units to attend the Initial Training Program for Franchised Units after doing so for their first Franchised Unit, but we do require them to send their supervisorial and managerial employees for each of their Franchised Units to the Initial Training Program. You and your supervisorial and managerial employees must attend training and education programs and refresher courses provided by us during the term of the Franchise Agreement. (Franchise Agreement, Section 10(I)).

The following are our Initial Training Programs as of our most recent fiscal year end:

#### INITIAL TRAINING PROGRAM

Subject	Hours Of Classroom Training	Hours Of On-The-Job Training	Location
Introduction	1	0	Corp. HQ, Jacksonville, FL or virtual communication platform
Franchise Compliance Checklist	1	16	Corp. HQ, Jacksonville, FL, Various Agencies & Online or virtual communication platform
Product Knowledge: Flowers	1	4	Corp. HQ, Jacksonville, FL, Existing Franchise Store or virtual communication platform
Product Knowledge: Plants	1	2	Corp. HQ, Jacksonville, FL, Existing Franchise Store or virtual communication platform
Care and Handling	1	6	Corp. HQ, Jacksonville, FL, Existing Franchise Store or virtual communication platform
Product Knowledge Review & Exam: Flowers & Plants/ Care & Handling	1	0	Corp. HQ, Jacksonville, FL or virtual communication platform
Flower & Plant Identification	0	8	Flower Marts or virtual communication platform
Design Principles	4	24	Corp. HQ, Jacksonville, FL, Existing Franchise Store or virtual communication platform
Design Principles Review & Exam	.5	0	Corp. HQ, Jacksonville, FL or virtual communication platform
Delivery Services	1	8	Corp. HQ, Jacksonville, FL, Existing Franchise Store or virtual communication platform
Delivery Services Review & Exam	.5	0	Corp. HQ, Jacksonville, FL or virtual communication platform

Subject	Hours Of Classroom Training	Hours Of On-The-Job Training	Location
Guest Services & Selling Skills	3	8	Corp. HQ, Jacksonville, FL, Existing Franchise Store or virtual communication platform
Guest Services & Selling Skills Review & Exam	.5	0	Corp. HQ, Jacksonville, FL or virtual communication platform
Loss Prevention	2	0	Corp. HQ, Jacksonville, FL, Existing Franchise Store or virtual communication platform
Merchandising	2	4	Corp. HQ, Jacksonville, FL, Existing Franchise Store or virtual communication platform
Merchandising Review & Exam	.5	0	Corp. HQ, Jacksonville, FL or virtual communication platform
POS Training	0	24	Corp. HQ, Jacksonville, FL, Existing Franchise Store or virtual communication platform
Marketing, Advertising & Promotions	6	0	Corp. HQ, Jacksonville, FL. Existing Franchise Store or virtual communication platform
Marketing, Advertising & Promotions Review & Exam	.5	0	Corp. HQ, Jacksonville, FL or virtual communication platform
Finance & Administration	6	0	Corp. HQ, Jacksonville, FL, Existing Franchise Store or virtual communication platform
Finance & Administration Review & Exam	.5	0	Corp. HQ, Jacksonville, FL or virtual communication platform
Seasonal Planning	3	0	Corp. HQ, Jacksonville, FL, Existing Franchise Store or virtual communication platform
Store Review	1	0	Corp. HQ, Jacksonville, FL, Existing Franchise Store or virtual communication platform
Vendor List	1	0	Corp. HQ, Jacksonville, FL, Existing Franchise Store or virtual communication platform
TOTAL HOURS	40	104	

The instructors for floral training may include Stephen Lenzovich, Mike Cline, Arthur Herrera and Elmerinda Phillips or such other instructors that we designate from time to time. Each of the foregoing instructors has been with us for at least 9 years and has at least 9 years of experience in the subjects they are teaching.

**INITIAL TRAINING PROGRAM  
FRUIT BOUQUETS**

Subject	Hours Of Classroom Training	Hours Of On-The-Job Training	Location
Health, Sanitation and Safety	.5	0	Existing Franchised Unit or virtual communication platform
Location Set-up	.5	0	Existing Franchised Unit or virtual communication platform
Design Resource Guide	.25	0	Existing Franchised Unit or virtual communication platform
Production	1	0	Existing Franchised Unit or virtual communication platform
Fruit and Supply Purchasing	.5	0	Existing Franchised Unit or virtual communication platform
Storage, Equipment and Work Flow	1	0	Existing Franchised Unit or virtual communication platform
Delivery Procedures, Delivery Vehicles	.5	0	Existing Franchised Unit or virtual communication platform
Training Video	.5	0	Existing Franchised Unit or virtual communication platform
Kitchen Basics, Cleaning Practices	.5	0	Existing Franchised Unit or virtual communication platform
Selecting Fruit	.5	0	Existing Franchised Unit or virtual communication platform
Washing Fruit. Preparing Fruit for Cutting	.25	0	Existing Franchised Unit or virtual communication platform
Fruit Cutting, Slices and Shapes	.5	0	Existing Franchised Unit or virtual communication platform
Fruit Storage	.25	0	Existing Franchised Unit or virtual communication platform
Arranging	3	0	Existing Franchised Unit or virtual communication platform
Cutting Apples, Oranges and Pears	.25	0	Existing Franchised Unit or virtual communication platform
Skewering Fruit	.25	0	Existing Franchised Unit or virtual communication platform
Chocolate – Storage, Prep, Dipping	.5	0	Existing Franchised Unit or virtual communication platform
Decorating with Chocolate	.5	0	Existing Franchised Unit or virtual communication platform

Subject	Hours Of Classroom Training	Hours Of On-The-Job Training	Location
Toppings	.5	0	Existing Franchised Unit or virtual communication platform
Containers, Preparing Bases	.25	0	Existing Franchised Unit or virtual communication platform
Skewering Other Fruit	.5	0	Existing Franchised Unit or virtual communication platform
Arranging	3.25	0	Existing Franchised Unit or virtual communication platform
Wrapping	.25	0	Existing Franchised Unit or virtual communication platform
TOTAL HOURS	16	0	

If you purchase a Fruit Bouquets Business, we will provide an additional 2 days of training at no cost to you, at your existing Franchised Unit and/or through a virtual communication platform as described above. (Fruit Bouquets Addendum, Section 10).

The instructors for Fruit Bouquets training may include Scott Shepard, Priscilla Targownik and Billy Cabral, or such other instructors that we designate from time to time. With the exception of Billy Cabral who has been with us for less than 4 years, the foregoing instructors have been with us for at least 7 years and have at least 8 years of experience in the subjects they are teaching. Fruit Bouquets training is currently conducted at your Franchised Location and/or through a virtual communication platform.

#### INITIAL TRAINING PROGRAM MULTI-UNIT OPERATIONS

Subjects	Hours Of Classroom Training	Location
Introduction	1	Corp. HQ, Jacksonville, FL or virtual communication platform
Managing Standards at Multiple Sites	4	Corp. HQ, Jacksonville, FL or virtual communication platform
Advertising & Promotions for Multiple Sites	3	Corp. HQ, Jacksonville, FL or virtual communication platform
Purchasing for Multiple Sites	3	Corp. HQ, Jacksonville, FL or virtual communication platform
Building a Staff for Multiple Sites	4	Corp. HQ, Jacksonville, FL or virtual communication platform
Questions & Wrap-Up	1	Corp. HQ, Jacksonville, FL or virtual communication platform
TOTAL HOURS	16	

The primary instructional materials include the Franchise Manual, the Fruit Bouquets Manual, visual materials (such as PowerPoint slides) and other materials that we believe will be useful during training.

Before you open for business at the Franchised Unit, you, or other supervisory or managerial personnel that you designate who will assume responsibility for the day-to-day management of the operation of your Franchised Unit, must attend and successfully complete our Initial Training Program to our satisfaction. You shall be responsible for all expenses incurred in connection with attendance at the Initial Training Program, including, without limitation, the costs of transportation, lodging, meals, training materials and any wages.

Upon your agreement, we may waive this training requirement if you are experienced in the floral business and do not require initial training. Furthermore, the Initial Training Program will not be provided if (i) you or any affiliate of yours (or an owner of either) already owns or operates another Franchised Unit at the time you sign your Franchise Agreement, or (ii) you are signing the Franchise Agreement as a Successor Franchise Agreement. (Franchise Agreement, Sections 10(l) and 11(a)).

Additional Initial Training. If you request that we provide the Initial Training Program to additional supervisory or managerial employees, other than your Principal Owner and General Manager, and, at our discretion, we agree to do so, we will have the right to charge you our then-current Additional Training Fee, currently \$1,500, for each of your additional trainees for their attendance at the Initial Training Program, in order to defray the direct costs of training such persons. In addition, you shall be responsible for any and all other expenses incurred in connection with you and your employees attending such additional training, including the costs of transportation, lodging, meals, training materials and any wages. The training of the additional person(s) shall be done at times and at locations we determine, which times and locations may not be the same as established for you and the initial trainee. (Franchise Agreement, Section 11(b)).

If you add a Fruit Bouquets Business to your Franchise Agreement, you may request additional training or assistance related to fulfilling fruit arrangements. If, at our discretion, we provide such additional training, we will provide the additional training at no charge. (Fruit Bouquets Addendum, Section 12).

Additional/Remedial Training. We will provide your Principal Owner and General Manager, and, as appropriate, your supervisory or managerial employees, with additional training and education programs through the use of videos, conventions, workshops and meetings, and the like, and shall provide ongoing and refresher courses in the various aspects of operation of a Franchised Unit. We have the right to require you to complete such training, and to charge you our then-current Additional Training Fee, currently \$1,500 for each additional trainee for such training and education program that is in-person, in order to defray the direct costs of providing these services. In addition, you will be responsible for any and all other expenses incurred in connection with you and your supervisory or managerial employees attending these training and education programs, including, without limitation, the costs of transportation, lodging, meals, training materials and any wages. (Franchise Agreement, Section 11(c)).

If we determine that it is necessary, we have the right to require you to attend remedial training and may provide other assistance subject to the availability of our personnel. We have the right to charge you our then-current Additional Training Fee for you and each additional trainee that we provide such remedial training to defray the direct costs of providing the training. In addition, you will be responsible for any and all other expenses incurred in connection with you and your supervisory and managerial employees attending such remedial training, including the costs of transportation, lodging, meals, training materials and any wages. We will, in our discretion, select the time and location of all remedial training. (Franchise Agreement, Section 11(c)).



### Virtual Training and Assistance.

We may provide all or any portions of the Initial Training Program, Additional Initial Training Program, Additional/Remedial Training Programs, post-opening on-site opening assistance and/or post-opening consultations remotely over a virtual communication platform designated by us. (Franchise Agreement, Section 11(f)).

## ITEM 12 TERRITORY

### Franchise Agreement

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own or from other channels of distribution or competitive brands we control.

Your Franchise Agreement will designate the approved location of your Franchised Unit, and you may conduct business only at the approved location.

You can solicit and accept orders through BloomNet and recognized floral wire services, pre-approved local yellow pages advertising and other pre-approved media, as we deem appropriate, without restriction, but you may not use other alternative distribution channels to solicit or fill orders. You may not use the Internet or a centralized telephone system for inter-store or intra-store transmissions of sales to or from the Franchised Unit without our prior written consent or otherwise use inter-store or intra-store transmissions of sales to understate Gross Sales. As a member of the BloomNet Network, you may be referred orders from BloomNet or 800-Flowers at your Franchised Unit through the BloomNet Network for fulfillment, but neither BloomNet nor 800-Flowers is obligated to refer you any electronic, telephone or Internet orders. If an order is referred to you for fulfillment using these alternative methods, you will earn a portion of the revenue from that order if you fulfill the order according to our requirements. The Premier Order Fulfillment Agreement, if you choose to sign it, does not grant you exclusive rights to fulfill orders in a specific area or zip code.

There is no minimum sales quota, market penetration or other contingency you must meet to maintain your rights under the Franchise Agreement, except that you must comply with the terms of the Franchise Agreement, the 1-800-Flowers|Conroy's System, the Franchise Manual, the Fruit Bouquets Manual (if you add a Fruit Bouquets Business into your Franchised Unit), and any of our other directives.

### General

We and our affiliates can establish membership relationships and company-owned units using the Marks and grant franchises under the trade name "1-800-Flowers or "1-800-Flowers|Conroy's" for a similar or competitive business that will use the Marks at any location. Retail will operate its company-owned retail units under the trade names "1-800-Flowers", "Conroy's Flowers", "1-800-FLOWERS.COM", "Fruit Bouquets", "Fruit Bouquets by 1-800-Flowers.com", "fruitbouquets.com", "Flowerama", "1-800-Flowers|Conroy's" and "1-800-Flowers|Flowerama". 1-800-Flowers is a leading e-commerce provider of floral products and gifts through the Internet. 1-800-Flowers has developed an international business selling flowers, gifts and related products and services under the trade name "1-800-Flowers" and utilizes the toll-free telephone number 1-800-356-9377, corresponding to "1-800-Flowers", to receive orders. Orders received through the Internet and by telephone are referred to retail flower shops for fulfillment. We and our affiliates have the right to establish other methods and alternative channels of distribution under the Marks or other trademarks at any location in the future and have the right to own and operate and to grant others the right to own and operate 1-800-

Flowers|Conroy's kiosks, carts, concessions, design centers or distribution centers, satellite units, or other mobile, remote, limited service or non-permanent facilities or other retail operations as part of larger retail venues such as department stores, supermarkets or shopping malls, or in public areas such as amusement parks, airports, train stations, public facilities, college and school campuses, arenas, stadiums, hospitals, office buildings, convention centers, airlines (in-flight service) and military bases, both within and outside your trading area. In addition, we and our affiliates have the right to own and/or operate and to grant others the right to own and/or operate competing businesses through toll-free "1-800", "1-888", "1-877" and "1-866" telephone numbers, on-line computer networks and services and the Internet, including so called "virtual stores", anywhere.

We have the right, but are not obligated, to initiate an electronic commerce program. You may have the opportunity to participate in the program if you are in good standing under the Franchise Agreement and any other agreement with us or our affiliates.

We have the sole right to market on the Internet and use the Marks on the Internet and in all other forms of electronic media, including all use of websites, domain names, URLs, directory addresses, email addresses, metatags, linking, advertising, co-branding and other arrangements. You may not separately register any domain name or any portion of a domain name containing the 1-800-Flowers Marks or participate or market on any website or other form of electronic media (including social technology, social media and social networking platforms) using the Marks, unless you first obtain written approval from us. You may not solicit sales through alternative distribution channels, such as catalog sales, telemarketing or other direct marketing, without our prior written consent.

We are not required to pay you if we exercise any of the rights specified above.



If your lease for the premises of the Franchised Unit terminates without your fault, or if the premises are damaged, condemned or otherwise unusable, or if you in your and our reasonable judgment believe there is a change in the character of the location of the Franchised Unit sufficiently detrimental to its business potential to warrant its relocation, we may grant our permission to you to relocate the Franchised Unit.

You may not relocate your Franchised Unit without our prior written consent, which will not be unreasonably withheld. You are not granted any options, rights of first refusal, or similar rights to acquire additional franchises. We may consider granting you the right to establish additional Franchised Units under then-current Franchise Agreements, particularly if you already own additional existing retail flower shops in areas and at sites that we approve, but we have no obligation to do so.

### ITEM 13

### TRADEMARKS

1-800-Flowers authorizes us to grant you the limited right to operate a Franchised Unit under the "1-800-Flowers|Conroy's" trade name or Mark. You may also use our other current and future trade names, trademarks and/or service marks to operate your Franchised Unit on a limited basis only with our express written consent. The word "trademark" means all trade names, trademarks, service marks and logos used to identify your Franchised Unit. 1-800-Flowers has registered the following trademarks on the United States Patent and Trademark Office Principal Register:

Mark	Serial Number	Application Date	Registration Date	Registration Number
	85/235,290	2/7/2011	11/6/2012 (renewed 04/06/2023)	4,238,323
	85/322,979	5/17/2011	10/16/2012 (renewed 04/07/2023)	4,226,739
"FRUIT BOUQUETS BY 1800FLOWERS.COM" and design	85/311,102	5/3/2011	1/5/2021	6,239,866
FRUIT BOUQUETS and design	85/311,052	5/3/2011	3/3/2020	6,002,773
FRUIT BOUQUETS BY 1800FLOWERS.COM and design	85/311,131	5/3/2011	3/3/2020	6,002,774
FRUIT BOUQUETS and design	85/314,733	5/6/2011	3/3/2020	6,002,775
FRUIT BOUQUETS.COM and design	85/314,758	5/6/2011	3/3/2020	6,002,776
FRUIT BOUQUETS.COM and design	85/314,779	5/6/2011	1/23/2018	5,386,809

Affidavits of use and incontestability will be filed at the time specified by law.

You must follow your Franchise Agreement, the Franchise Manual, the Fruit Bouquets Manual and any other rules we provide when you use these Marks. You cannot use a name or the Marks as part of a corporate name or with modifying words, designs or symbols, except for those that we license to you. You cannot use the Marks in the sale of an unauthorized product or service or in a manner we do not authorize in writing. You may not use "1-800-Flowers|Conroy's", "Conroy's Flowers" the telephone number "1-800-266-7697" or "1-888", "1-877" or "1-866" telephone numbers or other like toll-free telephone numbers that we have the right to use or confusingly similar imitations of such telephone numbers. You may not use words in your telephone numbers. You may not use our trademark or domain names, or confusingly similar imitations of our trademark or domain names, on the Internet, except as we specify or approve. You may not use the 1-800-Flowers|Conroy's trademark for the sale of an unauthorized product or service or in a manner not authorized in writing by us. Our rights to use or franchise the use of the Marks are not limited by any agreement.

#### General

We are not aware of any currently effective material determinations of the USPTO, the TTAB, the trademark administrator of any state or any court, or any pending infringement, opposition or cancellation or any pending material litigation involving the Marks. There are no prior superior rights or infringing uses actually known to us that could materially affect your use of the Marks; however, we have not conducted an exhaustive search of users of names that may be the same or similar to the Marks and we may not be able to prevent their continued use of these words, particularly in cases where their use predates our federal trademark registration. There may be similar uses to the Marks of which we are unaware, which could arise from prior uses. No agreements limit our right to use or license the use of the Marks in a manner material to your franchise.

We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you. If you learn of any claim against you for alleged infringement, unfair competition, or similar claims about the Marks, you must promptly notify us. We will promptly take the action we consider necessary to defend you. We must indemnify you for any action against you by a third party based solely on alleged infringement, unfair competition, or similar claims about the Marks. We will have no obligation to defend or

indemnify you if the claim against you relates to your use of the Marks in violation of the Franchise Agreement, or your gross negligence or willful misconduct with respect to your actions pursuant to the Franchise Agreement.

If you learn that any third party whom you believe is not authorized to use the Marks is using the 1-800-Flowers Marks or any variant of the Marks, you must promptly notify us. We will determine whether or not we wish to take any action against the third party. You will have no right to make any demand or to prosecute any claim against the alleged infringer for the infringement.

You must also agree: (i) that you will not use any marks that are confusingly similar to the Marks; (ii) that you will not seek to register any marks that are confusingly similar to the Marks; (iii) that you will not seek to register a composite mark incorporating any of the Marks, or any part thereof; and (iv) that you will not challenge the validity of the Marks.

You must modify or discontinue the use of the Marks, whether alone, or with other franchisees, if we modify or discontinue their use and when your Franchise Agreement terminates, unless you are a party to another Franchise Agreement with us that is currently valid at that time. You must pay your actual costs of compliance (for example, the cost to replace sign faces). You must not directly or indirectly contest our right to the Marks, trade secrets or business techniques that are part of our Trade Practices, and must not register any of the Marks individually or as part of a composite mark.

#### ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We own no right in or to any patents. There are no pending patent or copyright applications that are material to the franchise.

As a member of the BloomNet Network, BloomNet grants you a limited license to use the BloomNet Technologies System or other electronic systems BloomNet designates for the processing of orders and for other functions at the Franchised Unit. With this exception, you do not receive the right to use any item covered by a patent or copyright, but you have the right to use the proprietary information in the Franchise Manual, in the Fruit Bouquets Manual and the Fruit Bouquets Pricing Guide (if you add a Fruit Bouquets Business to your Franchised Unit), and in any other manuals we provide until the termination or expiration of your Franchise Agreement, or as we otherwise direct. The Franchise Manual, Fruit Bouquets Manual, and Fruit Bouquets Pricing Guide are described in Item 11 above. Although we have not filed an application for a copyright registration for the Franchise Manual, Fruit Bouquets Manual or Fruit Bouquets Pricing Guide, or any other manuals, we claim copyright protection and the information contained in these items is both confidential and proprietary. Item 11 above describes limitations on the use of these Manuals and/or the Fruit Bouquets Pricing Guide by you and your employees. You must also promptly tell us when you learn about unauthorized use of our 1-800-Flowers|Conroy's Trade Practices. We are not obligated to take any action, but have the right to respond to this information as we deem appropriate.

We regard our trade secrets, specifications and/or formulas and products, the 1-800-Flowers|Conroy's System of operating a Franchised Unit, and all the information contained in the Manuals, as proprietary information owned by us. You will agree, as part of the Franchise Agreement, not to contest our exclusive ownership of the copyrights, trade secrets, processes, methods, procedures, formulae, techniques, and other proprietary information to which we claim exclusive rights. You are not given any rights in other trade secrets or proprietary or confidential information developed by us in the future. You must implement any reasonable

procedures that we have the right to adopt to protect our trade secrets, including restrictions on disclosures to your employees and requiring supervisory and managerial employees who will have access to our trade secrets to sign agreements containing non-disclosure and non-competition provisions. There are no prior superior rights or infringing uses actually known to us that could materially affect your use of the copyrights, trade secrets, processes, methods, procedures, or other proprietary information described above. There are no agreements currently in effect that limit our rights to use or license the above-mentioned copyrights in any manner.

### Confidential Information

You must not, during or after the term of your Franchise Agreement, divulge or use for the benefit of anyone else any confidential information, knowledge, or know-how concerning the 1-800-Flowers|Conroy's System, or the methods of operation of the Franchised Unit. You may divulge our confidential information only to supervisory or managerial personnel who must have access to it to perform their employment duties. All of our confidential information and other data, which we designate as confidential, will be confidential information for purposes of your Franchise Agreement. You must sign our standard form Confidentiality Agreement (Exhibit F), in our discretion, if we provide you with confidential information before you sign your Franchise Agreement.

All data pertaining to your Franchised Unit and all data you create or collect in connection with your operation of the Franchised Unit, including, data pertaining to, or otherwise concerning, the Franchised Unit's customers and the names and other pertinent data about the venues you service, or that you otherwise collect, including data uploaded to, or downloaded from your computer system (collectively "1-800-Flowers|Conroy's Data") is our sole property. We have the right to review and use the 1-800-Flowers Data in any manner that we deem appropriate without any compensation to you. You must provide us with copies and/or originals of the 1-800-Flowers|Conroy's Data within 5 days after our request for the same and at any time during the term of your Franchise Agreement and upon the expiration and/or termination of your Franchise Agreement, at no cost to us. We license the use of the 1-800-Flowers|Conroy's Data to you during the term of your Franchise Agreement, at no cost to you, solely for your use in the operation of your Franchised Unit. You must maintain the 1-800-Flowers|Conroy's Data as secret and as confidential information and must not make any part of the 1-800-Flowers|Conroy's Data available to any unauthorized person without our prior written consent, and then only in the manner we permit.

### Improvements

If you develop any new concept, process or improvement in the 1-800-Flowers|Conroy's System (an "Improvement"), you must promptly notify us and provide us with all necessary related information, without compensation. Any Improvement will become our sole property and we will be the sole owner of all related intellectual property rights. You must assign to us any rights you may have or acquire in the Improvements, including the right to modify the Improvements, and you will waive and/or release all rights of restraint and moral rights to the Improvements. You will assist us in obtaining and enforcing the intellectual property rights to any Improvement in any and all countries and you agree to provide us with and sign all necessary documentation for obtaining and enforcing such rights. You will appoint us as your agent and attorney-in-fact to sign and file any documentation and to do all other lawful acts to further the prosecution and issuance of intellectual property rights related to any Improvement.

The goodwill associated with all phone and fax numbers, email addresses, domain names, websites or webpages, social media and other Internet addresses used in operation of the Franchised Unit is an asset that belongs to us.

Upon cancellation, termination or expiration of the Franchise Agreement, you will be deemed to have assigned to us or our designee all right, title and interest in, and to, these and/or services associated with the same. You must sign the instruments we request to confirm the assignments and transfers to us.

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

You must designate an individual (a "Principal Owner") to serve as the primary operator of the Franchised Unit. The Principal Owner must own at least a 51% interest in the Franchised Unit, serve as your authorized representative, act as a liaison between you and us, and have the authority to act on your behalf without the active participation of any other owner of the Franchised Unit. Your Principal Owner must devote his or her full time, attention and best efforts to the performance of your duties under the Franchise Agreement during open and operating hours. If you are the Principal Owner of multiple Franchised Units, you will satisfy this requirement so long as you devote your full time and attention to the management of all of your Franchised Units during open and operating hours. If you or your Principal Owner is absent from the operation of the Franchised Unit or does not participate in the day-to-day operations of your Franchised Unit, then you must provide for direct, on-premises supervision of the Franchised Unit by a general manager (a "General Manager"). The identity of your General Managers must be disclosed to us. We will train the General Managers of the Franchised Unit, according to our Manuals.

All personnel you employ at the Franchised Unit must maintain the standards of sanitation, cleanliness and demeanor that we establish. All personnel you employ at the Franchised Unit must be trained in accordance with our then-current training and operations standards and shall maintain such standards of training, competence, sanitation, cleanliness and demeanor as shall be established by us. You must ensure that only personnel performing supervisory or managerial functions have access to our confidential information, and all such personnel agree not to disclose, and do not disclose, any confidential information that may be revealed to them during the period of their employment and, upon our request, shall execute a confidentiality agreement, in a form prescribed by us. We shall be deemed to be a third-party beneficiary under any such confidentiality agreements.

The term "Franchisee" as used in the Franchise Agreement refers to each person that signs the Franchise Agreement as "Franchisee", and to each person that is one of the spouses, partners, shareholders, trustees, or beneficiaries of any person that signs the Franchise Agreement as "Franchisee", and applies equally to each such person as if he, she, or it was the only named Franchisee in the Franchise Agreement. Your obligations and the obligations of each spouse, partner, shareholder, trustee, and beneficiary of any person that signs the Franchise Agreement as "Franchisee", are joint and several. We require each of these persons to sign our form of Personal Guaranty, which is attached as Exhibit B to the Franchise Agreement.

ITEM 16  
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell only those goods and services that we have approved. You must offer and sell all goods and services that we designate as required for all franchisees. We have the right to add and the right to remove, authorized goods and services that you must offer. There are no limits on our right to do so. You must use our current and approved designs for merchandise placement in your Franchised Unit and must stock an inventory of these items in the amounts we determine.

Currently, we require that you offer 30% of the Core Retail SKU's, which are our core products that must be purchased from us or our affiliate, and the remaining SKU's that you offer for sale must be purchased from one of our currently approved vendors. We have the right to require you to participate in market research programs, the test-marketing of new products and other similar programs for the benefit of the 1-800-Flowers|Conroy's System, and you must provide us with timely reports and test results of these tests and programs for our review, analysis and compilation.

You may not operate any co-branding system without our prior written consent, which may be withheld unless we recognize the co-branding chain as an approved cobrand for operation within 1-800-Flowers|Conroy's shops. "Co-branding" includes the operation of an independent business, product line or operating system owned or licensed by another franchisor that is featured or incorporated within the Franchised Location or is adjacent to the Franchised Location and is operated in a manner likely to cause the public to perceive that it is related to your Franchised Unit.

You may not permit any intoxicating beverages of any kind to be sold, dispensed or consumed, in or from the Franchised Unit, without our prior written consent. Except with our prior written approval, you may not cause or permit vending machines, gaming machines, pay telephones, automatic teller machines, Internet kiosks or any other mechanical or electrical device to be installed or maintained at the Franchised Location.

You have the right to solicit and accept orders through BloomNet or recognized floral wire services, pre-approved local yellow pages advertising and other pre-approved media, as we deem appropriate, without restriction, but you may not use other alternative distribution channels to solicit or fill orders.

ITEM 17  
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

FRANCHISE AGREEMENT (INCLUDING FRUIT BOUQUETS ADDENDUM)

Provision	Section In Franchise Agreement (Exhibit A)	Summary
a. Length of the franchise term	Section 4(a) of Franchise Agreement	Term is equal to the lesser of the lease term or 10 years, unless the parties agree otherwise, but in no event will the term be greater than 10 years, commencing on the Commencement Date and expiring on the Expiration Date (both as defined in the Franchise Agreement), unless sooner terminated as provided in the Franchise Agreement. If your lease has a term of less than 10 years, then the Franchise Agreement will have a term equal to your lease term, except that, if you meet certain conditions, at your option, you may relocate your Franchised Unit at the end of your lease and operate from the new site for the remainder of your 10-year term.
b. Renewal or extension of the term	Sections 4(b) - 4(d), 4(f) of Franchise Agreement	We may grant you the right to a Successor Franchise for one additional term of up to 10 years if you are eligible for a Successor Franchise. If you do not sign our Successor Franchise Agreement prior to the Expiration Date and you continue to accept the benefits of the Franchise Agreement after it expires, then at our option, the Franchise Agreement may be treated either as (i) expired as of the Expiration Date with you then operating without a license to do so and in violation of our rights; or (ii) continued on a month-to-month basis until we provide you with written notice of our intent to terminate.
c. Requirements for Franchisee to renew or extend	Sections 4(b) - 4(d) of Franchise Agreement	Upon expiration of the Franchise Agreement, we may extend the term of the franchise and grant you a Successor Franchise for the Franchised Unit on the terms set forth in our then-current form of Franchise Agreement for an additional term of up to 10 years. You must satisfy eligibility requirements per our policies, sign the Successor Franchise Agreement and General Release substantially in the form of <u>Exhibit G</u> attached to this Disclosure Document, pay fee and remodel, etc. If you have added a Fruit Bouquets Business into your Franchised Unit, you must also pay the Successor Franchise Fee for this program. You may be asked to sign a Successor Franchise Agreement with materially different terms and conditions from your original Franchise Agreement.



Provision	Section In Franchise Agreement (Exhibit A)	Summary
d. Termination by Franchisee	Not applicable	You have the right to seek to terminate your agreement on grounds available to you by law.
e. Termination by Franchisor without cause	Section 21(a)(xvii) of Franchise Agreement.	We have the right to terminate for any reason before your completion of the Initial Training Program.
f. Termination by Franchisor with cause	Section 9(g) and Article 21 of Franchise Agreement.	We have the right to terminate if you are in default and have the right to resort to our security interest in the assets of Franchised Unit (subject to state law).
g. "Cause" defined – curable defaults	Sections 21(a)(xiii)-21(a)(xxii) and 21(b) of Franchise Agreement	You have 10 days to cure monetary defaults; 30 days to cure non-monetary defaults (subject to state law).
h. "Cause" defined – non curable defaults	Sections 21(a)(i-xii), 21(a)(xxiii) and 21(d) of Franchise Agreement	Non-curable defaults: convictions; expiration of term of Franchise Agreement, sublease or third party lease, unless otherwise provided in the Franchise Agreement; defaults which cannot be cured; repeated defaults even if cured, abandonment, unapproved transfers, bankruptcy, unauthorized disclosure of the contents of the Franchise Manual or the Fruit Bouquets Manual; misuse of the Marks: failure to report sales, destruction of sales records, failure, for a period of 10 days after notification of noncompliance, to comply with any federal, state or local law or regulation applicable to the operation of the franchise, and a breach of obligations under the Franchise Agreement or other agreement between you and us, which by its nature is not capable of being cured by you; unauthorized disclosure of the contents of the Manuals, misuse of the Marks (subject to state law).
i. Franchisee's obligations on termination/non-renewal	Sections 16(b) and 16(e), and Article 22 of Franchise Agreement	Obligations include complete de-identification or sale to us and payment of amounts due; discontinue use of Marks and Trade Practices; notify phone company; return the Manuals; non-solicitation and non-compete; we have right to purchase unused inventory that contains the Marks.
j. Assignment of contract by Franchisor	Section 17(a) of Franchise Agreement	No restriction on our right to assign.
k. "Transfer" by Franchisee – definition	Section 17(b) of Franchise Agreement	Includes transfer of franchise or ownership change.
l. Franchisor's approval of transfer by franchisee	Section 17(a) of Franchise Agreement	We have the right to approve all transfers, but will not unreasonably withhold approval.
m. Conditions for Franchisor's approval of transfer	Sections 17(b), 17(c), 17(d), and 17(f) of Franchise Agreement	Transferee qualifies, transfer fee paid, purchase agreement approved, training arranged, sign General Release, substantially in the form of <u>Exhibit G</u> attached to this Disclosure Document, current Franchise Agreement signed by transferee; transferee pays Remodeling Security Deposit if we require it; upon our request, you must sign a continuing guarantee of transferee's obligations under the new Franchise Agreement. If you added a Fruit Bouquets Business into your Franchised Unit, it must be transferred at the same time to transferee.

Provision	Section In Franchise Agreement (Exhibit A)	Summary
n. Franchisor's right of first refusal to acquire Franchisee's business	Section 17(c) of Franchise Agreement	We have the right to match any offer for the Franchised Unit.
o. Franchisor's option to purchase Franchisee's business	Not Applicable	Not Applicable
p. Death or disability of Franchisee	Section 17(e) of Franchise Agreement	Franchise must be assigned by estate to an approved buyer within 6 months.
q. Non-competition covenants during the term of the franchise	Section 16(a) of Franchise Agreement	No involvement in competing business during the term of the franchise.
r. Non-competition covenants after the franchise is terminated or expires	Sections 16(b), 16(c) and 18(c) of Franchise Agreement	No competing business for 2 years within 10 miles of another 1-800-Flowers   Conroy's Shop, including after assignment. If you violate the post-term covenant not to compete, you must pay us, throughout the 2-year period following the termination, transfer, or expiration of your Franchise Agreement, 5% of the gross revenue of any business that provides similar services at your Franchised Unit or any site within 10 miles of any 1-800-Flowers   Conroy's Shop or your Franchised Unit.
s. Modification of the Agreement	Sections 10(b), 15(d) and 23(e) of Franchise Agreement	No modifications generally, but the Franchise Manual and the Fruit Bouquets Manual (if you add a Fruit Bouquets Business into your Franchised Unit) are subject to change.
t. Integration/merger clause	Section 23(e) of Franchise Agreement	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of this Disclosure Document, the Franchise Agreement and its attachments may not be enforceable. Nothing in the Franchise Agreement or in any related exhibit is intended to disclaim the representations we made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Sections 23(a) and 23(b) of Franchise Agreement	Subject to applicable state law, the parties must attempt to resolve all disputes by arbitration in the Jericho, New York metropolitan area, except for certain matters that may be brought in court.
v. Choice of forum	Section 23(s) of Franchise Agreement	Must be in Nassau County or Suffolk County, New York, in the Supreme Court of the State of New York, Nassau County, or the United States District Court in and for the Eastern District of New York. A right to a jury trial is waived (subject to state law).
w. Choice of law	Sections 23(a) and 23(s) of Franchise Agreement	Governed by New York law (subject to the exception in Section 23(a) and applicable state law).

## SUBLEASE

Provision	Section In Sublease (Exhibit C)	Summary
a. Length of the sublease term	Article 4 of Sublease	Term is equal to 10 years or the term of the Master Lease less one day.
b. Renewal or extension of the term	Sections 4(a) and 4(b) of Sublease	If you are granted a Successor Franchise, you can renew if extension rights available in Master Lease.
c. Requirements for sublessee to renew or extend	Sections 4(a) and 4(b) of Sublease	You must be granted a Successor Franchise and give notice of your desire to renew the Sublease not later than 30 days before notice is due to the landlord under the Master Lease.
d. Termination by sublessee	Not Applicable	Not Applicable
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	Article 12 of Sublease	We have the right to terminate if you are in default (subject to state law).
g. "Cause" defined – curable defaults	Article 12 of Sublease	You have ability to cure non-payment of rent and other defaults listed in Section 12 (subject to state law).
h. "Cause" defined – non curable defaults	Article 12 of Sublease	Per Master Lease (subject to state law).
i. Sublessee's obligations on termination/non-renewal	Article 12 of Sublease	Per Master Lease
j. Assignment of contract by franchisor.	Sections 11(b), and 13(g) of Sublease.	Terms of Sublease will be binding upon any assignees.
k. "Transfer" by sublessee - definition	Article 11 of Sublease	Includes transfer of franchise or ownership change.
l. Franchisor's approval of transfer by sublessee	Article 11 of Sublease	We have the right to approve all transfers but will not unreasonably withhold approval.
m. Conditions for Franchisor's approval of transfer	Section 11(a) of Sublease	Per Franchise Agreement
n. Franchisor's right of first refusal to acquire sublessee's business	Not Applicable	Not Applicable
o. Franchisor's option to purchase sublessee's business	Not Applicable	Not Applicable
p. Death or disability of sublessee	Not Applicable	Not Applicable
q. Non-competition covenants during the term of the sublease	Not Applicable	Not Applicable
r. Non-competition covenants after the sublease is terminated or expires	Not Applicable	Not Applicable

Provision	Section In Sublease (Exhibit C)	Summary
s. Modification of the sublease	Section 13(h) of Sublease	No modifications generally without written agreement of both parties.
t. Integration/ merger clause	Section 13(h) of Sublease	Only the terms of the Sublease are binding (subject to state law). Any representations or promises outside of this Disclosure Document, the Sublease and its attachments may not be enforceable. Nothing in the Sublease or in any related exhibit is intended to disclaim the representations we made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable
v. Choice of forum	Section 13 (w) of Sublease	Must be in Nassau County or Suffolk County, New York, in the Supreme Court of the State of New York, Nassau County, or the United States District Court in and for the Eastern District of New York (subject to state law).
w. Choice of law	Section 13(w) of Sublease	Governed by New York law.

#### FRUIT BOUQUETS ORDER FULFILLMENT AGREEMENT

Provision	Section In Fruit Bouquets Order Fulfillment Agreement (Exhibit K-2)	Summary
a. Length of the term	Article 4 of Fruit Bouquets Order Fulfillment Agreement	One year
b. Renewal or extension of the term	Article 4 of Fruit Bouquets Order Fulfillment Agreement	Automatically renewed for successive 1-year terms.
c. Requirements for Fulfiller to renew or extend	Not Applicable	Not Applicable
d. Termination by Fulfiller	Article 4 of Fruit Bouquets Order Fulfillment Agreement	Fulfiller may terminate upon 30 days' prior written notice.
e. Termination by 800 - Flowers without cause	Article 4 of Fruit Bouquets Order Fulfillment Agreement	Either party may terminate upon 30 days' notice.
f. Termination by 800 - Flowers with cause	Article 4 of Fruit Bouquets Order Fulfillment Agreement	800-Flowers has the right to terminate if you are in default (subject to state law).
g. "Cause" defined – curable defaults	Article 4 of Fruit Bouquets Order Fulfillment Agreement	Defaults in performance of obligations under Agreement (subject to state law).
h. "Cause" defined – non-curable defaults	Article 4 of Fruit Bouquets Order Fulfillment Agreement	Failure to meet performance standards (subject to state law).
i. Fulfiller's obligations on termination/non-renewal	Sections 2(b) and 2(c) of Fruit Bouquets Order Fulfillment Agreement	Cannot use Licensed Property.

Provision	Section In Fruit Bouquets Order Fulfillment Agreement (Exhibit K-2)	Summary
j. Assignment of contract by 800-Flowers	Section 14(g) of Fruit Bouquets Order Fulfillment Agreement	No restriction on 800-Flower's right to transfer.
k. "Transfer" by Fulfiller - definition	Section 14(g) of Fruit Bouquets Order Fulfillment Agreement	Includes ownership change and change in legal structure of Fulfiller.
l. 800-Flowers' approval of transfer by Fulfiller	Section 14(g) of Fruit Bouquets Order Fulfillment Agreement	No transfer without our approval.
m. Conditions for 800-Flowers' approval of transfer	Section 14(g) of Fruit Bouquets Order Fulfillment Agreement.	Sign new and then-current Fruit Bouquets Order Fulfillment Agreement and any other related agreements.
n. 800-Flowers' right of first refusal to acquire Fulfiller's business	Not Applicable	Not Applicable
o. 800-Flowers' option to purchase Fulfiller's business	Not Applicable	Not Applicable
p. Death or disability of Fulfiller	Not Applicable	Not Applicable
q. Non-competition covenants during the term of the Agreement	Section 15(a) of Fruit Bouquets Order Fulfillment Agreement	Cannot create or deliver cut fruit bouquets or similar products for any third party, except orders you receive directly from consumer through one of your normal channels of sale or orders you are fulfilling for another one of our Fruit Bouquets franchisees, or a fulfiller who has signed a Fruit Bouquet Order Fulfillment Agreement with 800-Flowers, which is in effect at the time you receive the order.
r. Non-competition covenants after the Agreement is terminated or expires	Section 15(b) of Fruit Bouquets Order Fulfillment Agreement	Cannot create, market, fulfill or distribute any cut fruit arrangements or similar products for or to any third party at or within a 25-mile radius of the business location(s) from which Fulfiller fulfills fruit arrangements for 2 years after termination or expiration.
s. Modification of the Agreement	Section 14(a) of Fruit Bouquets Order Fulfillment Agreement	No modifications generally without written agreement of both parties.
t. Integration/ merger clause	Section 14(a) of Fruit Bouquets Order Fulfillment Agreement	Only the terms of the Fruit Bouquets Order Fulfillment Agreement are binding (subject to state law). Any representations or promises outside of the Disclosure Document, the Fruit Bouquets Order Fulfillment Agreement and its attachments may not be enforceable. Nothing in the Fruit Bouquets Order Fulfillment Agreement is intended to disclaim the representations we made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable

Provision	Section In Fruit Bouquets Order Fulfillment Agreement (Exhibit K-2)	Summary
v. Choice of forum	Section 14(f) of Fruit Bouquets Order Fulfillment Agreement	Must be in Nassau County or Suffolk County, New York, in the Supreme Court of the State of New York, Nassau County, or the United States District Court in and for the Eastern District of New York. A right to a jury trial is waived (subject to state law).
w. Choice of law	Section 14(f) of Fruit Bouquets Order Fulfillment Agreement	Governed by New York law (subject to state law).

### PREMIER ORDER FULFILLMENT AGREEMENT

Provision	Section In Premier Order Fulfillment Agreement (Exhibit K-1)	Summary
a. Length of the term	Article 4 of Premier Order Fulfillment Agreement	One year
b. Renewal or extension of the term	Article 4 of Premier Order Fulfillment Agreement	Automatic one-year renewals, unless terminated by either party at least 15 days before agreement is to be renewed.
c. Requirements for Florist to renew or extend	Not Applicable	Not Applicable
d. Termination by Florist	Article 4 of Premier Order Fulfillment Agreement	Florist has the right to terminate upon 45 days' prior written notice.
e. Termination by 800-Flowers without cause	Section 4(b) of Premier Order Fulfillment Agreement	Either party may terminate upon 45 days' notice.
f. Termination by 800-Flowers with cause	Article 4 of Premier Order Fulfillment Agreement	1-800 -Flowers has the right to terminate if you are in default (subject to state law).
g. "Cause" defined – curable defaults	Article 4 of Premier Order Fulfillment Agreement	Defaults in performance of obligations under the Premier Order Fulfillment Agreement (subject to state law).
h. "Cause" defined – non-curable defaults	Article 4 of Premier Order Fulfillment Agreement	Bankruptcy, insolvency; termination of other Agreements (subject to state law).
i. Florist's obligations on termination/non-renewal	Sections 2(b), 2(c) and 12(b) of Premier Order Fulfillment Agreement	Cannot use Licensed Property.
j. Assignment of contract by 800-Flowers	Section 14(g) of Premier Order Fulfillment Agreement	Unrestricted right to assign without Florist's consent.
k. "Transfer" by Florist - definition	Section 14(g) of Premier Order Fulfillment Agreement	Includes ownership change and change in legal structure of Florist.
l. 800-Flowers' approval of transfer by Florist	Section 14(g) of Premier Order Fulfillment Agreement	Agreement may not be assigned without 800-Flower's approval.
m. Conditions for 800-Flowers' approval of transfer	Section 14(g) of Premier Order Fulfillment Agreement	Sign new and then-current Premier Order Fulfillment Agreement and any other related agreements.
n. 800-Flowers' right of first refusal to acquire Florist's business	Not Applicable	Not Applicable

Provision	Section In Premier Order Fulfillment Agreement (Exhibit K-1)	Summary
o. 800-Flowers' option to purchase Florist's business	Not Applicable	Not Applicable
p. Death or disability of Florist	Not Applicable	Not Applicable
q. Non-competition covenants during the term of the Agreement	Not Applicable	Not Applicable
r. Non-competition covenants after the Agreement is terminated or expires	Not Applicable	Not Applicable
s. Modification of the Agreement	Section 14(a) of Premier Order Fulfillment Agreement	No modifications generally without written agreement of both parties.
t. Integration/merger clause	Section 14(a) of Premier Order Fulfillment Agreement	Only the terms of the Premier Order Fulfillment Agreement are binding (subject to state law). Any representations or promises made outside of this Disclosure Document, the Premier Order Fulfillment Agreement and its attachments may not be enforceable. Nothing in the Premier Order Fulfillment Agreement is intended to disclaim the representations we made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable
v. Choice of forum	Section 14(f) of Premier Order Fulfillment Agreement	Must be in Nassau County or Suffolk County, New York, in the Supreme Court of the State of New York, Nassau County, or the United States District Court in and for the Eastern District of New York. A right to a jury trial is waived (subject to state law).
w. Choice of law	Section 14(f) of Premier Order Fulfillment Agreement	New York law applies (subject to state law).

**BLOOMNET MEMBERSHIP AGREEMENT, BLOOMNET TECHNOLOGIES SYSTEMS AGREEMENT**

Provision	Section In BloomNet & BloomNet Technologies Systems Agreements (Exhibits L-1 And L-2)	Summary
a. Length of the term	Articles 2 and 8 of BloomNet Technologies Systems Agreement	Agreement continues in effect until terminated.
b. Renewal or extension of the term	Article 2 of BloomNet Technologies Systems Agreement	Agreement continues in effect until terminated.
c. Requirements for Customer to renew or extend	Not Applicable	Agreement continues in effect until terminated.

Provision	Section In BloomNet & BloomNet Technologies Systems Agreements (Exhibits L-1 And L-2)	Summary
d. Termination by Customer	Article 8 of BloomNet Technologies Systems Agreement; Section " <u>Termination</u> " of BloomNet Membership Agreement	Customer has the right to terminate for any reason on 30 days' notice.
e. Termination by BloomNet without cause	Section " <u>Termination</u> " of BloomNet Membership Agreement; Article 8 of BloomNet Technologies Systems Agreement	BloomNet has the right to terminate the BloomNet Membership Agreement at any time and for any reason.  BloomNet Technologies Systems has the right to terminate for any reason on 30 days' notice.
f. Termination by BloomNet Technologies Systems with cause	Section " <u>Termination</u> " of BloomNet Membership Agreement; Article 8 of BloomNet Technologies Systems Agreement	BloomNet Technologies Systems has the right to terminate the Agreement if you fail to make payments within 10 days, fail to abide by the terms of the Agreement, cease to operate business, and upon insolvency and bankruptcy (subject to state law).
g. "Cause" defined – curable defaults	Article 8 of BloomNet Technologies Systems Agreement	Failure to make payments within 10 days, failure to abide by the terms of the Agreement, cease to operate business, and upon insolvency and bankruptcy (subject to state law).
h. "Cause" defined – non-curable defaults	Article 8 of BloomNet Technologies Systems Agreement	If Customer repeats violation of the terms of the Agreement (subject to state law).
i. Customer's obligations on termination/non-renewal	Section " <u>Termination</u> " of BloomNet Membership Agreement; Article 8 of BloomNet Technologies Systems Agreement	Cease using the System, licensed material, return hardware, software and manuals.
j. Assignment of contract by BloomNet Technologies Systems	Section 9(h) of BloomNet Technologies Systems Agreement	BloomNet Technologies Systems has the right to assign without restriction.
k. "Transfer" by Customer - definition	Section " <u>Change of Ownership</u> " of BloomNet Membership Agreement; Section 9(g) of BloomNet Technologies Systems Agreement	Any assignment of rights, duties or obligations under the Agreement.
l. BloomNet Technologies Systems' approval of transfer by Customer	Section 9(g) of BloomNet Technologies Systems Agreement	BloomNet has the right to approve all transfers.
m. Conditions for BloomNet Technologies Systems' approval of transfer	Section " <u>Change of Ownership</u> " of BloomNet Membership Agreement; Section 9(g) of BloomNet Technologies Systems Agreement	BloomNet has the right to approve all transfers.
n. BloomNet Technologies Systems' right of first refusal to acquire Customer's business	Not Applicable	Not Applicable
o. BloomNet Technologies Systems option to purchase Customer's business	Not Applicable	Not Applicable



Provision	Section In BloomNet & BloomNet Technologies Systems Agreements (Exhibits L-1 And L-2)	Summary
p. Death or disability of Customer	Not Applicable	Not Applicable
q. Non-competition covenants during the term of the Agreement	Not Applicable	Not Applicable
r. Non-competition covenants after the Agreement is terminated or expires	Not Applicable	Not Applicable
s. Modification of the Agreement	Article 9 of BloomNet Technologies Systems Agreement; Section "General", Paragraph 6 of BloomNet Membership Agreement	No modifications of the BloomNet Technologies Systems Agreement without written agreement of both parties.  BloomNet reserves the right to amend or change the terms of the BloomNet Membership Agreement, at any time.
t. Integration/ merger clause	Article 9 of BloomNet Technologies Systems Agreement	Only the terms of the BloomNet and BloomNet Technologies Systems Agreements are binding (subject to state law). Any representations or promises made outside of this Disclosure Document, and the BloomNet Membership Agreement and BloomNet Technologies Systems Agreement may not be enforceable. Nothing in the BloomNet Membership Agreement and BloomNet Technologies Systems Agreement is intended to disclaim the representations we made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Article 9 of BloomNet Technologies Systems Agreement	We both agree to submit disputes to binding arbitration.
v. Choice of forum	Section "Governing Law and Venue" of BloomNet Membership Agreement	Must be in Nassau County or Suffolk County, New York, in the Supreme Court of the State of New York, Nassau County, or the United States District Court in and for the Eastern District of New York. A right to a jury trial is waived (subject to state law).
w. Choice of law	Article 9 of BloomNet Technologies Systems Agreement; Section "Governing Law and Venue" of BloomNet Membership Agreement	Governed by New York law (subject to state law)

**ITEM 18**  
**PUBLIC FIGURES**

We 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) the 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 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 our Vice President of Franchise and Retail Operations, Stephen Lenzovich, Two Jericho Plaza, Suite 200, Jericho, New York 11753, (516) 237-6000, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

TABLE NO. 1  
SYSTEM-WIDE OUTLET SUMMARY  
FOR YEARS 2022 TO 2024\*

Outlet Type	Year	Outlets At The Start Of The Year	Outlets At The End Of The Year	Net Change (+ Or -)
Franchised				
	2022	27	25	-2
	2023	25	25	0
	2024	25	24	-1
Company-Owned				
	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets				
	2022	27	25	-2
	2023	25	25	0
	2024	25	24	-1

\*Figures are current through June 30, 2024. The Franchises reflected in this Item 20 may include Fruit Bouquets by 1-800-Flowers.com programs. We do not count these franchises separately as the Fruit Bouquets by 1-800-Flowers.com program is currently an add-on program for our franchisees.

TABLE NO. 2  
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS  
(OTHER THAN FRANCHISOR OR AN AFFILIATE)  
FOR YEARS 2022 TO 2024

State	Year	Number Of Transfers
California		
	2022	1
	2023	1
	2024	0
Total Outlets		
	2022	1
	2023	1
	2024	0

TABLE NO. 3  
STATUS OF FRANCHISED OUTLETS  
FOR YEARS 2022 TO 2024\*

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
California								
	2022	27**	0	2	0	0	0	25**
	2023	25**	0	0	0	0	0	25**
	2024	25**	1***	0	0	1***	1	24**
Total								
	2022	27**	0	2	0	0	0	25**
	2023	25**	0	0	0	0	0	25**
	2024	25**	1***	0	0	1***	1	24**

\*Figures are current through June 30, 2024.

\*\*24 of these stores are co-branded.

\*\*\*This store was reacquired by us and sold to a Franchisee during the fiscal year ended June 30, 2024.

As of the date of this Disclosure Document, there are 19 franchisees of Conroy's operating 24 retail flower shops doing business under the trade name "1-800-Flowers|Conroy's".

A list setting forth the names of all our current franchisees and the addresses and telephone numbers of all of their Franchised Units is attached as Exhibit M.

All numbers are as of the end of our fiscal year on June 30, 2024, July 2, 2023 and July 3, 2022, respectively. We do not operate any company-owned stores; however, our affiliate, Retail, operates retail stores. A list setting forth the name and last known home address and telephone number of a Conroy's franchisee who has had a Franchised Unit terminated, cancelled, not renewed or otherwise voluntarily ceased to do business under the Franchise Agreement during the period July 3, 2023 through June 30, 2024, is attached as Exhibit N. There are no franchisees who have not communicated with us within 10 weeks of the issuance date of this Disclosure Document.

During the last 3 fiscal years, we have signed confidentiality clauses with current or former franchisees. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Conroy's. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

There are no independent trademark-specific franchisee organizations associated with the franchise system being offered that have asked to be included in this Disclosure Document.

TABLE NO. 4  
STATUS OF COMPANY OWNED UNITS  
FOR YEARS 2022 TO 2024\*

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
Total								
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

\*Figures are current through June 30, 2024.

TABLE NO. 5  
PROJECTED OPENINGS  
AS OF JUNE 30, 2024

State	Franchise Agreement Signed But Outlet Not Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected Company-Owned Outlets In The Next Fiscal Year
California	0	0	0
Total	0	0	0

## ITEM 21 FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit Q are the following audited financial statements for Conroy's:

- a. Financial Statements as of June 30, 2024 with Report of Independent Auditor.
- b. Financial Statements as of July 2, 2023 with Report of Independent Auditor.
- c. Financial Statements as of July 3, 2022 with Report of Independent Auditor.

Our fiscal year ends on the Sunday closest to June 30 of each year.

ITEM 22  
CONTRACTS

Copies of the following Agreements proposed for use regarding the offering of a franchise are attached to this Disclosure Document:

Exhibit A	Franchise Agreement
Exhibit B	Fruit Bouquets Addendum to Franchise Agreement
Exhibit C	Sublease
Exhibit D	Option to Obtain Lease Assignment
Exhibit E	State Specific Addendum
Exhibit F	Confidentiality Agreement
Exhibit G	General Release
Exhibit H	Promissory Note
Exhibit I	Guaranty of Promissory Note
Exhibit J	Security Agreement
Exhibit K-1	Premier Order Fulfillment Agreement
Exhibit K-2	Fruit Bouquets Order Fulfillment Agreement
Exhibit L-1	BloomNet Membership Agreement
Exhibit L-2	BloomNet Technologies Systems Agreement

ITEM 23  
RECEIPT

Two copies of an acknowledgment of your receipt of this Disclosure Document appear as Exhibit Q. Please return one copy to us and retain the other for your records.

CONROY'S, INC.  
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT A  
FRANCHISE AGREEMENT

CONROY'S, INC.  
FRANCHISE AGREEMENT

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DATE OF AGREEMENT

CONROY'S, INC.  
FRANCHISE AGREEMENT  
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EXHIBIT A	FRANCHISED LOCATION
EXHIBIT B	GUARANTEE OF FRANCHISE AGREEMENT
EXHIBIT C	ENTITY INFORMATION DISCLOSURE



CONROY'S, INC.  
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "Agreement") is made this \_\_\_\_ day of \_\_\_\_\_ (the "Effective Date"), by and between CONROY'S, INC., a California corporation ("Franchisor"), on the one hand, and \_\_\_\_\_, a \_\_\_\_\_ ("Franchisee"), on the other hand, who are individually referred to in this Agreement as a "Party", and collectively referred to in this Agreement as "Parties", with reference to the following facts:

A. 1-800-Flowers.Com, Inc., a Delaware corporation ("Flowers"), an Affiliate of Franchisor, is the owner of all right, title and interest in and to the trade names, trademarks and service marks "1-800-FLOWERS|CONROY'S" and other marks (the "Marks") and has authorized Franchisor to franchise the rights to certain valuable trade practices and all of the designs, phrases, logos, signs, formulas, operating procedures, electronic systems, merchandising methods, cost control, accounting and general business techniques, strategies, routines, copyrights, manuals, training materials, bulletins, and all other items now or hereafter owned, used, developed or provided by Franchisor (collectively, the "Trade Practices") in connection with the retail flower business, all of which may be improved, further developed or otherwise modified from time to time.

B. Franchisor and its Affiliates have developed a chain of retail sales outlets for the sale of flowers, plants, related products and services and gift and sentiment items under the 1-800-Flowers|Conroy's trade names and/or the Marks, which are or will be operated in accordance with uniform standards of operation, including, without limitation, design of building, layout of equipment, interior and exterior decoration, signs, operating methods, purchasing programs, items of standard appearance and design, advertising, sales and general business techniques, pricing, promotions, personnel management and control systems, Franchisor's website, and bookkeeping and accounting systems (collectively, the "1-800-Flowers|Conroy's System") to create and maintain a unique appeal to the public. Franchisee acknowledges and agrees that the Trade Practices, the Marks and the 1-800-Flowers|Conroy's System have been developed by Franchisor by the investment of time, skill, effort and money and are widely recognized by the public and are of substantial value.

C. Franchisee desires to obtain a franchise to operate one 1-800-Flowers|Conroy's unit (a "Franchised Unit") for the "Term" at a retail, fixed-location, geographical site selected and acquired in the manner described in Article 3 below of this Agreement (the "Franchised Location").

NOW, THEREFORE, IT IS AGREED:

1. DEFINITIONS.

The capitalized terms in this Agreement that are not defined elsewhere in the text of this Agreement are assigned these definitions:

"Abandonment" means (i) Franchisee's failure, for a period of five (5) consecutive days at any time during the Term, to keep the Franchised Unit open and operating for business; (ii) Franchisee's continuous failure to keep the Franchised Unit open and operating for any period after which it is not unreasonable under the facts and circumstances for Franchisor to conclude that Franchisee does not intend to continue to operate the Franchised Unit; (iii) Franchisee's inability to continue operation of the Franchised Unit at the Franchised Location; or (iv) a closure of the Franchised Unit required by Applicable Law.

“Additional Training Fee” means the fee of One Thousand Five Hundred and 00/100 Dollars (\$1,500.00) that Franchisee must pay to Franchisor as required by the terms of this Agreement.

“Affiliate” or “Affiliates” mean any Person or Entity that controls, is controlled by, or is under common control with, a Party to this Agreement. Control of a Person or Entity means the power, direct or indirect, to direct or cause the direction of the management and policies of the Person or Entity whether by contract or otherwise.

“Applicable Law” means and includes applicable common law and all statutes, laws, rules, regulations, ordinances, policies and procedures established by any Governmental Authority with jurisdiction over the operation of the Franchised Unit that are in effect on or after the Effective Date, as they may be amended from time to time.

“Business Judgment” means that Franchisor is allowed to exercise its judgment however Franchisor believes is appropriate in a given circumstance without limitation, subject to the use of that discretion in any reasonable manner as more fully described in Section 23(v) below.

“Co-Branding” means the operation of an independent business, product line or operating system owned or licensed by another Entity (not Franchisor) that is featured or incorporated within the Franchised Unit and operated in a manner that is likely to cause the public to perceive it to be related to the Franchised Unit. An example would be an independent gift store or counter installed within the Franchised Unit.

“Competitive Business” means any business that offers flowers, plants, fresh fruit products, including fresh cut fruit bouquets and related products, cookies, candy, chocolates, gift baskets, gift items, novelty items, personalized gift and novelty items and related products and services, other than a 1-800-Flowers|Conroy’s shop operated pursuant to a validly subsisting Franchise Agreement with Franchisor, and any business that looks like, copies, imitates, or operates with similar trade dress or décor to a 1-800-Flowers|Conroy’s shop.

“Constituents” means past, present and future Affiliates, parents, subsidiaries, divisions, partners, members, trustees, receivers, executors, representatives, administrators, owners, shareholders, distributors, parents, predecessors, officers, directors, agents, managers, principals, employees, insurers, successors, assigns, representatives and attorneys and the past, present and future officers, directors, agents, managers, principals, members, employees, insurers, successors, assigns, representatives and attorneys of each of the foregoing.

“Crisis Management Event” means any event that occurs at or about the Franchised Unit that has or may cause harm or injury to customers or employees, including, without limitation, tampering/sabotage, contagious diseases, natural disasters, terrorist acts, shootings, epidemics, pandemics or any other circumstance that may damage the 1-800-Flowers|Conroy’s System, the 1-800-Flowers|Conroy’s Marks, or the image or reputation of Franchisor or its Affiliates.

“Default” means any breach of, or failure to comply with, any of the terms or conditions of an agreement.

“Entity” means any limited liability company, partnership, trust, association, corporation or other business entity, which is not an individual. If Franchisee is an entity, the Entity shall conduct no business other than the operation of the Franchised Unit.

“Equity” means capital stock, membership interests, partnership rights or other equity ownership interests of an Entity.

“General Manager” means an individual who is responsible for overseeing the operation of the Franchised Unit in the absence of the Principal Owner.

“General Release” means the form of general release prescribed by Franchisor of any and all claims that Franchisee may have or believes it has against Franchisor and/or its Affiliates and their Constituents, whether asserted or unasserted, known or unknown, suspected or unsuspected, based upon anything that has occurred or existed, or failed to occur or exist, from the beginning of time to the date of the General Release, including, without limitation, all obligations, liabilities, demands, costs, expenses, damages, claims, actions and causes of action, of whatever nature, character or description, arising under federal, state and local laws, rules and ordinances. A General Release will cover future consequences of acts, omissions, events and circumstances predating the date of the General Release, but will not release, in advance, future acts, omissions or events that have not occurred at the time the General Release is executed.

“Good Standing” means Franchisee is in substantial compliance with the requirements of this Agreement, the Manuals and all other agreements then in effect between Franchisor, or its Affiliates, and Franchisee, and has substantially cured within the time periods set forth in Article 21 below each curable Default for which Franchisor has issued a Notice of Default to Franchisee.

“Governmental Authority” means all Federal, state, county, municipal and local governmental and quasi-governmental agencies, commissions and authorities.

“Gross Sales Price” means the total price paid by a customer, net of service charges, credits, charge backs, refunds, and taxes for a particular product order.

“Initial Franchise Fee” means the Thirty Thousand and 00/100 Dollars (\$30,000.00) initial fee that Franchisee must pay Franchisor for a license to use the Marks and the Trade Practices. If the term of the Franchise Agreement is less than ten (10) years, then the Initial Franchise Fee may be reduced accordingly.

“Manuals” means Franchisor’s Operations Manuals, which may consist of one or more manuals, and any other written directives related to the 1-800-Flowers|Conroy’s System, as the same may be amended and revised from time to time, including all bulletins, supplements and ancillary and additional manuals and written directives established by Franchisor.

“Owner” means each of the individuals listed on Exhibit C and each future direct or indirect shareholder, member, general or limited partner, trustee or other Equity owner of Franchisee. If Franchisee is an Entity, each Owner and each Owner’s spouse shall jointly and severally guarantee Franchisee’s payment and performance of its obligations under this Agreement under a Guarantee in the form of Exhibit B.

“Person” means any Entity or natural born individual person.

“Principal Owner” means the individual designated by Franchisee on Exhibit C and accepted by Franchisor to serve as the primary operator of the Franchised Unit, who must own at least a fifty-one percent (51%) interest in the Equity of Franchisee, who shall (i) serve as the authorized representative of Franchisee, (ii) act as Franchisee’s representative in all matters with Franchisor as Franchisee’s liaison with Franchisor and the Owners, and (iii) have the authority to act on behalf of Franchisee during the Term without the active participation of any other Owner.

“Restricted Person” means Franchisee, and each of its Owners and Affiliates, and the respective officers, directors, managers and Affiliates of each of them, and the spouse of each of the foregoing that are individuals.

“Term” means a period of ten (10) years, unless the Parties agree otherwise. In no event shall the Term be greater than ten (10) years.

“Then-Current” means as the context of this Agreement indicates, (i) the form of agreement then-currently provided by Franchisor to similarly situated prospective 1-800-Flowers|Conroy’s franchisees that may contain terms and conditions that are materially different from this Agreement, or if not then being so provided, then a form of agreement selected by Franchisor in its discretion that previously has been delivered to and executed by a 1-800-Flowers|Conroy’s franchisee of Franchisor, (ii) the fees then-currently charged by Franchisor or its Affiliates, or (iii) Franchisor’s then-current specifications, standards or the like.

## 2. GRANT OF FRANCHISE.

a. Grant. Franchisor hereby grants to Franchisee during the Term, a limited, non-exclusive and personal license to use the Marks, the 1-800-Flowers|Conroy’s System and the Trade Practices exclusively in connection with the continuous operation of one 1-800-Flowers|Conroy’s Franchised Unit throughout the Term at the Franchised Location identified on Exhibit A. Franchisee acknowledges and agrees that this Agreement does not confer upon Franchisee any territorial exclusivity, and that Franchisee may face competition from franchisees of Franchisor and/or its Affiliates, from outlets that Franchisor owns, or from other channels of distribution or competitive brands Franchisor controls.

b. Restriction on Rights. Franchisee shall use the Trade Practices solely in connection with and exclusively for the promotion and conduct of the business at the Franchised Unit in accordance with the terms of this Agreement, with the Manuals, and with all manuals, instructions, rules and procedures that may be prescribed by Franchisor from time to time. The Marks, trade names, service marks, trademarks, Internet domain names, URLs, and copyrights and the “1-800”, “1-888”, “1-866” and “1-877” telephone numbers or other like toll-free telephone numbers that may be utilized by Franchisor, or its Affiliates, and their mnemonics (collectively, the “Telephone Numbers”), and other identifying marks constituting a part of the Trade Practices shall be used solely as designated and approved by Franchisor. Nothing contained in this Agreement shall be construed to authorize or permit the use by Franchisee of the Trade Practices, the Marks, the Internet domain names, URLs, the Telephone Numbers or any confusingly similar imitations of the same at any other location, on the Internet or for any other purpose whatsoever. In this connection, Franchisee acknowledges and agrees that Franchisor and its Affiliates have the exclusive right to own and operate a business that sells goods and services over the Internet, including the right to display, access and sell such goods and services to buyers located anywhere.

c. Rights to Trade Practices. Franchisee acknowledges and agrees that Franchisor has the sole and exclusive rights to the Trade Practices and that no goodwill associated with any of the Trade Practices shall inure to Franchisee at any time. Franchisee further acknowledges and agrees that many items of the Trade Practices constitute trade secrets of Franchisor, that are revealed to Franchisee in confidence and that Franchisee shall not, at any time during the Term, or at any time thereafter: (i) use or attempt to use the Trade Practices in connection with any other Entity or business in which he has an interest, direct or indirect; (ii) disclose, duplicate, reveal, sell or subfranchise the Trade Practices, or any part thereof, or seek to transfer any rights in the Trade Practices, except as authorized in this Agreement; or (iii) use the Marks, or marks similar to the Marks, or any name, domain name, URL or the Telephone Numbers as any part of the name of the Entity operating Franchisee’s Franchised Unit or as any part of the name of any other Entity in which Franchisee now or hereafter has any interest, whether direct or indirect.

d. Reservation of Rights. Franchisee acknowledges and agrees that notwithstanding the provisions of Section 2(a) above, Franchisor shall hold and retain the unrestricted right to develop, own and operate, by itself, through its affiliates, or by their franchisees, and to grant others the right to engage in other activities that this Agreement does not expressly prohibit, including, without limitation, the right to:

(i) Develop, own and/or operate, by itself, through its Affiliates, or by their franchisees, and to grant others the right to develop, own and/or operate and issue licenses and franchises to others to develop, own and/or operate 1-800-Flowers|Conroy's, Conroy's Flowers, 1-800-Flowers and 1-800-Flowers.Com units, and other businesses or systems, including, without limitation, retail flower shops that operate under the marks and trade names of its Affiliates, whether or not utilizing the 1-800-Flowers System and Trade Practices anywhere.

(ii) Develop, own and/or operate, by itself, through its Affiliates, or by their franchisees, and to grant others the right to develop, own and/or operate and issue licenses and franchises to others to develop, own and/or operate other methods and channels of distribution utilizing the Marks, the 1-800-Flowers|Conroy's System and Trade Practices and/or the marks and trade names of its Affiliates, 1-800-Flowers trademarks, trade names and service marks, anywhere, including, without limitation, toll-free "1-800", "1-888", "1-866" and "1-877" telephone numbers, domain names, URLs, on-line computer networks and services, the Internet (including, without limitation, any so-called "virtual stores"), kiosks, carts, concessions, other mobile, remote, limited service or non-permanent facilities or other retail operations as a part of larger retail venues such as department stores, supermarkets, distribution centers, shopping malls or in public areas such as amusement parks, airports, train stations, public facilities, college and school campuses, arenas, stadiums, hospitals, office buildings, convention centers, airlines (in-flight service) and military bases.

(iii) Purchase, merge, acquire or affiliate with an existing Competitive Business or franchise network or a non-competitive business or franchise network, chain or any other business regardless of the location of their facilities, and to operate, franchise or license those Competitive Businesses and non-competitive businesses and/or facilities as 1-800-Flowers businesses operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the locations of these facilities, which locations Franchisee acknowledges and agrees may be proximate to the Franchised Unit.

### 3. FRANCHISED LOCATION.

a. Selection of Franchised Location. Franchisee shall exert Franchisee's best efforts to select the Franchised Location. Franchisee shall diligently exert Franchisee's best efforts to select a Franchised Location in Franchisee's geographic area of interest whether presented by Franchisor or identified by Franchisee, in accordance with Franchisor's site selection criteria. Franchisor will provide Franchisee with Franchisor's site selection criteria following the Effective Date. Franchisee shall submit proposed sites for Franchisor's approval in the manner designated by Franchisor, which may change from time to time. Proposed sites will be submitted to Franchisor only after Franchisee has determined that the site is available on generally acceptable terms. Franchisor will review each proposed site and approve, reject or provide comments to Franchisee regarding the site within thirty (30) days after receipt by Franchisor of each site proposal. Franchisor will have the sole and absolute discretion to reject sites it deems inappropriate as a location for a Franchised Unit. Franchisor will bear all expenses in connection with its review of proposed sites only for such period of time as Franchisee, in good faith, submits carefully investigated and selected sites for Franchisor's review and approval. Franchisor may voluntarily, and without obligation, assist Franchisee in selecting an acceptable site for the Franchised Location. Franchisee acknowledges and agrees that Franchisor's participation in the selection and/or approval of a Franchised Location shall not constitute any representation or warranty by Franchisor regarding the profitability or success of the

Franchised Unit at the Franchised Location or the suitability of the site as the Franchised Location and that Franchisee has sole responsibility for finding the Franchised Location. If Franchisee has not selected an approved Franchised Location within six (6) months from the Effective Date, or has not opened the Franchised Location within nine (9) months from the Effective Date, Franchisor will have the right, in its discretion, to terminate this Agreement.

b. Acquisition of Franchised Location. Following the selection and approval of the site for the Franchised Unit, Franchisor shall, in its sole and absolute discretion, either:

(i) Lease or cause a subsidiary or an Affiliate to lease the Franchised Location from a landlord (the "Master Landlord") under a master lease (the "Master Lease") and either sublease the Franchised Location to Franchisee in accordance with the terms and conditions of Franchisor's Then-Current Sublease (the "Sublease"), which may require Franchisee to pay Franchisor additional rent for acting as the tenant under a Master Lease or lease the Franchised Location to Franchisee on the same, different or additional terms than those contained in the Master Lease as determined by Franchisor, or its subsidiary or Affiliate, in their sole discretion, independent of the terms of the Master Lease; or

(ii) Require Franchisee to enter into a direct lease (a "Third-Party Lease") for the Franchised Location with a landlord (a "Third-Party Landlord") of the approved site. At Franchisee's request, Franchisor will provide Franchisee with guidelines for a Third-Party Landlord's proposed Third-Party Lease prior to Franchisee's negotiations finalizing a Third-Party Lease. As a condition of Franchisor's approval of a Third-Party Lease, Franchisor will require Franchisee and the Third-Party Landlord to grant Franchisor an option to assume, or have Franchisor's assignee assume, the obligations of the Third-Party Lease in the event of the termination of the Third-Party Lease or this Agreement in accordance with the terms and conditions of Franchisor's standard-form Option to Obtain Lease Assignment Agreement and to grant Franchisor the right to enter the Franchised Unit and the Franchised Location following a termination of the Third-Party Lease and/or this Agreement to de-identify, remove and modify to Franchisor's satisfaction all distinctive design features and characteristics of the Franchised Unit and the Franchised Location, including distinctive interior designs and surface materials and refrigeration equipment, display fixtures, color décor and interior and exterior signs and all other items identifying the Franchised Location as a 1-800-Flowers|Conroy's Franchised Unit. Franchisee must provide Franchisor with a fully signed copy of any lease, following Franchisor's acceptance of the lease.

(iii) Franchisee hereby authorizes Franchisor to communicate with a Third-Party Landlord under a Third-Party Lease (and hereby authorizes a Third-Party Landlord to communicate with Franchisor) for any purpose and concerning any topic, including de-identification of the Franchised Location following the termination or expiration of this Agreement, Franchisee's sales, Franchisee's Defaults under this Agreement or the Third-Party Lease, and to negotiate a lease for the Franchised Location following the termination or expiration of Franchisee's Third-Party Lease.

c. Identification of Franchised Location. Following the acquisition of the Franchised Location, Franchisor and Franchisee shall complete and execute Exhibit A to identify the Franchised Location.

d. Use of Franchised Location. Franchisee acknowledges and agrees that the Franchised Location shall be used for no purpose whatsoever other than for the operation of the Franchised Unit. Franchisee shall not operate any other business, of any nature whatsoever, in the Franchised Location.

e. Relocation of Franchised Unit. To protect the 1-800-Flowers|Conroy's System, the Marks and the goodwill associated with the same, Franchisee may not relocate the Franchised Unit without Franchisor's prior

written consent. If Franchisor consents to a relocation, Franchisee shall de-identify the former Franchised Location in the manner described in Section 22(d) below and shall reimburse and indemnify and hold Franchisor harmless from any direct and indirect losses, costs and expenses, including attorneys' fees, arising out of Franchisee's failure to do so. If Franchisor consents to a relocation of the Franchised Unit during the Term, Franchisee may temporarily cease operating the Franchised Unit at its Franchised Location on a date (the "Temporary Closure Date") that is no more than twelve (12) months from the date that Franchisor sent its approval of the new Franchised Location. If, subsequent to the Temporary Closure Date, Franchisee reopens the Franchised Unit for business at the new Franchised Location by or before the date that is twelve (12) months after the Temporary Closure Date (the "Mandatory Reopen Date"), Franchisee shall have the right to operate the Franchised Unit at the new Franchised Location until the Expiration Date. However, if Franchisee fails to reopen the Franchised Unit for business at the new Franchised Location by or before the Mandatory Reopen Date, then, for the calendar months following the Mandatory Reopen Date, Franchisor shall have the right to monthly estimate and bill Franchisee for continuing franchise fees based upon the amount of continuing franchise fees Franchisor received for the Franchised Unit, plus an additional ten percent (10%) of such amount, during the identical months of the most recent calendar year during which the Franchised Unit was open for business at its prior Franchised Location or, if the Franchised Unit was not in operation during the identical months of that calendar year, based upon the amount of average continuing franchise fees received for the Franchised Unit, plus an additional ten percent (10%) of that amount, during the months the Franchised Unit was in operation during that calendar year. In the alternative, Franchisor may deem Franchisee's failure to reopen the Franchised Unit for business by the Mandatory Reopen Date as a voluntary Abandonment of the Franchised Unit per Section 21(a)(ii) below, and shall have the right in its sole discretion to immediately terminate this Agreement.

#### 4. TERM OF FRANCHISE.

a. Term of Agreement. The Term shall begin on the date that the Franchised Unit opens for business (the "Commencement Date") and shall expire on the tenth (10<sup>th</sup>) anniversary of the Commencement Date, unless the Parties agree otherwise (the "Expiration Date"), or unless sooner terminated as provided in this Agreement. Franchisee shall have no right or option to extend or renew the Term. Following the Commencement Date or the Assignment of the Franchised Unit to Franchisee, Franchisor and Franchisee shall complete and execute Exhibit A to memorialize the Commencement Date and the Expiration Date. If the term of the Master Lease and Sublease or Franchisee's Third-Party Lease is for less than ten (10) years, including any extension of the term, the Term shall be identical to the term of the Master Lease (less one (1) day) or Franchisee's Third-Party Lease, as the case may be; however, even if the term of the Master Lease and Sublease or Franchisee's Third-Party Lease is for less than ten (10) years, at Franchisee's option, this Agreement shall not terminate at the expiration of the Master Lease or the Third-Party Lease if: (i) not less than ninety (90) days prior to the expiration of the Master Lease or Third-Party Lease, Franchisee notifies Franchisor in writing of Franchisee's desire to continue to operate the Franchised Unit after the expiration of such Lease; (ii) within one hundred twenty (120) days after the expiration of the term of the Master Lease or the Third-Party Lease, Franchisee purchases or leases a new site that is acceptable to Franchisor and that is within Franchisee's trade area; and (iii) Franchisee opens the Franchised Unit for business at the new site within ninety (90) days after executing such purchase or lease. If Franchisee meets these conditions, Franchisee shall have the right to operate the Franchised Unit at the new site until the Expiration Date.

b. Conditions for Successor Franchise. Upon expiration of the Term, Franchisor shall have the right, but not the obligation, to extend the Term and to grant Franchisee a successor franchise (a "Successor Franchise") for the Franchised Unit on the terms set forth in Franchisor's Then-Current form of Franchise Agreement (a "Successor Franchise Agreement") for an additional term of up to ten (10) years, provided that, Franchisee is eligible for a Successor Franchise at such time in accordance with the requirements and policies of Franchisor and provided that each of the following conditions is satisfied: (i) Franchisee shall have been in compliance with the

terms and conditions of this Agreement, Franchisee's Sublease or Third-Party Lease and any other agreement between Franchisor or its Affiliates and Franchisee throughout the Term, as determined by Franchisor, in its sole and absolute discretion, (ii) the Franchised Location remains suitable for the operation of a 1-800-Flowers|Conroy's shop under Franchisor's Then-Current site criteria and Franchisor (under a Master Lease) or Franchisee (under a Third-Party Lease) maintains a right to possession of the Franchised Location; (iii) Franchisee renovates, refurbishes, redecorates and/or remodels the Franchised Unit as required by Franchisor to conform to the Then-Current brand standards, specifications, format and style of 1-800-Flowers|Conroy's shops, prior to the Expiration Date; (iv) Franchisee shall comply with Franchisor's Then-Current qualification and training requirements prior to the Expiration Date; (v) Franchisee shall not have committed three (3) or more material Defaults during any eighteen (18) month period during the Term that were subject to notices of Default issued by Franchisor, whether or not the Defaults were cured; (vi) Franchisee shall continue to comply with the terms and conditions of this Agreement; (vii) Franchisee shall provide Franchisor with a written request to extend the Term of the franchise for the Franchised Location six (6) months prior to the scheduled expiration date of the Term; (viii) Franchisee shall execute Franchisor's Then-Current Successor Franchise Agreement and shall pay Franchisor the sum of Thirty Thousand and 00/100 Dollars (\$30,000.00) as a successor franchise fee prior to the Expiration Date of the Term (if the term of the Successor Franchise Agreement is less than ten (10) years, then the Successor Franchise Fee may be reduced accordingly); (ix) if Franchisee is an Entity, each Owner and each Owner's spouse shall execute and deliver to Franchisor Franchisor's Then-Current form of personal guarantee, jointly and severally guaranteeing Franchisee's performance of its obligations under the Successor Franchise Agreement; and (x) Franchisee shall execute Franchisor's Then-Current General Release in favor of Franchisor; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee's favor under the provisions of Article 33 of the New York General Business Law and the regulations issued thereunder shall remain in force, it being the intent of the Parties that the non-waiver provisions in New York General Business Law Sections 687.4 and 687.5 shall be satisfied.

c. Grant of Successor Franchise. Provided Franchisee has complied with all the conditions set forth in Section 4(b) above, upon receipt of Franchisee's written request to extend the Term:

(i) Franchisor shall agree to grant Franchisee a Successor Franchise; or

(ii) Franchisor shall agree to grant Franchisee a Successor Franchise provided that designated deficiencies at the Franchised Unit or in Franchisee's operation of the Franchised Unit are corrected; or

(iii) Franchisor shall not grant Franchisee a Successor Franchise and this Agreement shall terminate on the Expiration Date, unless otherwise terminated in accordance with the terms of this Agreement.

d. Relocation of Franchised Unit at End of Term. If Franchisor grants Franchisee a Successor Franchise, Franchisor shall have the option to require Franchisee to relocate the Franchised Unit at the end of the Term, based upon Franchisor's analysis of market changes in the trade area of the Franchised Location during the Term. If Franchisor elects to require Franchisee to re-locate the Franchised Unit, Franchisor shall give Franchisee written notice of Franchisor's intention to do so not less than six (6) months prior to the Expiration Date and Franchisee shall re-locate the Franchised Unit at Franchisee's sole expense following the Expiration Date. If Franchisor requires Franchisee to relocate the Franchised Unit, and Franchisee occupied the Franchised Location pursuant to a Sublease with Franchisor, or Franchisor's Affiliate, then that Sublease shall terminate on the date that Franchisor requires Franchisee to cease operating the Franchised Unit at that Franchised Location.

e. Notice Required by Law. If Applicable Law requires Franchisor to give notice to Franchisee prior to the expiration of the Term, this Agreement shall remain in effect on a week-to-week basis until Franchisor has given



the notice required by such Applicable Law. If Franchisor is not offering new franchises, is in the process of revising, amending or renewing its form of franchise agreement or franchise disclosure document, or is not lawfully able to offer Franchisee its Then-Current form of Successor Franchise Agreement, upon the expiration of the Term, then Franchisor shall have the right, in its discretion, to extend the Term on a week-to-week basis following the expiration of the Term for as long as Franchisor deems necessary or appropriate so that Franchisor may lawfully offer Franchisee its Then-Current form of Successor Franchise Agreement.

f. Month-to-Month Agreement. If Franchisee does not sign a Successor Franchise Agreement prior to the Expiration Date and Franchisee continues to accept the benefits of this Agreement after it expires, then at Franchisor's option, this Agreement may be treated either as (i) expired as of the Expiration Date with Franchisee then operating without a license to do so and in violation of Franchisor's rights; or (ii) continued on a month-to-month basis ("Month-to-Month Agreement") until Franchisor provides Franchisee with written notice of Franchisor's intent to terminate the Month-to-Month Agreement, in which case the Month-to-Month Agreement will terminate thirty (30) days after receipt of the notice to terminate the Month-to-Month Agreement, or such longer notice period as is required by Applicable Law. In the latter case, all of Franchisee's obligations shall remain in full force and effect during the Month-to-Month Agreement as if this Agreement had not expired, and all obligations and restrictions imposed on Franchisee upon expiration of this Agreement shall be deemed to take effect upon termination of the Month-to-Month Agreement.

5. INITIAL FRANCHISE FEE.

Franchisee shall pay Franchisor the Initial Franchise Fee on the Effective Date for a license to use the 1-800-Flowers|Conroys' System, the Marks and the Trade Practices in accordance with the terms of this Agreement. Franchisee acknowledges and agrees that in consideration of Franchisor's expenses and administrative costs incurred in connection with this Agreement and in consideration for its lost or deferred opportunities to grant this franchise to others, the grant of this franchise and the undertakings and agreements of Franchisor contained in this Agreement constitute the sole and only consideration for the payment of the Initial Franchise Fee and, as such, Franchisee acknowledges and agrees that the Initial Franchise Fee shall be fully earned by Franchisor upon receipt by Franchisor and shall not be refundable under any circumstances.

6. NON-EXCLUSIVE GRANT.

Franchisee expressly acknowledges and agrees that the franchise granted to Franchisee by this Agreement is non-exclusive, that the franchise granted by this Agreement is only for one (1) Franchised Unit only at the Franchised Location, that Franchisee is not granted any area, market, exclusive or protected territorial rights and that Franchisee shall not have the right to, and shall not, sublicense, sublease, subcontract or enter into any management agreement with any third-party that would provide such third-party the right to operate the Franchised Unit or to use the 1-800-Flowers|Conroy's System granted under this Agreement.

7. CONTINUING FRANCHISE FEES.

a. Continuing Franchise Fees. Franchisee shall pay to Franchisor, on the fifth (5<sup>th</sup>) day of each month, without deduction, abatement or offset, as a continuing franchise fee, a sum equal to (i) six percent (6%) of "Adjusted Gross Sales" plus (ii) six percent (6%) of the "referring florist's" share of the Gross Sales Price of all orders sent from the Franchised Unit as "Outgoing Sales" other than "BloomNet Outgoing Sales" plus (iii) six percent (6%) of all "Outgoing Service Handling Fees" and/or all other fees or revenues associated with Franchisee's "Outgoing Sales" plus (iv) six percent (6%) of all "Incoming Sales" other than "BloomNet Incoming Sales" at the Franchised Unit during the preceding calendar month.

b. Definition of "Adjusted Gross Sales", "Outgoing Sales", "BloomNet Outgoing Sales", "Incoming Sales" and "BloomNet Incoming Sales".

(i) The term "Adjusted Gross Sales" as used in this Agreement shall mean the proceeds from all sales made at the Franchised Unit or by Franchisee and all fees for all services rendered by Franchisee at or from the Franchised Unit, including, without limitation, the sale, order, arrangement, provision, delivery, and/or supply of flowers, plants, related accessories and other items connected therewith and of gift and sentiment items ordered from or delivered from the Franchised Unit, whether or not such goods are sold or such services are provided at the Franchised Unit. "Adjusted Gross Sales" shall not include the amount of any "Incoming Sales" referred to the Franchised Unit, the amount of any "BloomNet Incoming Sales" referred to the Franchised Unit, the amount of any "Outgoing Sales" referred from the Franchised Unit, the amount of any "BloomNet Outgoing Sales" sent from the Franchised Unit, monies spent on purchases of supplies and/or products from Franchisor and/or its Affiliates, money refunded to a customer upon return of merchandise, or sales taxes or other taxes collected from customers and paid over to the appropriate Governmental Authority imposing the tax.

(ii) The term "Outgoing Sales" as used in this Agreement shall mean floral and gift orders taken at the Franchised Unit and referred by the Franchised Unit (the "referring florist") to unaffiliated third party florists and gift providers, other franchised units of franchisees of Franchisor, and to Affiliates of Franchisor, for fulfillment and delivery by these other florists (the "fulfilling florist").

(iii) The term "BloomNet Outgoing Sales" as used in this Agreement shall mean floral and gift orders taken at the Franchised Unit and referred by the Franchised Unit for fulfillment and delivery by 1-800-Flowers and/or its Affiliates through the BloomNet Network.

(iv) The term "Incoming Sales" as used in this Agreement shall mean the gross amount of floral and gift orders referred to the Franchised Unit for fulfillment and delivery.

(v) The term "BloomNet Incoming Sales" as used in this Agreement shall mean floral and gift orders referred to the Franchised Unit for fulfillment and delivery by 1-800-Flowers and/or its Affiliates through the BloomNet Network.

c. Calculation of Continuing Franchise Fees. Franchisee shall supply Franchisor with all sales data specified by Franchisor in this Agreement, the Manuals, and other directives of Franchisor issued from time to time, and any other sales data required for Franchisor to make the calculation of the continuing franchise fees due and payable by Franchisee to Franchisor. All sales data shall be certified to be true and correct by Franchisee and shall be provided to Franchisor on a monthly basis, by the fifteenth (15<sup>th</sup>) day of the following month for the previous month. Franchisor shall review the sales data provided by Franchisee and shall invoice Franchisee for the continuing franchise fees due and owing for the preceding month following its receipt of such data.

(i) If Franchisee shall fail to supply Franchisor with all sales data specified by Franchisor in the form and at the times required by Franchisor, whether specified in this Agreement, the Manuals, or in other directives of Franchisor issued from time to time for Franchisee's Adjusted Gross Sales, Incoming Sales and Outgoing Sales at the Franchised Unit required for Franchisor to calculate the continuing franchise fees due and payable by Franchisee to Franchisor for any period(s), then Franchisor shall have the right to estimate and bill Franchisee continuing franchise fees for the missing period(s) based upon Franchisee's Adjusted Gross Sales, Incoming Sales and Outgoing Sales at the Franchised Unit during the identical period(s) of the immediately preceding calendar year plus an additional ten percent (10%) of such amount or, if the Franchised Unit was not in operation during

the identical period of the immediately preceding year, based upon Franchisee's average Adjusted Gross Sales, Incoming Sales and Outgoing Sales during the number of months the Franchised Unit was in operation during the immediately preceding year plus an additional ten percent (10%) of such amount. If Franchisee believes that Franchisor's estimate of Franchisee's continuing franchise fees and marketing fees exceeds Franchisee's actual continuing franchise fees and marketing fees for any period, Franchisee shall have the right to contest Franchisor's estimate within the time period set forth in the Manuals and shall pay Franchisor an administrative reconciliation fee of Two Hundred Fifty and 00/100 Dollars (\$250.00) each time Franchisee requests such a reconciliation of estimated and actual fees. If Franchisee does not contest the amount of Franchisor's estimate of Franchisee's continuing franchise fees and marketing fees within the time period set forth in the Manuals, Franchisee waives the right to contest the estimate and Franchisor's estimate shall be presumed to be correct for all purposes from that date forward. Adjustment for any over-payments made to Franchisor under these procedures shall be made by Franchisor within ninety (90) days following Franchisor's receipt of all missing sales data from Franchisee or BloomNet or the applicable wire service.

(ii) Franchisee hereby authorizes, directs and instructs BloomNet and all wire services with which Franchisee conducts business at the Franchised Unit to provide Franchisor, upon Franchisor's written request, with copies of BloomNet and all wire service billing statements and other supporting information that Franchisor may require to calculate Franchisee's Incoming Sales and Outgoing Sales at the Franchised Unit and the continuing franchise fees due and payable by Franchisee to Franchisor.

d. Automatic Debit and Direct Payment Deductions. Franchisee hereby authorizes Franchisor to initiate debit entries and/or credit collection entries to Franchisee's designated primary business operating checking or savings account for the payment of continuing franchise fees, marketing fees, rent and rent-related expenses and all other sums that may become due to Franchisor or its Affiliates from Franchisee. If Franchisor elects to utilize this method of payment of such obligations, Franchisee shall execute such authorizations as Franchisor, its bank and Franchisee's bank shall require and shall make funds available for withdrawal by Franchisor by electronic transfer on the fifth (5<sup>th</sup>) day of each month as Franchisor shall designate. Franchisee hereby authorizes Franchisor and its Affiliates to deduct and retain from any funds due to Franchisee from Franchisor's Affiliates, under any agreement between Franchisee and such Affiliates, an amount equal to all continuing franchise fees, marketing fees, rent and rent-related expenses, and all other sums that may become due from Franchisee to Franchisor and/or its Affiliates.

e. Processing of Credit Card Sales. During the Term, Franchisor, and its Affiliates shall have the right, upon thirty (30) days' prior notice, to require Franchisee to process through Franchisor or its Affiliates all of Franchisee's credit card sales transactions that occur at the Franchised Unit, provided that, the resulting merchant credit card discounts, authorization charges, fees and other processing costs are not greater than those provided by Franchisee's Then-Current processing costs. In such event, Franchisee hereby authorizes Franchisor and its Affiliates to credit any net amount due to Franchisee following the settlement of such credit card transactions against all continuing franchise fees, marketing fees, rent, rent-related expenses, or other sums that are then due and owing to Franchisor, or its Affiliates, from Franchisee under the Franchise Agreement, any Sublease in effect for the Franchised Unit or under any other agreement between Franchisor, or its Affiliates, and Franchisee, for any period prior to the settlement of such credit card sales transactions, provided that, the merchant credit card discounts, authorization charges, fees and other processing costs are not greater than those provided by Franchisee's Then-Current processing costs. Franchisor shall bill Franchisee for continuing franchise fees, marketing fees, rent, rent-related expenses, and other sums that may become due to Franchisor, or its Affiliates, which exceed the net credits or will promptly remit to Franchisee any amounts in excess of such expenses that remain after the settlement of such credit card sales transactions. Franchisee shall remit any amount due to Franchisor, or its Affiliates, which exceed the net credits within ten (10) days after billing therefor. Franchisee

acknowledges and agrees that any Default by Franchisee under this Section 7(e) shall constitute a Default by Franchisee under this Agreement, any Sublease in effect for the Franchised Location and any other agreement between Franchisor or its Affiliates, and Franchisee. Franchisee shall defend, indemnify and hold Franchisor, and its Affiliates, harmless from and against all debts, liabilities, claims, demands and causes of action, of any nature or description, which in any way, relate to or arise out of this processing of credit card sales transactions at the Franchised Unit.

f. Offsets. Franchisor may retain and apply in any manner determined by Franchisor, in its sole and absolute discretion, any funds collected from or for the account of Franchisee to offset any amounts owed by Franchisee to Franchisor or its Affiliates.

g. Disclosure of "Adjusted Gross Sales". Franchisor shall have the right to disclose Franchisee's "Adjusted Gross Sales", "Incoming Sales" and other sales information and data to other franchisees under its general policies to disseminate this information for the practical use and measurement of the results of the operations of the 1-800-Flowers|Conroy's System.

h. Gross-Up Fees. To ensure that Franchisor receives a full six percent (6%) of Adjusted Gross Sales, six percent (6%) of the Gross Sales Price of all orders referred from the Franchised Unit as Outgoing Sales, six percent (6%) of all Outgoing Service Handling Fees and/or all other fees or revenues associated with Franchisee's Outgoing Sales, and six percent (6%) of all Incoming Sales, and the full marketing fee to which Franchisor may be entitled, as the amount thereof may vary from time to time, Franchisee shall pay Franchisor, upon demand, whether in arrears, in advance, in a lump sum or in the same manner as continuing franchise fees and marketing fees are paid to Franchisor, the amount of all taxes paid by Franchisor to any Governmental Authority on revenue earned or collected by Franchisor based upon Franchisee's use of Franchisor's intellectual property or other intangibles or based upon the existence of this Agreement, within the Governmental Authority's domain during each of Franchisor's fiscal years throughout the entire Term.

i. Other Payments. In addition to all other payments provided in this Agreement, Franchisee shall pay to Franchisor, its Affiliates and designees, as applicable, promptly when due, all rents and rent-related expenses due under a Sublease, all amounts advanced by Franchisor or which Franchisor has paid, or for which Franchisor has become obligated to pay on behalf of Franchisee for any reason whatsoever and all amounts due for any reason, including any purchases of goods, supplies or services relating to the Franchised Unit.

j. Security Interest. Franchisee hereby grants Franchisor a security interest in and to all leasehold improvements, fixtures, furnishings and equipment, inventory, supplies and delivery vehicles located at or used in connection with the Franchised Unit, now or hereafter acquired by Franchisee, together with all accounts, payment intangibles, attachments, accessories, additions, substitutions and replacements, all cash and non-cash proceeds derived from insurance or the disposition of such assets, all rights of Franchisee to use the Marks, trade names, trade styles, patents, copyrights and their registrations, trade secret information and other proprietary rights, and all rights granted, owned or licensed to Franchisee under this Agreement for the use of the Marks, trade names, trade styles, patents, copyrights, trade secret information and other proprietary rights, to secure payment and performance of all debts, liabilities and obligations of any kind, whenever and however incurred, from Franchisee to Franchisor. Franchisee hereby authorizes Franchisor to prepare and file all Uniform Commercial Code financing statements and other documents necessary or desirable to evidence, perfect and continue the priority of this security interest under the Uniform Commercial Code. If Franchisee is in Good Standing under this Agreement and all other agreements between Franchisor or its Affiliates, and Franchisee, Franchisor shall, upon request of Franchisee, execute a written subordination of its security interest to lenders and/or lessors providing equipment or financing for the Franchised Unit. If Franchisee is in Default of any of the

terms and conditions of this Agreement, Franchisor may, in its discretion, exercise its rights with respect to its security interest. In such event, Franchisee shall remain liable for any deficiency remaining due to Franchisor and shall be entitled to recover any surplus that results after the application of the proceeds derived from the enforcement of the security interest.

k. Payment of Debts. Franchisee shall be solely responsible for selecting, retaining and paying Franchisee's employees; the payment of all invoices for the purchase of goods and services used in connection with operating the Franchised Unit and determining whether, and on what terms, to obtain any financing or credit that Franchisee deems advisable or necessary for the opening and operation of the Franchised Unit. Franchisee shall pay all obligations and liabilities to suppliers, lessors and creditors on a timely basis. Franchisee shall indemnify Franchisor if Franchisor is held responsible for any debts owed by Franchisee if Franchisor elects to pay any of Franchisee's obligations in order to preserve the relationship between suppliers and Franchisees. Franchisee shall make prompt payment of all federal, state and local taxes, including individual and corporate taxes, sales and use taxes, franchise taxes, gross receipts taxes, employee withholding taxes, FICA taxes, and personal property and real estate taxes arising from Franchisee's operation of the Franchised Unit. Franchisee shall indemnify Franchisor if Franchisor is held responsible for any of these taxes.

## 8. MARKETING & MARKETING FUNDS.

a. Marketing Fee. Following Franchisee's receipt of thirty (30) days' prior written notice from Franchisor that the 1-800-Flowers Franchise Co., Inc. Marketing Fund (the "Floral Marketing Fund") has been reinstated, Franchisee shall begin and continue to pay the Floral Marketing Fund on a monthly basis, as a marketing fee, a sum equal to three percent (3%) of Franchisee's "Adjusted Gross Sales" at the Franchised Unit during the immediately preceding calendar month, without deduction, abatement or offset.

b. Payment of Marketing Fee. The marketing fee shall be calculated and paid by Franchisee in the manner described in Sections 7 (c) and 7(d) above.

c. Maintenance of Floral Marketing Fund. The Floral Marketing Fund may be maintained and administered by the 1-800-Flowers Marketing and Finance Departments on behalf of Franchisor as follows:

(i) Franchisor shall direct all national and regional marketing programs with sole discretion over the creative concepts, materials and media used in such programs and the placement and allocation thereof. Franchisee acknowledges and agrees that the Floral Marketing Fund is intended to maximize national and regional general public recognition and acceptance of the Marks for the benefit of all 1-800-Flowers|Conroy's units. Franchisee further acknowledges and agrees that Franchisor may, but undertakes no obligation in administering the Floral Marketing Fund, to make expenditures for Franchisee that benefit Franchisee or the Franchised Unit directly.

(ii) Franchisor shall, for each of its Affiliates' company-owned retail units operating under the 1-800-Flowers|Conroy's System, in any market or region in which there are five (5) or more franchised units in operation, make contributions to the Floral Marketing Fund equal to the amount required of comparable franchised units within the 1-800-Flowers|Conroy's System.

(iii) Funds in the Floral Marketing Fund may be used to meet any and all costs of maintaining, administering, directing and preparing national and regional marketing programs for the benefit of all 1-800-Flowers|Conroy's units and franchisees, including, without limitation, the cost of preparing and conducting television, radio, outdoor, direct mail, magazine and newspaper advertising campaigns; yellow pages

advertising; public relations activities; the development and production of collateral materials; employing advertising agencies, public relations firms, and individuals to assist Franchisor; the support and promotion of toll-free telephone numbers, telemarketing systems, on-line computer networks and services, interactive television or other technological advances; and providing grand opening campaigns, promotional brochures and other marketing materials to franchisees in the 1-800-Flowers|Conroy's System.

(iv) From time to time, national and regional marketing programs may feature special items. Advertisements for such programs may provide a "suggested" sales price or provide that advertised special prices are available only at "participating 1-800-Flowers|Conroy's retail units". Subject to Applicable Law, Franchisor shall have the right to establish pricing guidelines for 1-800-Flowers|Conroy's products and services and Franchisee shall comply with, and be bound by, any prices that may be recommended, suggested, or advertised by Franchisor. Subject to Applicable Law, Franchisee shall honor the terms of all promotional or discount programs that Franchisor may offer to the public for 1-800-Flowers shops and shall comply with all pricing policies that Franchisor may specify, including minimum and maximum price policies, minimum advertised price policies and unilateral price policies. Franchisee shall also provide products and services designated by Franchisor on terms Franchisor specifies, including free-of-charge. Franchisee shall participate in all gift certificate and/or gift card administration programs as may be designated by Franchisor from time to time. Franchisee shall honor all coupons, gift certificates, gift cards and other programs or promotions as directed by Franchisor. Franchisee shall fully participate in all guest loyalty or frequent customer programs now or in the future adopted or approved by Franchisor. Franchisee shall not issue coupons or discounts of any type for use at the Franchised Unit, except as approved by Franchisor in writing, which may be withheld in Franchisor's sole and absolute discretion.

(v) Franchisor shall receive reimbursement from the Floral Marketing Fund for all actual direct expenses of Franchisor, and its Affiliates (including, without limitation, the salaries and benefits of employees of Franchisor or its Affiliates), incurred in connection with the development, supervision and administration of the 1-800-Flowers|Conroy's national and regional marketing programs and the Floral Marketing Fund and for all indirect expenses incurred or allocable to Franchisor, or its Affiliates, in connection with its development, supervision and administration of the services provided for marketing, promoting and enhancing the 1-800-Flowers|Conroy's System national and regional image.

(vi) Upon Franchisee's written request, Franchisor will prepare an annual accounting of the Floral Marketing Fund (if reinstated) and will distribute it to Franchisee, but not more than once a year, that will state the total amount of money collected and spent by the Floral Marketing Fund during the previous year and list, by general category, the manner in which Franchisor spent the money. The report is not audited.

(vii) Franchisor shall have the sole and absolute right to settle any claims with Franchisee and any other franchisee relating to marketing fees, in its sole and absolute discretion, and shall not incur any liability to the Floral Marketing Fund, Franchisee or to other 1-800-Flowers|Conroy's franchisees because of such a settlement.

(viii) Any portion of the Floral Marketing Fund that is not spent during the fiscal year in which it accrues may be spent by the Floral Marketing Fund during any following year.

d. Additional Marketing by Franchisee. Subject to, and expressly conditioned upon the terms and conditions set forth in this Agreement, Franchisee shall be free to undertake additional marketing and advertising at Franchisee's own expense during the Term; however, the use of any and all proposed and final display of the Marks in, on, or in association with any signage, marketing, promotion, and advertising ("Marketing Materials")

by Franchisee in any medium, including all advertisements in all trade publications and directories, BloomNet or wire-service member directory, yellow pages and all white pages listings, shall be (i) subject to the prior review and written approval, in each and every instance, by Franchisor, within Franchisor's sole and absolute discretion; (ii) conducted in a dignified manner; and (iii) in accordance with the Then-Current standards and specifications of the 1-800-Flowers|Conroy's System, including, without limitation, as set forth in the Manuals.

(i) Franchisee shall submit to Franchisor for prior written approval, the actual proposed and final display of the Marks in, on, or in association with the Marketing Materials, including the exact content and placement of all advertisements in any and all trade publications and directories, BloomNet or wire-service member directory, Yellow Pages and all white pages listings, except with regard to the prices to be charged, prior to any use thereof.

(ii) If written approval of the displays of the Marks in, on, or in association with the Marketing Materials received from Franchisee is not issued by Franchisor within thirty (30) days from the date of the receipt by Franchisor of Franchisee's proposed and final Marketing Materials, Franchisor shall be deemed to have disapproved the use of such Marketing Materials in the manner specified by Franchisee.

(iii) The approval of any Marketing Materials by Franchisor in one instance or for use in one medium shall not constitute approval by Franchisor of the same or similar Marketing Materials at any subsequent time or for use in another medium. Consequently, Franchisee shall be required to submit and/or re-submit all Marketing Materials to Franchisor for written pre-approval prior to any use in each and every case thereof.

e. Special Programs Service Fee. Franchisor has the right to, from time to time, develop special programs designed to generate sales for Franchisee. For all gross sales generated by Franchisee from these programs, in addition to Franchisee's continuing franchise fees on those sales, Franchisor may also charge or retain up to six percent (6%) of such sales as a service fee to reimburse the Marketing Fund for any advances that it made for the development of such programs, and to generate revenue to Franchisor.

f. Grand Opening Campaign. Franchisor shall develop and provide Franchisee with a promotional campaign for the grand opening of the Franchised Unit for business. We estimate that you will spend between Two Thousand and 00/100 Dollars (\$2,000.00) and Five Thousand and 00/100 Dollars (\$5,000.00) for such promotional campaign.

g. Cooperatives. Franchisor may from time to time establish local, regional or national advertising areas for co-operative advertising ("Cooperatives") to coordinate advertising, marketing efforts and programs and maximizing the efficient use of local, regional and/or national advertising media. Franchisor reserves the right to establish general standards concerning the operation of the Cooperatives and shall have the right to change, merge or dissolve the Cooperative in its discretion; however, the Cooperative shall not be dissolved until all of the money in the Cooperative has been spent for advertising and promotional purposes. Any disputes arising among or between Franchisee, other franchisees, and/or the Cooperative may be resolved by Franchisor, whose decision shall be final and binding on all Parties.

h. Cooperation of Franchisee. Franchisee shall at all times cooperate with Franchisor and other franchisees of Franchisor and shall actively participate in any and all sales, public relations, advertising, cooperative advertising and purchasing programs or promotional programs that may be developed and implemented by Franchisor, which call for the cooperation of Franchisee and other franchisees of Franchisor. Franchisee shall further cooperate in any additional programs that may be established and designated by Franchisor from time to time and, if requested to do so by Franchisor, must participate in market research programs, the test-marketing

of new products and other similar programs for the benefit of the 1-800-Flowers|Conroy's System, and shall purchase a reasonable quantity of new products for test-marketing, to promote the sale of the tested products and provide Franchisor with timely reports and test results of such programs for its review, analysis and compilation.

i. Optional Marketing. Franchisee may, if it chooses, participate in an optional marketing program that Franchisor has established whereby Franchisor will produce and distribute to participating franchisees certain marketing materials, including banners, seasonal advertising and similar items. If Franchisee elects to participate in this optional marketing program, Franchisee agrees to pay Franchisor's Then-Current fee related to Franchisee's participation, which will be billed by Franchisor on a monthly basis. If any payment is not made when due, it is subject to late fees and interest as provided in this Agreement, and is a Default under this Agreement.

9. LEASEHOLD IMPROVEMENTS, FIXTURES AND EQUIPMENT.

a. Obligation of Franchisee. Franchisee shall, at Franchisee's sole expense, construct or make leasehold improvements at the Franchised Location and shall install such fixtures, furniture, equipment and interior and exterior signage at the Franchised Location as required in accordance with Franchisor's Then-Current specifications for franchised units, modified only to conform to space and other limitations of the Franchised Location.

b. Layout and Specifications. Franchisor will provide Franchisee with a sample layout for the interior of a typical Franchised Unit and with a typical set of preliminary plans and decor specifications promptly following Franchisee's request for these items following the Effective Date. Franchisee shall, at Franchisee's sole expense, employ architects, designers, engineers or others as may be necessary to complete, adapt, modify or substitute the sample plans and specifications for the Franchised Unit. Franchisee shall submit to Franchisor a complete set of final plans and specifications prior to commencing construction of the Franchised Unit. Franchisor shall review such plans and specifications promptly and approve or provide comments on the plans and specifications to Franchisee within thirty (30) days of its receipt of the same. Franchisee shall not commence construction of the Franchised Unit until Franchisor approves the final plans and specifications to be used in constructing the Franchised Unit in writing. Franchisor must approve any and all changes in the Franchised Unit plans in writing prior to construction of the Franchised Unit or the implementation of such changes. Failure to correct any unauthorized variance from the approved plans and specifications promptly may result in the termination of this Agreement.

c. Construction and Inspection. Franchisee shall use a licensed general contractor reasonably satisfactory to Franchisor to perform construction work at the Franchised Unit. Franchisor shall consult with Franchisee, to the extent Franchisor deems necessary, on the construction and equipping of the Franchised Unit, but it shall be and remain the sole responsibility of Franchisee to diligently design, construct, equip and otherwise prepare and open the Franchised Unit following the Parties' execution of this Agreement. Notwithstanding the foregoing, if Franchisor and Franchisee mutually agree to do so, Franchisor or a subsidiary or Affiliate may oversee the initial construction and equipping of the Franchised Unit for and on behalf of Franchisee and at Franchisee's expense in consideration for the payment by Franchisee of a mutually agreed upon construction management fee. Franchisor shall not be responsible for delays in the construction, equipping or decoration of the Franchised Unit or for any loss resulting from the design or construction of the Franchised Unit. Franchisor shall have access to the Franchised Unit while work is in progress and may require such reasonable alterations or modifications of the construction of the Franchised Unit as it deems necessary. The failure of Franchisee to select a site for the Franchised Location within six (6) months from the Effective Date, or to have the Franchised Unit built-out and all required signage installed at the Franchised Unit and on vans, as required by the Franchisor, and open for



business within nine (9) months from the Effective Date shall be grounds for the termination of this Agreement following expiration of the notice required by Sections 21(a) and 21(b)(ii) below. Franchisor shall make a final inspection of the completed Franchised Unit and may require such corrections and modifications as it deems necessary to bring the Franchised Unit into compliance with approved plans and specifications. The Franchised Unit will not be allowed to open if it does not conform to the plans and specifications approved by Franchisor, including changes thereof approved by Franchisor. Franchisee shall not open the Franchised Unit for business without Franchisor's prior written approval.

d. Additional Layout Plans. In the event Franchisee changes the location of the Franchised Unit at any time during the Term or any extensions of this Agreement, Franchisee shall pay Franchisor the amount of any costs it may incur for the preparation and delivery of any suggested layout plans for the new location for Franchisee.

e. Fixtures, Furniture and Equipment. Franchisee shall acquire all required fixtures, furniture and equipment at the Franchised Unit from vendors and suppliers designated or approved by Franchisor and shall install all required fixtures, furniture and equipment at the Franchised Unit at Franchisee's sole expense strictly in accordance with the standards and specifications of Franchisor. Franchisee shall not have the right to substitute suppliers or vendors without the prior written consent of Franchisor. Any changes in the design, construction, utilities, or installations necessitated by such substitutions shall be made at the sole expense of Franchisee.

f. Indemnification of Franchisor. Franchisee shall be responsible for the acts or omissions of its contractors regarding compliance with this Article 9 and Franchisor shall not be liable for any loss or damage arising from the design or plan of the Franchised Unit by reason of its approval of plans and specifications, or otherwise. Franchisee shall indemnify Franchisor and its Affiliates for any loss, cost or expense, including attorneys' fees, which may be sustained by Franchisor or its Affiliates because of the acts or omissions of Franchisee's contractors or arising out of the design or construction of the Franchised Unit.

g. Signs. Franchisee shall, at all times during the Term, exhibit only such signs (including, without limitation, signs or decals on Franchisee's van and other vehicles) as shall be approved by Franchisor prior to their use. All signs to be used in connection with the Franchised Unit, both exterior and interior, must conform to Franchisor's current sign criteria as to type, color, size, design and location. All signs must be approved in writing by Franchisor prior to installation or display. Notwithstanding the generality of the foregoing, Franchisee acknowledges and agrees that Franchisee shall have the Franchised Unit built-out to Franchisor's specifications, including the installation of all required signage (including interior and exterior signage for the Franchised Unit and vehicle wraps) and open for business, not later than nine (9) months from the Effective Date. Franchisee acknowledges and agrees that its failure to do so shall be a Default under this Agreement that may result in the termination of this Agreement, in Franchisor's discretion, without affording Franchisee the opportunity to cure the Default.

h. Maintenance and Repair. Maintenance and repair of the Franchised Unit is the sole responsibility of Franchisee. Franchisee shall maintain Franchisee's building, equipment, decor, furnishings, fixtures, interior and exterior signage and all other tangible property in the Franchised Unit in excellent condition and repair and shall replace any of these items that become obsolete or mechanically impaired to the extent that they no longer adequately perform the functions for which they were originally intended. Replacement items shall be of the same type and quality as are being used in new 1-800-Flowers|Conroy's shops at the time replacement is required. All replacement items shall comply with Franchisor's Then-Current requirements and specifications.

## 10. STANDARDS OF OPERATION AND OBLIGATIONS OF FRANCHISEE.

In order to provide Franchisor the opportunity to maintain uniform standards of operation for all 1-800-Flowers|Conroy's shops and to protect the goodwill of Franchisor, the Marks, the 1-800-Flowers|Conroy's System and the Trade Practices:

a. Standards. Franchisor shall at all times during the Term determine the standards of quality, service, production, merchandising and marketing for the Franchised Unit. Franchisee acknowledges and agrees that Franchisor may require Franchisee to offer and sell certain products, including, but not limited to, cookies, candy, gift baskets and novelty items, and such requirement shall be binding on Franchisee. Franchisee shall at all times during the Term maintain its status as a 1-800-Flowers|Conroy's franchisee in Good Standing. Franchisee acknowledges and agrees that Franchisee alone shall exercise day-to-day control over all operations, activities and elements of the Franchised Unit, including over Franchisee's employees, and that under no circumstance shall Franchisor do so or be deemed to do so. Franchisee further acknowledges and agrees that the various requirements, restrictions, prohibitions, specifications and procedures of the 1-800-Flowers|Conroy's System that Franchisee must comply with under this Agreement, the Manuals or otherwise, do not directly or indirectly constitute, suggest, infer or imply that Franchisor controls any aspect or element of the day-to-day operations of the Franchised Unit, which Franchisee alone controls, but only constitute standards Franchisee must adhere to when exercising Franchisee's control over the day-to-day operations of the Franchised Unit consistent with the policies of Franchisor. Franchisee shall comply with Franchisor's standards and shall operate the Franchised Unit in conformity with the methods, standards, and specifications that Franchisor may from time to time prescribe in the Manuals or otherwise. Franchisee shall refrain from deviating from the standards, specifications and procedures without Franchisor's prior written consent and/or otherwise operating in any manner that reflects adversely on the 1-800-Flowers|Conroy's System or the Marks.

b. Manuals. To ensure that the highest degree of quality and service is maintained, Franchisee shall continuously operate the Franchised Unit throughout the Term in compliance with the terms of the Manuals, which may include audio, video, compact disks, computer software, other electronic media and/or written materials and will accept as reasonable any modifications, revisions and additions to the Manuals that Franchisor, in the good faith exercise of its judgment, believes to be necessary or desirable for the 1-800-Flowers|Conroy's System. At Franchisor's option, Franchisor may post some or all of the Manuals on a restricted website, intranet, or extranet to which Franchisee will have access. Changes in the requirements in the Manuals may be made by Franchisor from time to time as deemed advisable by Franchisor. The subject matter of the Manuals may include, without limitation, matters such as: forms, information relating to purchase orders, general operations, labor management, Gross Sales reports, training and accounting; sanitation; design specifications and uniforms; display of signs and notices; authorized and required equipment and fixtures, including specifications therefor; Mark usage; insurance requirements; lease requirements; ownership requirements, décor; standards for management and personnel, hours of operation; yellow page and local advertising formats; standards of maintenance and appearance of the Franchised Unit at the Franchised Location; required posting of notices to customers as to how to contact Franchisor to submit complaints; and such other matters and policies as Franchisor may reasonably elect to include that relate to this Agreement. The Manuals, as modified by Franchisor from time to time, are an integral part of this Agreement and all provisions now or hereafter contained in the Manuals or otherwise communicated to Franchisee in writing are expressly incorporated into this Agreement by this reference and made a part of this Agreement. Franchisee shall treat all information contained in the Manuals as Confidential Information and shall use all reasonable efforts to keep the information confidential. Franchisee shall not, without Franchisor's prior written consent, copy, duplicate, record or otherwise reproduce the Manuals, in whole or in part, or otherwise make them available to any Person not required to have access to their contents in order to carry out their employment functions. Franchisee shall comply with all mandatory requirements now or hereafter

included in the Manuals, and acknowledges and agrees that a Default under any mandatory requirement of the Manuals shall constitute a Default under this Agreement and grounds for termination. Franchisee shall ensure that its copy of the Manuals is kept current at all times, and in the event of any dispute as to the contents of the Manuals, the terms of the master copy of the Manuals maintained by Franchisor shall be controlling.

c. BloomNet Network. During the Term, Franchisee must be a member of the 1-800-Flowers BloomNet network of florists (the "BloomNet Network"), subject to the terms and conditions of the BloomNet Membership Agreement (the "BloomNet Membership Agreement") and the BloomNet Technologies Systems Agreement (the "BloomNet Systems Agreement") with BloomNet, Inc. ("BMT"), both of which Franchisee must execute on the Effective Date. Franchisee's right to fulfill orders generated by Franchisor's Affiliates shall be controlled by the BloomNet Membership Agreement and the Premier Order Fulfillment Agreement, if applicable. Franchisor may also offer Franchisee the opportunity to sign a Fruit Bouquets Addendum to Franchise Agreement. Franchisee's right to fulfill fruit bouquets orders generated by Franchisor's Affiliates shall be controlled by the Fruit Bouquets Order Fulfillment Agreement.

d. Renovations or Remodeling of Franchised Unit. In the event the Franchised Unit is, at any time during the Term to be renovated, refurbished, redecorated and/or remodeled, including if additional decorations, fixtures, furniture or equipment are to be installed or substituted, or signs are to be erected or altered, all of such work shall be subject to the prior written approval of Franchisor and, when completed, shall conform to plans and specifications approved by Franchisor. Franchisor may inspect, but shall not be obligated to inspect, such work at any time to determine that the work is done in accordance with Franchisor's approved plans and specifications.

e. Interior and Exterior Upkeep and Refurbishment. Franchisee shall at all times maintain the interior and exterior of the Franchised Unit, all signage and the surrounding area in the highest degree of cleanliness, orderliness and sanitation and shall also comply with the requirements of Franchisor's Manuals regarding the upkeep of the Franchised Unit. Franchisee shall repair, refinish or paint the exterior and interior of the Franchised Unit at Franchisee's own expense at such times as reasonably directed by Franchisor. Franchisee shall immediately comply with all orders and regulations of applicable federal, state and local health and safety administrations. Franchisee shall promptly replace worn-out equipment at Franchisee's expense and shall cause Franchisee's van and other vehicles to be repaired and repainted when appropriate or as designated by Franchisor. In addition, at Franchisor's request, but not more often than once every five (5) years (and in addition to any work that Franchisee may undertake pursuant to other provisions of this Agreement), unless sooner required by Franchisee's Third-Party Lease or Sublease, Franchisee shall remodel, redecorate, renovate, and/or refurbish the Franchised Location, at Franchisee's own expense, to conform to the building design, trade dress, color schemes, and presentation of the Marks in a manner consistent with the Then-Current public image for new or remodeled 1-800-Flowers|Conroy's shops in the 1-800-Flowers|Conroy's System, including, without limitation, replacement or renovation of equipment, remodeling, redecoration, and modifications to existing improvements and reasonable structural changes that Franchisor may reasonably require or that may be required by Applicable Law.

f. Obligations and Late Charges. Franchisee shall promptly pay Franchisor all obligations incurred by Franchisee as they become due and payable, including, without limitation, any advances that Franchisor may make for or on behalf of Franchisee. An obligation shall be deemed paid to Franchisor when payment is actually received by Franchisor and such payment irrevocably clears Franchisor's bank. Franchisee acknowledges and agrees that late payment by Franchisee to Franchisor of any sums due under this Agreement will cause Franchisor to incur costs not anticipated by this Agreement, the exact amount of which is extremely difficult to ascertain. These costs include, without limitation, late charges, penalties, processing and accounting charges and other

administrative expenses. If any sum due from Franchisee shall not be received by Franchisor within ten (10) days after the amount shall be due, Franchisee shall pay Franchisor a late charge equal to ten percent (10%) of the overdue amount. Franchisee shall, in addition to the late charge, pay Franchisor interest on the overdue amount at the rate of ten percent (10%) per annum. Interest shall accrue from the original date any sums under this Agreement were originally due until any such overdue amount is paid in full. Franchisor and Franchisee agree that the late charge represents a fair and reasonable estimate of the costs Franchisor will incur by reason of late payment by Franchisee. Acceptance of interest or a late charge by Franchisor shall in no event constitute a waiver of Franchisee's Default with respect to such overdue amount, nor prevent Franchisor from exercising any of the other rights and remedies granted under this Agreement or by Applicable Law. In no event shall Franchisee be required to pay Franchisor interest or late charges that exceed the maximum amount permitted by Applicable Law.

g. Hours of Operation. Franchisee shall continuously operate the Franchised Unit upon such days and during such hours as Franchisor shall from time to time reasonably determine to be appropriate to maximize the sales of the Franchised Unit and the 1-800-Flowers|Conroy's System.

h. Marketing Approval. All local marketing, promotions or other forms of publicity to be undertaken by Franchisee shall be submitted to Franchisor for approval in accordance with Section 8(d) above prior to use. No marketing or promotion shall be implemented at or for the Franchised Unit without the prior written consent of Franchisor.

i. Time and Attention. Franchisee and/or or a qualified supervisorial or managerial employee shall devote full time, attention and best efforts to the performance of Franchisee's duties granted under this Agreement, including a minimum of forty (40) hours per week of Franchisee's physical presence at the Franchised Unit during open and operating hours, and a failure to do so shall constitute a Default under this Agreement. If Franchisee is the owner of any 1-800-Flowers|Conroy's franchised units in addition to the Franchised Unit, Franchisee shall satisfy the requirements of this Section 10(i) so long as Franchisee devotes Franchisee's full time and attention to the management of all Franchised Units during open and operating hours.

j. Management. Franchisee acknowledges and agrees that if Franchisee chooses to employ a qualified supervisorial or managerial employee, Franchisee will continue to be responsible for ensuring that the Franchised Unit is operated according to the terms of this Agreement, the Manuals, the System and the Trade Practices. The qualified supervisorial or managerial employee must be properly trained by Franchisor to supervise the operation of the Franchised Unit and who may assume responsibility for the day-to-day management of the operation of the Franchised Unit in the absence of Franchisee.

k. Best Efforts. Franchisee shall exert Franchisee's best efforts to establish, maintain and increase sales of approved products and services under the Marks and shall at all times maintain a supply of such products and a staff of qualified personnel sufficient to meet public demand.

l. Initial Training, Additional Training and Franchisee Employee Policy The Principal Owner and one (1) designated General Manager, or other supervisorial or managerial personnel Franchisee may designate, who will assume responsibility for the day-to-day management of the operation of the Franchised Unit in the absence of the Principal Owner, shall attend and successfully complete Franchisor's initial training program (the "Initial Training Program") prior to the opening of business at the Franchised Unit. If Franchisee requests Franchisor to provide its Initial Training Program to additional supervisorial or managerial employees of Franchisee, Franchisee shall pay Franchisor the Additional Training Fee for each additional trainee for each day of their attendance at the Initial Training Program. With Franchisee's agreement, Franchisor reserves the right to waive

the initial training requirement if Franchisee is experienced in the floral business and does not require initial training. Furthermore, Franchisee shall not be required to attend the Initial Training Program if either (i) Franchisee or any Affiliate of Franchisee or an Owner of either, owns or operates a Franchised Unit as of the Effective Date, or (ii) this Agreement is executed as a Successor Franchise Agreement.

(i) Neither Franchisee nor the General Manager will receive a salary or other compensation from Franchisor during the Initial Training Program and Franchisee shall be responsible for all expenses incurred in connection with Franchisee's and Franchisee's employees' attendance at the Initial Training Program, including, without limitation, the costs of transportation, lodging, meals, training materials and any wages. If the Principal Owner is not the person who will perform the accounting functions required by this Agreement and/or the Manual, Franchisor may require the Person(s) who are or will be responsible for compliance with the accounting requirements to attend training sessions that deal with the accounting matters.

(ii) Franchisee and the General Manager must attend all sessions of the Initial Training Program in accordance with the training schedule. The Initial Training Program will be offered at the times and locations determined by Franchisor. All missed sessions must be made up at times determined by Franchisor, and Franchisee shall pay Franchisor all reasonable charges, if any, that are associated with make-up sessions. All trainees attending Franchisor's Initial Training Program must take, and pass to Franchisor's satisfaction, a final exam and achieve training certification from Franchisor. If any trainee does not achieve training certification, Franchisor reserves the right to require such trainee to re-take Franchisor's Initial Training Program, at Franchisee's expense.

(iii) If, during the Term, either the Principal Owner or the General Manager is no longer responsible for the day-to-day management of the operation of the Franchised Unit, the supervisory or managerial Person who replaces the Principal Owner or the General Manager shall attend and successfully complete Franchisor's Initial Training Program prior to assuming responsibility for the management of the Franchised Unit, and Franchisor has the right to charge Franchisee the Additional Training Fee for each day that this Person attends the Initial Training Program. Franchisee shall be responsible for all expenses incurred in connection with the attendance of such Person at the Initial Training Program, including, without limitation, the costs of transportation, lodging, meals, training materials and any wages.

(iv) The Principal Owner shall attend, and if appropriate, shall cause Franchisee's supervisory and managerial employees to attend the continuing training and education programs and refresher courses provided by Franchisor during the Term. For each day of each such training program that is in-person, Franchisee shall pay Franchisor's Then-Current Additional Training Fee, in order to defray the direct costs of providing these continuing training and education programs and refresher courses. The information provided at the continuing training and education programs and refresher courses will generally be included in amendments to the Manuals, and Franchisee shall be responsible for providing Franchisee's employees with the information presented at these continuing training and education programs and refresher courses. Franchisee shall be responsible for all expenses incurred to attend these training and education programs, including, without limitation, the costs of transportation, lodging, meals, training materials and any wages. In addition, the Principal Owner shall attend a refresher training course every five (5) years during the Term to receive training on new items and standard operating procedures as designated by Franchisor.

(v) All supervisory and managerial personnel employed by Franchisee at the Franchised Unit must be trained in accordance with Franchisor's Then-Current training and operations standards and shall maintain such standards of training, competence, cleanliness and demeanor as shall be established by Franchisor. Franchisee must ensure that all personnel performing managerial or supervisory functions, all personnel

receiving special training and instruction and all persons employed by Franchisee having access to any of Franchisor's confidential information agree not to disclose, and do not disclose, any confidential information that may be revealed to them during the term of their employment and, upon Franchisor's request, execute a confidentiality agreement, in a form Franchisor prescribes. Franchisor shall be deemed to be a third-party beneficiary under such confidentiality agreements.

(vi) After the Franchised Unit has opened to the public, Franchisee shall maintain a competent, conscientious, and trained staff, and shall take such steps as are necessary to ensure that Franchisee's employees preserve good customer relations and render competent, prompt, courteous, and knowledgeable service. All employees hired by or working for Franchisee shall be Franchisee's employees, and Franchisee's alone, and shall not, for any purpose, be deemed to be employees of Franchisor or subject to Franchisor's direct or indirect control. Franchisee acknowledges and agrees that Franchisee shall be solely responsible for all employment decisions, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any Governmental Authority. Franchisee and Franchisor will each file their own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation insurance payments with respect to their respective employees and operations. Franchisee acknowledges and agrees that Franchisor will not have the power to hire or fire Franchisee's employees. Franchisee expressly agrees, and will never contend otherwise, that Franchisor's authority under this Agreement to certify Franchisee's supervisory or managerial personnel for qualification to perform certain functions at the Franchised Unit does not directly or indirectly vest in Franchisor the power to hire, fire or control any of Franchisee's personnel. Franchisee alone shall be solely responsible for all hiring and employment decisions and functions relating to the Franchised Unit, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision and discipline of employees, regardless of whether Franchisee has received advice from Franchisor on these subjects or not. Franchisee acknowledges and agrees that any guidance Franchisee receives from Franchisor regarding employment policies should be considered as examples, that Franchisee alone is responsible for establishing and implementing its own employment policies, and that Franchisee acknowledges and agrees that Franchisee should do so in consultation with local legal counsel experienced in employment law. Franchisee shall take all action necessary to ensure that Franchisee's employees understand and acknowledge that they are not employees of Franchisor, including, without limitation, requiring Franchisee's employees to sign a written acknowledgement that Franchisee is an independently owned and operated franchise and their sole employer in a form specified by Franchisor in the Manuals or otherwise in writing from time to time. Franchisee shall indemnify, defend, reimburse and hold Franchisor harmless from any direct and indirect losses, costs and expenses, including attorneys' fees, arising out of any claim made by or for the benefit of any employee of Franchisee against Franchisor regarding employment decisions and employee functions at the Franchised Unit, including, without limitation, those relating to hiring, firing, training, wages and hour requirements, record keeping, supervision, and discipline of employees.

(vii) Throughout the Term, Franchisee and Franchisee's supervisory and managerial employees must attend remedial training programs as required by Franchisor, which Franchisor shall require if Franchisor determines, in Franchisor's sole discretion, that Franchisee is not meeting Franchisor's minimum performance standards. Franchisor has the right to charge Franchisee the Additional Training Fee for each of Franchisee's attendees for each day of their attendance at each such remedial training program, to defray the direct costs of providing these programs. In addition, Franchisee shall be responsible for all expenses incurred in connection with the attendance of the Principal Owner and the supervisory and managerial employees at such remedial training programs, including, without limitation, the costs of transportation, lodging, meals, training materials and any wages.

m. Electronic Equipment and Communications and Computer Systems. Franchisee shall use, upgrade and update electronic point-of-sale systems ("POS Systems"), fax machines, electronic communications systems and computer hardware and software systems in the Franchised Unit as designated, approved or provided by Franchisor, or its subsidiaries or Affiliates, from time to time. All business records of Franchisee to be maintained in connection with the Franchised Unit shall be kept on forms and in accordance with procedures as prescribed by Franchisor from time to time. All POS Systems, electronic communications systems and computer hardware and software installed at the Franchised Unit must permit Franchisor to poll sales information from the Franchised Unit and to electronically transmit and obtain sales and other data to and from the Franchised Unit. Franchisee shall maintain all POS systems, fax machines, electronic communications systems and computer hardware and software systems in the Franchised Unit in good working order and operating condition and shall establish such service and maintenance relationships with qualified technicians as designated and approved by Franchisor in order to do so.

n. Opening. Franchisee shall not open the Franchised Unit to the public unless and until Franchisor certifies in writing that the Franchised Unit is prepared for the opening, and that the Principal Owner and Franchisee's supervisory and managerial employees and other employees have been properly trained (unless otherwise waived pursuant to the terms of this Agreement). Franchisee shall not open the Franchised Unit for business without Franchisor's prior approval.

o. Permits and Licenses. Franchisee shall promptly procure and maintain all necessary permits, licenses, certificates and approvals required for the operation of the Franchised Unit. Franchisee further agrees to comply with all Applicable Laws and regulations affecting or applicable to the Franchised Unit.

p. Sales. Franchisee shall not sell, dispense, give away or otherwise provide goods, merchandise or services to the public except by retail sale in the Franchised Unit, without Franchisor's prior written consent. Franchisee shall offer and sell the goods, merchandise or services specified or approved by Franchisor. Franchisor has the right to change Franchisor's goods, merchandise and service requirements at any time, and Franchisee shall comply with each change Franchisor designates.

q. Employees of Franchisor. Franchisee shall not interfere with the employees and agents of Franchisor or the franchisees of Franchisor in the performance of such employees' and agents' duties.

r. Cooperation. Franchisee shall cooperate with Franchisor and its Affiliates and Flowers in taking any action, or refraining from taking any action, which, in the judgment of Franchisor, is necessary or desirable to promote and enhance the quality of the Franchised Unit, the service provided by the Franchised Unit or the image of the Franchised Unit in the community. In this regard, Franchisee shall immediately address and resolve customer complaints with all due diligence. If Franchisee fails to do so to the reasonable satisfaction of a customer and to the absolute satisfaction of Franchisor, Franchisor shall have the right to resolve such customer complaint to Franchisor's satisfaction and to obtain reimbursement from Franchisee for all applicable costs and expenses Franchisor incurs to do so, together with an administration and service charge equal to twenty-five percent (25%) of such costs and expenses, upon demand by Franchisor.

s. Standard Business Format; No Co-Branding. A standard business format is required by Franchisor and shall be used by Franchisee. Any changes in the business format to be used at the Franchised Unit shall be approved in writing by Franchisor prior to its use by Franchisee. Franchisee agrees to indemnify and hold Franchisor and its Affiliates, and their respective shareholders, directors, officers, employees and agents, harmless from and against any and all loss, damage, cost or expense, including attorneys' fees, resulting from any change Franchisee makes in the standard business format. Franchisor may change the standard business format at any

time and from time to time. Franchisee may not engage in any Co-Branding in or in connection with the Franchised Unit except with Franchisor's prior written consent. Franchisor shall not be required to approve any Co-Branding chain or arrangement except in its discretion, and only if Franchisor has recognized that Co-Branding chain as an approved Co-Brand for operation within 1-800-Flowers|Conroy's stores.

t. Compliance with Applicable Laws and Standard Procedures. Franchisee shall operate the Franchised Unit in strict compliance with all Applicable Laws, rules and regulations of duly constituted Governmental Authorities and in strict compliance with the standard procedures established by Franchisor from time to time, including, without limitation, reporting of sales and maintenance of accounting records and financial information, payment procedures, hours of operation, minimum standards and qualifications for supervisory and managerial employees, design and color of uniforms, standards of sanitation, maintenance and repair requirements, and all matters that, in Franchisor's judgment, require standardization and uniformity in all 1-800-Flowers|Conroy's shops for the benefit of the 1-800-Flowers|Conroy's System. All costs that may be incurred in order to maintain and implement such standard procedures shall be borne by Franchisee.

u. Uniforms. Franchisor may prescribe standard uniforms and identification for all personnel of Franchisee in order to enhance Franchisor's image, service, products and business format. If so required, Franchisee and Franchisee's employees shall wear uniforms and name tags complying with the 1-800-Flowers|Conroy's System while working in or for the Franchised Unit. The cost for the uniforms and name tags shall be borne solely by Franchisee. Franchisee shall be entitled to obtain the uniforms and name tags from any manufacturer or distributor, provided they are in strict accordance with Franchisor's design, quality and other specifications.

v. Van. Franchisee shall supply, at Franchisee's own cost and expense, at least one (1) van, which shall be of a type, condition and appearance that is consistent with Franchisor's current specifications. Franchisee shall cause the van to be in good repair and present a respectable image of the 1-800-Flowers|Conroy's System at all times. The van shall bear appropriate signs and advertising in the form designated by Franchisor, which advertising shall be placed on the van at Franchisee's expense. All required signs and advertising shall be placed on the van prior to any use of the vehicle by Franchisee.

w. Intoxicating Beverages; Vending or Other Machines. Franchisee shall not permit any intoxicating beverages of any kind to be sold, dispensed or consumed, in or from the Franchised Unit, without the prior written consent of Franchisor. Except with Franchisor's prior written approval, Franchisee shall not cause or permit vending, gaming machines, pay telephones, automatic teller machines, Internet kiosks or any other mechanical or electrical device to be installed or maintained at the Franchised Location.

x. Sufficient Inventory and Staff. Franchisee shall sell no product, service or other item at the Franchised Unit other than products or services approved by Franchisor. All products and services shall be in strict compliance with Franchisor's specifications and requirements as from time to time prescribed by Franchisor. Franchisee shall submit to Franchisor for approval all contemplated product and service changes and all additions to or deletions from the items sold or services provided in or from the Franchised Unit. Franchisee agrees not to make such changes without the prior written consent of Franchisor. If Franchisee fails to remove any unapproved flowers, plants, accessories, gift and sentiment items or other merchandise from the Franchised Unit within five (5) days after Franchisor's issuance of a written notice to Franchisee to do so, Franchisor may enter the Franchised Unit without prior notice and remove any such unapproved flowers, plants, accessories, gift and sentiment items or other merchandise from the Franchised Unit without any liability to Franchisee for doing so. Franchisee shall maintain sufficient inventories of goods and merchandise at the Franchised Unit in accordance with the requirements of the 1-800-Flowers|Conroy's System. Franchisee shall use Franchisor's approved and designated



planograms for merchandise placement in the Franchised Unit and shall stock an inventory of these items at the levels Franchisor shall determine from time to time.

y. Payment of Taxes. Franchisee shall pay all occupational, business, excise, sales, use, real and personal property and other taxes and assessments levied or imposed upon the Franchised Location or the operation of the Franchised Unit, or charged to Franchisee and arising from or in connection with the Franchised Location or the operation of the Franchised Unit, and shall hold Franchisor harmless from and against any and all liability, costs and expenses, including, without limitation, attorneys' fees, which may be incurred in connection with such taxes and/or assessments.

z. Procedures. Franchisee shall comply with all standard policies and requirements of BloomNet or approved wire services used at the Franchised Unit. The use of centralized telephone systems and inter-store and intra-store transmissions of "Incoming Sales" and "Outgoing Sales" by Franchisee at, from or to the Franchised Unit are prohibited without the prior written consent of Franchisor. Franchisee acknowledges and agrees that Franchisor shall have the right to require Franchisee to use BloomNet or certain wire services and/or to restrict the wire services that Franchisee may use.

aa. Credit Rating. Franchisee acknowledges and agrees that Franchisor has the right to access Franchisee's FICO credit score from time to time during the Term. Franchisee shall execute and deliver any documents Franchisor requires in order to obtain such information.

bb. Business Review Process. Franchisee shall prepare and submit to Franchisor for approval, not more frequently than once every twelve (12) to eighteen (18) months during the Term, a business review for the Franchised Unit in a form designated by Franchisor by a date specified by Franchisor, and as set forth in the Manuals, as they may from time to time be amended, and in other directives of Franchisor.

cc. Improvements. If Franchisee develops any new concept, process or improvement in the 1-800-Flowers|Conroy's System (an "Improvement"), Franchisee shall promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation. Any such Improvement shall become the sole property of Franchisor and Franchisor shall be the sole owner of all related intellectual property rights. Franchisee hereby assigns to Franchisor any rights Franchisee may have or acquire in the Improvements, including the right to modify the Improvement, and Franchisee waives and/or releases all rights of restraint and moral rights therein and thereto. Franchisee shall assist Franchisor in obtaining and enforcing the intellectual property rights to any such Improvement in any and all countries and further agrees to execute and provide Franchisor with all necessary documentation for obtaining and enforcing such rights. Franchisee hereby irrevocably designates and appoints Franchisor as Franchisee's agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of intellectual property rights related to any such Improvement. If the foregoing provisions of this Section 10(cc) are found to be invalid or otherwise unenforceable, Franchisee hereby grants Franchisor a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the Improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe Franchisee's rights therein.

dd. Authorization to Release Information. Franchisee hereby authorizes (and agrees to execute any other documents deemed necessary to effect such authorization) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors and other persons or entities with whom Franchisee does business to disclose to Franchisor any financial information in their possession relating to Franchisee or the Franchised Unit that Franchisor may request. Franchisee further authorizes Franchisor to disclose to prospective franchisees or other

third parties data from Franchisee's reports if Franchisor determines, in Franchisor's sole discretion, that such disclosure is necessary or advisable.

ee. Adequate Reserves and Working Capital. Franchisee shall, at all times, maintain adequate reserves and working capital sufficient for Franchisee to fulfill all of Franchisee's obligations under this Agreement and to cover the risks and contingencies of the Franchised Unit for at least three (3) months.

ff. Notification of Legal Proceedings; and Crisis Management Events. Franchisee shall notify Franchisor in writing within ten (10) days after Franchisee receives actual notice of the commencement of any investigation, action, suit, or other proceeding, or the issuance of any order, writ, injunction, award, or other decree of any court, agency, or other Governmental Authority that pertains to the Franchised Unit at the Franchised Location or that may adversely affect Franchisee's operation of the Franchised Unit at the Franchised Location or ability to meet its obligations under this Agreement. Upon the occurrence of a Crisis Management Event, Franchisee shall immediately inform Franchisor's President (or as otherwise instructed in the Manuals) by telephone. Franchisee shall cooperate fully with Franchisor with respect to Franchisor's response to the Crisis Management Event.

gg. Data. All data pertaining to the Franchised Unit and all data created or collected by Franchisee in connection with Franchisee's operation of the Franchised Unit (including, without limitation, data pertaining to or otherwise concerning the Franchised Unit's customers) or otherwise provided by Franchisee (including, without limitation, data uploaded to, or downloaded from Franchisee's POS System and/or computer system) is the sole property of Franchisor and Franchisor shall have the right to use such data in any manner that Franchisor deems appropriate without any compensation to Franchisee. Franchisee shall provide Franchisor with copies and/or originals of such data upon request by Franchisor. Franchisor hereby licenses use of such data to Franchisee during the Term, at no cost, solely for Franchisee's use in connection with the Franchised Unit.

## 11. SERVICES OF FRANCHISOR.

In addition to the services of Franchisor set forth elsewhere in this Agreement and provided that Franchisee is not in Default of this Agreement or any other agreement between Franchisor or its Affiliates, and Franchisee, Franchisor shall provide Franchisee with the services detailed in this Article 11.

a. Initial Training Program. Franchisor shall make the Initial Training Program available to the Principal Owner and a General Manager or other supervisory or managerial personnel designated by Franchisee without charge once during the Term. Franchisor shall train only the Principal Owner and one General Manager without charge, subject to the provisions of this Article 11; however, if Franchisee is a married couple, both spouses will be trained by Franchisor without charge upon request. Within a period of time set by Franchisor prior to the opening of business at the Franchised Unit, Franchisor will arrange to provide the Principal Owner and the General Manager with an Initial Training Program consisting of time spent in a classroom and at a 1-800-Flowers|Conroy's retail store designated by Franchisor. Training will be conducted by those Persons designated by Franchisor. Upon Franchisee's agreement, Franchisor reserves the right to waive this training requirement if Franchisee is experienced in the floral business and does not require initial training. Furthermore, the Initial Training Program shall not be provided if either (i) Franchisee or any Affiliate of Franchisee, or an Owner of either, owns or operates a Franchised Unit as of the Effective Date, or (ii) this Agreement is executed as a Successor Franchise Agreement.

b. Additional Trainees; Additional Initial Training Programs. If, whether before or after the Franchised Unit opens for business, Franchisee desires Franchisor to provide the Initial Training Program to any of Franchisee's supervisory or managerial employees in addition to the Principal Owner or General Manager, and

Franchisor agrees to do so at Franchisor's discretion, then, except as provided in Section 11(a) above, Franchisor has the right to charge Franchisee the Additional Training Fee for each such additional trainee for each day of their attendance at the Initial Training Program, to defray the direct costs of training such Persons. The training of the additional Persons shall be done at times and at locations determined by Franchisor. The training of a General Manager by Franchisor will generally have priority as to time and location over the training of other Persons. In addition, Franchisee shall be responsible for all expenses incurred in connection with the attendance of the Principal Owner, the General Manager and other supervisory and managerial employees at the additional Initial Training Programs, including, without limitation, the costs of transportation, lodging, meals, training materials and any wages.

c. Additional/Remedial Training Programs. Throughout the Term, to the extent and with the frequency that Franchisor deems appropriate, in its sole and absolute discretion, Franchisor shall provide Franchisee, and, as appropriate, supervisory and managerial employees of Franchisee, with additional and/or remedial training programs through the use of videos, conventions, workshops and meetings, and the like, and shall provide ongoing and refresher courses in the various aspects of operation of a 1-800-Flowers|Conroy's shop. Franchisee shall be responsible for all expenses incurred in connection with the attendance of the Principal Owner and the supervisory and managerial employees at such training programs, including, without limitation, the costs of transportation, lodging, meals, training materials and any wages.

d. Updates to Manuals. Franchisor has the right, from time to time, to update or change the Manuals in our Franchisor's sole discretion.

e. On-Site Assistance. Franchisor may, in its sole discretion, provide members of its staff, at its expense, at the opening of the Franchised Unit for up to one (1) week following the opening of the Franchised Unit for business. However, if Franchisee requests that Franchisor's staff remain for any days in excess of this one week, or if Franchisor determines that additional operations assistance is required, Franchisee shall pay all costs and expenses for any additional staff provided by Franchisor after the expiration of such one-week period. Franchisor may, in its sole and absolute discretion, provide members of its operations staff to assist Franchisee in the operation of the Franchised Unit and in establishing standard procedures after the opening of the Franchised Unit. Franchisee authorizes Franchisor to install Franchisor's personnel in the Franchised Unit in the event Franchisor, in its sole and absolute discretion, determines that the same are necessary for the proper operation of the Franchised Unit. On-Site Assistance shall not be provided if (i) Franchisee or any Affiliate of Franchisee owns or operates a 1-800-Flowers|Conroy's Franchised Unit as of the Effective Date; or (ii) this Agreement is executed as a Successor Franchise Agreement.

f. Virtual Training, Assistance and Inspections. Franchisor may provide any or all portions of the Initial Training Program, Additional Initial Training Program, Additional/Remedial Training Programs, pre and post-opening on-site opening assistance, post-opening consultations and/or post-opening inspections remotely over a virtual communication platform designated by Franchisor.

g. Store Reviews. Periodically during the Term, Franchisor shall review the Franchised Unit from time to time to determine the operational status of the Franchised Unit, to grade all elements of the operation of the Franchised Unit, to maintain compliance by Franchisee with the standards and requirements of the 1-800-Flowers|Conroy's System, and to enhance uniformity and quality control. Franchisor's personnel shall have the right to enter the Franchised Unit at any reasonable time and from time to time to take photographs or make videos of the Franchised Unit and for the purpose of examination, conferences with Franchisee or Franchisee's supervisory and managerial employees, inspection of the operation and testing of the products and items sold in the Franchised Unit and for all other purposes in connection with a determination that the Franchised Unit is

being operated in accordance with the terms of this Agreement, the Manuals and other rules. Franchisee specifically authorizes Franchisor to install Franchisor's personnel or representatives in the Franchised Unit to monitor the operation of the cash registers in the Franchised Unit for such periods of time as Franchisor may determine to be necessary. Franchisee agrees to remedy any defects, deficiencies or other items subject to unsatisfactory grades or other unsatisfactory conditions discovered at the Franchised Unit by Franchisor's personnel immediately upon being advised of the same. Franchisee's failure to effectuate any required remedy shall be a Default of this Agreement.

h. Consultation and Advisory Services. Franchisor may periodically consult with Franchisee from time to time concerning the operation of the Franchised Unit. Franchisor shall at reasonable times, upon request and at no charge to Franchisee, furnish counseling and advisory services to Franchisee with respect to the planning, opening and operation of the Franchised Unit, including consultation and advice regarding operating problems and procedures, new developments and improvements in the 1-800-Flowers|Conroy's System, customer credit and collection advice, record keeping, purchasing, marketing, promotion and merchandising, business forms and the interpretation of policy as set forth in the Manuals, as the same may from time to time be amended, and other directives of Franchisor. The advice to be rendered pursuant to this Section 11(h) shall be general advice designed to assist Franchisee in the operation of the Franchised Unit. Franchisor's consultation and advice may be provided by telephone, in writing, electronically, in person, or by other means. Franchisee acknowledges and agrees that the results of Franchisee's efforts to operate the Franchised Unit rests solely with Franchisee. Franchisor may make recommendations that it deems appropriate to assist Franchisee's efforts. However, Franchisee alone shall establish all requirements, consistent with the policies of Franchisor, regarding (i) employment policies, hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees; (ii) the individuals to whom Franchisee will offer and sell its products and services; and (iii) the suppliers from whom Franchisee obtains any products or services used in or at the Franchised Unit for which Franchisor has not established approved suppliers. In addition, Franchisor shall exert its best efforts to establish standards for POS Systems and computer hardware and software systems for the Franchised Unit and to provide Franchisee, either directly and/or indirectly through the use of approved third-party vendors, with on-going maintenance and repair services and upgrades and updates for these systems. Franchisee shall be responsible for the entire operation of the Franchised Unit at all times and shall hold Franchisor and its Affiliates and their respective directors, officers, employees and agents, harmless therefrom, and shall not look to Franchisor for performance of regular operational duties.

## 12. SUPPLIES AND SUPPLIERS.

Franchisor shall provide Franchisee with a list of its approved and designated suppliers of goods and services for the construction, equipping and operation of the Franchised Unit following the Parties' execution of this Agreement and shall further provide Franchisee with updated lists of such suppliers periodically during the Term.

a. Inventory. Franchisee shall be responsible for maintaining at all times at Franchisee's own expense a complete inventory of goods and merchandise at the Franchised Unit, including, without limitation, all specific products required by Franchisor to be obtained by Franchisee from designated suppliers from time to time. All flowers, plants, accessories, gift and sentiment items and other merchandise to be sold from the Franchised Unit must conform to the standards and specifications established by Franchisor from time to time as set forth in the Manuals, company directives or otherwise in writing, in order to protect, maintain and foster the reputation, goodwill and public acceptance of Franchisor, its Affiliates, other franchisees of Franchisor and the 1-800-Flowers|Conroy's System.

b. Fixtures and Equipment. Franchisee shall purchase and install, at Franchisee's expense, all fixtures, furnishings, signs and equipment that conform to the standards and specifications established by Franchisor from time to time and as Franchisor may reasonably direct in the Manuals, company directives or otherwise in writing, including without limitation, point-of-sale systems, fax machines, electronic systems and computer hardware and software systems, display counters and equipment, floral preservative systems, refrigeration equipment, signs and all specific products required by Franchisor to be obtained by Franchisee from designated suppliers.

c. Purchases from Affiliated Suppliers. Franchisor's Affiliates ("Affiliated Suppliers") may offer and sell to Franchisee and provide Franchisee with technical support, upgrades and updates from time to time for computerized cash registers, point-of-sale systems, peripheral equipment and software or other electronic systems for the Franchised Unit, and may offer to sell floral products, inventory items, supplies and equipment, including flowers, plants, planters, vases and other items for the Franchised Unit. Franchisee shall purchase specific products and services Franchisor requires Franchisee to obtain from specific suppliers, including, without limitation, from Affiliated Suppliers.

(i) All goods, products, and supplies purchased from Affiliated Suppliers shall be purchased in accordance with the purchase order format issued from time to time by the Affiliated Supplier, who may change the prices, delivery terms and other terms relating to its sale of goods, services, products and supplies ("Goods and Services") at any time. The Affiliated Supplier, in its discretion, may discontinue the sale of any Goods and Services at any time if in its judgment its continued sale becomes unfeasible, unprofitable, or otherwise undesirable. All product orders by Franchisee shall be subject to acceptance by the Affiliated Supplier at the Affiliated Supplier's designated offices, and the Affiliated Supplier may accept or reject, in whole or in part, any order placed by Franchisee. Franchisee shall submit to the Affiliated Supplier, upon written request, financial statements that contain sufficient information to enable the Affiliated Supplier to determine the credit limits, if any, to be extended to Franchisee. The Affiliated Supplier, in its sole discretion, may establish the credit terms, if any, upon which it will accept Franchisee's orders, and may require Franchisee to pay for orders on a cash-in-advance or cash-on-delivery basis.

(ii) Each order placed by Franchisee, whether oral or written, for any product shall be deemed to incorporate all of the terms and conditions of this Agreement, shall be deemed subordinate to this Agreement in any instance where any term or condition of such order conflicts with any term or condition of this Agreement, and shall include such information as Franchisor may from time to time specify.

(iii) Neither Franchisor nor any Affiliated Supplier shall be liable to Franchisee on account of any delay or failure in the manufacture, delivery or shipment of goods or products caused by events or circumstances beyond their reasonable control, including such events as labor or material shortages, conditions of supply and demand, import/export restrictions, or disruptions in any supply sources.

(iv) In the event of any Default by Franchisee of this Agreement, neither Franchisor nor any Affiliated Supplier shall be obligated to fill or ship any orders then pending or, in the case of termination or Franchisor's refusal to grant Franchisee a Successor Franchise, made any time thereafter by Franchisee, and Franchisor may notify its Affiliated Suppliers of any impending termination or expiration of this Agreement and may, among other things, instruct such suppliers to deliver only such quantity of proprietary products as is reasonably necessary to supply Franchisee's needs prior to the expiration or termination date of this Agreement.

(v) Franchisee hereby agrees that Franchisor and/or its Affiliates may negotiate purchase arrangements with suppliers (including price terms, fees and/or rebates, such as from BloomNet or wire services)

for Franchisee's benefit. Franchisor does not provide any material benefits to its franchisees (such as the grant of additional franchises or territories) based on such franchisees' use of approved suppliers.

d. Paper Goods and Containers. Franchisee shall purchase all printed paper, paper products and containers required at the Franchised Unit from vendors and suppliers designated or approved by Franchisor strictly in accordance with the standards and specifications of Franchisor. Franchisee shall not have the right to substitute vendors or suppliers without the prior written consent of Franchisor. In addition, Franchisee shall obtain any specific products or services required by Franchisor to be utilized in the Franchised Unit from suppliers designated by Franchisor.

e. Franchisor's Recommended Suppliers. Franchisor may suggest recommended suppliers to Franchisee as an accommodation to Franchisee in certain instances. Franchisee shall not be obligated to purchase items from these sources as long as Franchisee maintains the required quality and conforms with Franchisor's standards and requirements.

f. Franchisee's Recommended Suppliers. If Franchisee desires to recommend sources of supply for any item or items to Franchisor, Franchisor shall test and evaluate these sources of supply with reasonable promptness, not to exceed ninety (90) days, at Franchisee's expense, and shall approve or disapprove such sources based on Franchisor's tests and evaluations of the products or services and upon the following conditions: (i) Franchisee shall submit a written request to Franchisor for approval of the supplier; (ii) the supplier must demonstrate to Franchisor's reasonable satisfaction that it is able to supply an item to Franchisee meeting Franchisor's specifications for such item, that it is in good financial standing in the business community and that its products and services are reliable; and (iii) the supplier must demonstrate to Franchisor's reasonable satisfaction that the supplier is of good standing in the business community with respect to its financial capabilities and the reliability of its products and service. Franchisee may not use a recommended supplier before Franchisor approves the supplier in writing. Franchisor shall notify Franchisee if and when Franchisor no longer approves a previously approved supplier and all commerce with a disapproved supplier shall immediately cease. A supplier must continually adhere to Franchisor's standards to maintain its approval. Nothing contained in this Agreement shall be deemed to require Franchisor to approve an inordinate number of suppliers of a given item, which, in the reasonable judgment of Franchisor, would result in higher costs to Franchisor's franchisees or prevent effective and economical supervision of suppliers by Franchisor.

g. Product Standards. Franchisee acknowledges and agrees that it will be operating the Franchised Unit under the 1-800-Flowers|Conroy's trade name and Marks and that its actions and the manner of the conduct of its business will reflect on the reputation of Franchisor, its Affiliates, other 1-800-Flowers|Conroy's franchisees, and the 1-800-Flowers|Conroy's System. Franchisee shall sell all merchandise in a manner reasonably acceptable to Franchisor and Flowers and similar to the standards established by Franchisor for all of its franchisees. Franchisee's failure to maintain product standards and to properly maintain suitable merchandise (as to both quality and quantity) shall be deemed a Default under this Agreement. Franchisor may require Franchisee to discontinue the use or sale of any product or item, which, in Franchisor's reasonable judgment, does not conform to the image or quality standards of Franchisor and the 1-800-Flowers|Conroy's System.

h. Trade Accounts. Franchisee shall maintain its trade accounts in a current status and seek to resolve any disputes with trade suppliers promptly. Should Franchisee not so maintain its trade accounts, Franchisor may, but shall not be required to, pay such accounts on behalf of Franchisee, in which event Franchisee shall immediately repay Franchisor therefor in the manner provided in Section 10(f) above. Failure of Franchisee to keep its trade accounts current or to make the immediate repayment to Franchisor specified in this Agreement shall constitute a Default under this Agreement.

13. INSURANCE.

a. Liability, Fire, Business Interruption and Worker's Compensation Insurance. Franchisee shall obtain and shall maintain in full force and effect during the Term, at Franchisee's expense, insurance coverage in accordance with Franchisor's current insurance requirements with insurance carriers acceptable to Franchisor. Franchisee shall provide Franchisor with a certificate of insurance or other evidence of the required coverage within ten (10) days after the insurance is obtained, but not later than the date Franchisee's Franchised Unit begins operating using the Marks. The coverage shall commence when possession of the Franchised Location is delivered to Franchisee for construction or otherwise. The policy or policies shall comply with the requirements of the Master Lease and Sublease for the Franchised Location or Franchisee's Third-Party Lease with the landlord of the Franchised Location, as the case may be; however, Franchisor may require Franchisee to maintain insurance coverage in amounts that exceed the coverage required by the Master Lease or Third-Party Lease and/or the Master Lease or Third-Party Lease may require Franchisee to maintain insurance coverage in amounts that exceed the coverage required by Franchisor. Franchisee shall obtain and maintain coverage for: (i) auto liability for hired and non-owned vehicles and scheduled vehicles (if owned) for a combined single limit of One Million and 00/100 Dollars (\$1,000,000.00); (ii) public liability, including products liability, covering bodily injury, property damage, and advertising, sidewalks and parking areas and personal injury in the amount of at least One Million and 00/100 Dollars (\$1,000,000.00) combined single limit and an aggregate of Two Million and 00/100 Dollars (\$2,000,000.00) against claims for personal injury, death or property damage occurring in, on, or about the Franchised Unit; (iii) worker's compensation as may be required by Applicable Law; (iv) employer's liability for a limit of One Million and 00/100 Dollars (\$1,000,000.00) for each accident or disease; (v) employment practices liability insurance; and (vi) an umbrella policy in the amount of at least Two Million and 00/100 Dollars (\$2,000,000.00). Franchisee shall also carry fire and extended coverage insurance on the Franchised Unit and its property in an amount adequate to replace it in the event of an insured loss, fire-legal liability insurance in an amount of the value of the Franchised Location and business interruption insurance in sufficient amounts to cover twelve (12) months of continuing franchise fee and marketing fee payments to Franchisor, based upon the average fees paid by Franchisee to Franchisor during the twelve (12) months preceding the event of business interruption, twelve (12) months of rent and other direct site costs for the Franchised Location, and twelve (12) months of insurance premiums and other fixed expenses. Franchisee shall also carry coverage against all forms of liability for death or injury to any individual, and for loss or damage to property. Franchisee's insurance shall provide for primary coverage and not contributory coverage, notwithstanding any other insurance that Franchisor may obtain or maintain. Franchisor reserves the right to change the insurance requirements during the Term of this Agreement, including the types of coverage and the amounts of coverage. Franchisee must comply with any changes to these requirements.

b. Conditions of Coverage. Franchisor shall be named as an additional named insured to the extent of its interests on all of Franchisee's insurance policies, except for Franchisee's employment practices liability insurance and worker's compensation insurance, and shall be provided with certificates of insurance evidencing such coverage upon the issuance and each renewal of all of Franchisee's insurance policies. All policies shall provide that Franchisor shall receive at least thirty (30) days' prior written notice of cancellation, lapse, material changes in or termination of coverage. Franchisor reserves the right to specify reasonable changes in the types and amounts of insurance coverage required by this Article 13. Franchisee's policies shall provide a waiver of subrogation to Franchisor and all additional insureds. Franchisee's insurance shall be primary and non-contributory with respect to all additional insureds. Any insurance or self-insurance maintained by Franchisor shall be in excess of Franchisee's insurance and shall not contribute with it. Franchisee's policies shall not contain any provision, definition or endorsement that would serve to eliminate coverage for third party action over claims. Franchisee's policies shall not contain any provision, definition or endorsement (including, but not limited

to, ISO endorsement Form CG 24 26), which would serve to revise the definition of insured contract to remove coverage for an indemnitee's or additional insured's sole negligence. Franchisee shall provide Franchisor with a certificate of insurance as evidence of Franchisee's insurance coverage prior to, or as soon as practicable after, the execution of this Agreement. The insurance, however, shall be effective as of the Effective Date of this Agreement.

c. No Limit of Liability. The insurance requirements under this Agreement shall not limit the liability of Franchisee under this Agreement. Franchisee shall remain responsible for the payment of all amounts due to Franchisor or its Affiliates, notwithstanding the limits of insurance required in this Agreement.

d. Annual Review. The limits of all insurance policies shall be reviewed annually and may be increased by an amount that Franchisor, in its sole and absolute discretion, deems necessary to protect it and its Affiliates' interests in the Franchised Unit. In no event, however, shall Franchisee be obligated to obtain and keep in force a policy or policies of insurance covering loss or damage to the Franchised Unit in excess of the full replacement value thereof.

e. Right to Obtain Coverage. Should Franchisee fail or refuse to procure the required insurance coverage from an insurance carrier acceptable to Franchisor or to maintain it throughout the Term, Franchisor may procure such coverage for Franchisee, in which event Franchisee agrees to pay the required premiums or to reimburse Franchisor therefor in the manner provided by Section 10(f) above. Failure to maintain the required insurance or to promptly reimburse Franchisor for any premiums paid on behalf of Franchisee by Franchisor shall constitute a Default under this Agreement.

f. Destruction. If the Franchised Unit is damaged or destroyed by an insured or uninsured cause, Franchisee shall repair, restore or rebuild the Franchised Location, provided that, if the cost to do so exceeds the insurance proceeds, Franchisee will be liable for the difference. There shall be no abatement of the obligations of Franchisee by reason of damage or destruction to the Franchised Unit.

g. Franchisor's Insurance. Franchisee's obligation to maintain insurance as set forth in this Agreement shall not be in any way diminished or limited by reason of any insurance maintained by Franchisor or its Affiliates, on or in connection with this Agreement, the Franchised Unit or the Franchised Location.

#### 14. RECORD KEEPING AND ACCOUNTING.

a. Uniform System of Accounting. Franchisee shall keep and maintain complete and accurate books and records of Franchisee's business operations in the manner prescribed by Franchisor in the Manuals and other company directives. Franchisor's uniform system of accounting and record keeping and its standardized forms shall be provided to Franchisee by Franchisor at Franchisor's cost and shall be used by Franchisee. Franchisor's uniform system of accounting and record keeping may be amended or supplemented from time to time by Franchisor and will include, without limitation, the use of designated computer hardware and software, standardized forms for reporting Adjusted Gross Sales, Outgoing Sales and Incoming Sales, continuing franchise fees and marketing fees, profit and loss statements and balance sheets relating to the operation of the Franchised Unit. Franchisee shall be solely responsible for performing all record keeping duties for the Franchised Unit and for the cost for all such services and all computer hardware and software necessary or required to perform all record keeping duties.

b. Records and Audits. Franchisee shall maintain and preserve accurate books, sales records and tax returns of Franchisee's business operations at the Franchised Unit, and all related supporting materials, including, without limitation, all daily detail register tapes, daily summary register tapes, copies of deposit slips and



supporting information (including cash count sheets), invoices with validation (i.e., Outgoing Sales, Incoming Sales, delivery, will call, house charges and voided invoices), delivery receipts, bank statements and all supporting detail customarily included with bank statements, credit card batch totals, complete BloomNet or wire service billing statements, invoices from vendors and suppliers, all check registers for all checking accounts maintained for the Franchised Unit, payroll journals, sales tax returns, federal and state income tax returns, overring and paid-outs support, returns and allowances support, support for all checks returned for insufficient funds, customer charge account aging reports, customer account payment reports and detail, and such other data that may be required by the Manuals or other directives issued by Franchisor, for at least five (5) years.

(i) All books, records, tax returns and supporting materials described in this Section 14(b) or in the Manuals or other directives, shall be made available by Franchisee for inspection, examination or audit by Franchisor at all reasonable times. An examination or audit shall be at Franchisor's cost and expense, unless it is disclosed that Adjusted Gross Sales and/or Incoming Sales as submitted by Franchisee are in error to the extent of three percent (3%) or more in Franchisee's favor, in which case these costs and expenses shall be borne by Franchisee. Franchisee shall also immediately pay Franchisor any deficiency in continuing franchise fees or marketing fees that are disclosed by such audit or examination, together with interest at the maximum rate permitted by Applicable Law or ten percent (10%) per annum, whichever is greater, from the date of the underpayment, plus a penalty of ten percent (10%) of the amount of underpayment. If Franchisee understates Adjusted Gross Sales and/or Incoming Sales more than once during the Term, Franchisor shall have the right to terminate this Agreement.

(ii) Franchisee shall only use bookkeepers and accountants who have been designated or approved by Franchisor from time to time to assist Franchisee in its performance of its record keeping and financial reporting obligations required under Sections 14(a), 14(b) and 14(c) of this Agreement and under the Manuals. Franchisee shall only use a certified public accountant who has been approved by Franchisor at least thirty (30) days prior to the opening of the Franchised Unit for business to assist Franchisee in Franchisee's performance of the record keeping. In addition, Franchisee shall have the right to recommend bookkeepers and accountants in accordance with the procedures set forth in Section 12(e) above.

c. Financial Statements and Tax Returns. Franchisee shall prepare and submit to Franchisor monthly financial statements, in a form designated by Franchisor, which shall include a balance sheet and a profit and loss statement, within forty-five (45) days of the end of each calendar month during the Term. Franchisee shall also submit to Franchisor copies of Franchisee's annual federal, state and city, if any, income tax and sales tax returns within ten (10) days following a demand by Franchisor to do so, and Franchisee hereby waives any privilege pertaining thereto. Franchisee shall prepare and submit to Franchisor daily and/or weekly revenue reports, which shall be submitted to Franchisor electronically or via such other means identified by Franchisor.

d. Right to Enter. Franchisor and its authorized representatives shall have the right, at all reasonable times following reasonable notice, to enter the Franchised Unit to examine Franchisee's books and records for any purpose related to this Agreement, provided that, Franchisee or Franchisee's manager is present at the Franchised Unit at such time.

e. Credit Cards. Franchisee shall honor all credit, charge, courtesy and cash cards approved by Franchisor in writing. To the extent Franchisee stores, processes, transmits or otherwise accesses or possesses cardholder data in connection with the sale of authorized BloomNet/Flowerama/Fruit Bouquet products, Franchisee shall maintain the security of cardholder data and adhere to the Then-Current Payment Card Industry Data Security Standards ("PCI DSS"), currently found at [www.pcisecuritystandards.org](http://www.pcisecuritystandards.org), for the protection of cardholder data throughout the Term. Franchisee shall be and remain responsible for the security of cardholder data in the

possession or control of any subcontractors Franchisee engages to process credit cards. All subcontractors must be identified to and approved by Franchisor in writing prior to sharing cardholder data with the subcontractor. Franchisee shall, if Franchisor requests Franchisee to do so, provide appropriate documentation to Franchisor to demonstrate compliance with applicable PCI DSS requirements by Franchisee and all identified subcontractors.

15. PROTECTION OF TRADEMARKS AND RELATED PROPRIETARY RIGHTS.

a. Notice of Claim. In the event of any claim of infringement of or challenge to Franchisee's use of the Marks, Franchisee shall immediately notify Franchisor in writing of the facts of such claim or challenge. Franchisor shall use commercially reasonable efforts to protect and defend Franchisee's use of the Marks as licensed under this Agreement.

b. Reimbursement of Franchisee. Franchisor shall reimburse Franchisee for all damages for which Franchisee is held liable in any proceeding described in Section 15(a) above related to the Marks; however, the foregoing obligation of Franchisor to reimburse Franchisee will exist only if Franchisee has used the Marks that are the subject of the controversy in strict accordance with the provisions of this Agreement and the rules, regulations, procedures, requirements and instructions of Franchisor and has notified Franchisor of the challenge as required by Section 15(a) above.

c. Control of Franchisor. Any action to be taken in the event of a claim or challenge to any of the Marks shall be solely in the discretion of Franchisor. Franchisor shall have the sole right to control any legal actions or proceedings resulting therefrom. Any actions taken to protect the Marks shall also be within the sole discretion and control of Franchisor. Franchisee agrees to cooperate fully with Franchisor in the prosecution or defense of any claim or challenge concerning any of the Marks.

d. Discontinued Use. In the event it becomes advisable or desirable at any time, in the sole and absolute discretion of Franchisor, for Franchisee, alone or in conjunction with other franchisees of Franchisor, to modify or discontinue the use, in whole or in part, of any one or more of the Marks, or to use one or more additional or substitute marks, Franchisee agrees to immediately comply with the instructions of Franchisor in that regard. Franchisee shall be responsible for all costs that may be incurred to comply with this obligation.

e. Notice. Franchisee shall indicate the required trademark, service mark or copyright notices in the form specified by Franchisor in connection with Franchisee's use of Franchisor's trademarked and copyrighted items.

f. Property of Franchisor. Franchisee acknowledges and agrees that, at all times and in all respects, the Marks are the sole property of Franchisor and/or its Affiliates and that Franchisee has only a license to use the Marks according to the provisions of this Agreement. Franchisee shall not acquire any proprietary rights of ownership in any of the Marks, it being the intention of the Parties that all use of the Marks by Franchisee shall at all times inure to the benefit of Franchisor. Franchisee shall make no application for registration of any Mark and shall not at any time do or suffer to be done any act or thing that will in any way impair the rights of Franchisor in and to the Marks without the prior written consent of, and upon terms and conditions satisfactory to, Franchisor. Franchisee's right to use the Marks is derived solely from this Agreement and is limited to Franchisee's operation of the Franchised Unit pursuant to and in compliance with this Agreement and all system standards that Franchisor may prescribe from time to time. Any unauthorized use of the Marks shall constitute a Default under this Agreement. Franchisee agrees to take no action that will interfere with the Marks. Franchisee also agrees that: (i) Franchisee will not use any marks that are confusingly similar to the Marks; (ii) Franchisee will not seek to register any marks that are confusingly similar to the Marks; (iii) Franchisee will not seek to register a

composite mark incorporating any of the Marks, or any part thereof; and (iv) Franchisee will not challenge the validity of the Marks.

g. Quality Control and Inspection. Franchisee undertakes to use the Marks solely in accordance with the standards, specifications and instructions approved and set by Franchisor and only in relation to such goods and/or services as approved by Franchisor. Franchisor shall have the right, at all reasonable times, at the Franchised Unit and elsewhere, to inspect the products and services on which the Marks shall be used as Franchisor considers necessary to carry out the purposes of inspection as part of appropriate quality control. Upon request, Franchisee shall submit to Franchisor all packages, labels, advertising, displays, advertising brochures and other materials used in connection with the goods and/or services bearing the Marks and Franchisee specifically undertakes to amend to the satisfaction of Franchisor any such package, labels, advertising displays, advertising brochures and other materials that are not approved by Franchisor. If Franchisee makes any unauthorized use of the Marks, Franchisee shall pay Franchisor the sum of One Thousand and 00/100 Dollars (\$1,000.00) per infraction upon Franchisor's demand.

h. Modifications. Franchisee acknowledges and agrees that from time to time Franchisor may change or modify the Trade Practices and the 1-800-Flowers|Conroy's System, including the adoption and use of new or modified trade names, trademarks, service marks or copyrighted materials, new products, new equipment or new techniques. Franchisee shall, either alone, or in conjunction with other franchisees of Franchisor, accept, use and display any such changes in the Trade Practices and the 1-800-Flowers|Conroy's System, including new or modified trade names, trademarks, service marks or copyrighted materials, new products, new equipment or new techniques, as if they were in effect at the time of Franchisee's execution of this Agreement. Franchisee shall make such expenditures as such changes or modifications may require and shall do so within the time set forth by Franchisor, or if no time is specified, within a reasonable time.

i. Reimbursement of Franchisor. Franchisor shall be entitled to receive reimbursement from the Marketing Fund for any legal fees and costs that are incurred in connection with the review and/or litigation of matters relating to the use or dissemination of signs or other written materials displaying the Marks that are developed for the marketing, promotion and enhancement of the 1-800-Flowers|Conroy's System.

## 16. COVENANTS REGARDING OTHER BUSINESS INTERESTS.

a. Ownership During Term. During the Term, neither Franchisee nor any of its Owners shall directly or indirectly engage or be financially involved in (except for ownership of not more than five percent (5%) of the outstanding stock, voting and non-voting, of a corporation, the stock of which is traded on a national securities exchange), or be employed by any Competitive Business.

b. Ownership Following Termination. Franchisee specifically acknowledges and agrees that, pursuant to this Agreement, Franchisee will receive valuable specialized training and Confidential Information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques for the operation of 1-800-Flowers|Conroy's retail sales outlets, and of Franchisor and the 1-800-Flowers|Conroy's System. In addition, Franchisee specifically acknowledges and agrees that prior to becoming a 1-800-Flowers|Conroy's franchisee, Franchisee had no experience, information or knowledge whatsoever about the operation of 1-800-Flowers|Conroy's retail sales outlets or a Franchised Unit and that Franchisee's knowledge of the Confidential Information was obtained solely from Franchisor, following Franchisee's training by Franchisor and Franchisee's subsequent operation of the Franchised Unit under this Agreement. Therefore, commencing on the termination or expiration of this Agreement and for two (2) years after the termination or expiration of this Agreement, none of the Restricted Persons shall engage in any Competitive Business located at

the Franchised Unit, or within a ten (10) mile radius of any 1-800-Flowers|Conroy's unit or the Franchised Unit; provided, however, should this restriction violate the laws of the state whose laws govern this Agreement, the maximum restriction permitted in that state shall govern this provision.

c. Violation of Non-Compete. If Franchisee commits any violation of Section 16(b) above, with or without Franchisor's permission, during the two (2) year period following (i) a transfer permitted under Article 17 below; (ii) expiration of this Agreement; (iii) termination of this Agreement (regardless of the cause for termination); or (iv) a final court order (after all appeals have been taken) with respect to any of the foregoing events or with respect to enforcement of Section 16(b) above, then, in addition to all other remedies available to Franchisor, Franchisee shall pay Franchisor, throughout the two (2) year period, five percent (5%) of all revenue derived from the operation of the Competitive Business, including the sale of any merchandise, other products and services at or from the Competitive Business, and all other income of every kind and nature of the Competitive Business ("Post-Termination Gross Revenue") in violation of Section 16(b) above.

d. Confidential Information. Nothing contained in this Agreement shall be construed to require Franchisor to divulge to Franchisee any secrets, except the material contained in Franchisor's Manuals and training materials. Franchisee acknowledges and agrees that Franchisee's knowledge of Franchisor's know-how, processes, products, techniques, information and other proprietary data are derived entirely from information disclosed to Franchisee by Franchisor and that such information is proprietary, confidential and a trade secret of Franchisor and its Affiliates, and includes, without limitation, tangible and intangible information (whether or not in electronic form) relating to Franchisor's business operations, products and services, sources of materials and equipment, client management and other software data, other content, formulations, patterns, compilations, programs, devices and processes, business relationships, contact information for industry professionals, designs, developmental or experimental work and services, improvements, discoveries, plans for research, potential new or supplemental products and services, websites, advertisements or ancillary products and services, marketing and selling methods and/or plans, business plans, budgets and unpublished financial statements, licenses, prices and costs, vendors, collaborators, current customer and prospective customer names and addresses, information regarding credit extensions to customers, customer service purchasing histories and prices charged to customers, information regarding the skills and compensation of employees and contractors of Franchisor, designs, drawings, specifications, source code, object code, documentation, diagrams, flowcharts, research, development, marketing techniques and materials, trademarks, trade secrets, sales/license techniques, inventions, copyrightable material, trademarkable material, databases, relationships between Franchisor and other companies, persons or entities, knowledge or know-how concerning the methods of operation of the Franchised Unit that may be communicated to Franchisee, or of which Franchisee may be apprised, by virtue of Franchisee's operation of the Franchised Unit under the terms of this Agreement, and any other information or material considered proprietary by Franchisor whether or not designated as confidential information by Franchisor, that is not generally known by the public, or which derives independent economic value (actual or potential) from not being generally known to the public or persons unaffiliated with Franchisor or its Affiliates and which is the subject of efforts by Franchisor that are reasonable under the circumstances to maintain its secrecy, and any other information in oral, written, graphic or electronic form, which, given the circumstances surrounding its disclosure, would be considered confidential (collectively, the "Confidential Information"). Franchisee agrees to adhere fully and strictly to all confidentiality of such information and to exercise the highest degree of diligence in safeguarding Franchisor's trade secrets and Confidential Information during and after the Term. Franchisee shall divulge such material only to Franchisee's supervisory and managerial employees and only to the extent necessary to permit the effective operation of the Franchised Unit.

e. Value. Franchisee acknowledges and agrees the Confidential Information is not generally known by the public or parties other than Franchisor, its Affiliates, its franchisees and Franchisee; derives independent economic value (actual or potential) from not being generally known to the public or persons unaffiliated with

Franchisor or Franchisee; and is the subject of efforts by Franchisor that are reasonable under the circumstances to maintain the secrecy of the Confidential Information, including, without limitation (i) not revealing the Confidential Information to unauthorized parties; (ii) requiring its franchisees to acknowledge and agree in writing that the Confidential Information is confidential; (iii) requiring its franchisees to agree in writing to maintain the confidentiality of the Confidential Information; (iv) monitoring electronic access to the Confidential Information by the use of passwords and other restrictions so that electronic access to the Confidential Information is limited to authorized parties; and (v) requiring its franchisees to return all Confidential Information to Franchisor upon the expiration or termination of their Franchise Agreements.

f. Maintain Confidentiality. Except as otherwise required by law, rule, regulation or governmental order, Franchisee shall not, during the Term or thereafter, communicate, divulge, or use for the benefit of anyone else, any information that Franchisor considers its trade secrets and/or Confidential Information. Franchisee shall divulge such Confidential Information only to such of its supervisory and managerial employees who must have access to it in order to perform their employment responsibilities.

g. Irreparable Injury from Disclosure of Confidential Information. Franchisee acknowledges and agrees that failure to comply with the requirements of this Article 16 will result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Franchisee consents to the issuance of, and agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, without the posting of any bond, an ex parte or other order for injunctive or other legal or equitable relief with respect to the requirements of this Article 16.

h. Confidentiality Covenants from Individuals Associated with Franchisee. Franchisee may require any employee who may have access to any Confidential Information of Franchisor to execute covenants that they will maintain the confidentiality of the Confidential Information they receive in connection with their association with Franchisee. Such covenants shall be in a form satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them.

i. Use of Trade Practices. Franchisee shall not, during the Term or thereafter, use or assist another in the use of any of Franchisor's Trade Practices in any other business of Franchisee or of any other Person or Entity.

j. Confidentiality and Press Releases. Franchisee shall not disclose the substance of this Agreement to any third party except as necessary to inform Third-Party Landlords from which it is seeking Leases or Third-Party Landlords that are parties to Third-Party Leases in order to obtain renewals of, or avoid terminations of, such Third-Party Leases or as necessary to obtain any permits or other approvals, or to the extent required by the lawful order of any court of competent jurisdiction or federal, state, or local agency having jurisdiction over Franchisee, provided that, Franchisee shall give Franchisor prior notice of such disclosure. Unless disclosure is required by Applicable Law, no public communication, press release or announcement regarding this Agreement, the transactions contemplated hereby or the operation of the Franchised Unit at the Franchised Location shall be made by Franchisee without the written approval of Franchisor in advance of such press release, announcement, or public communication.

## 17. TRANSFER OF FRANCHISE.

a. Transfer by Franchisor. Franchisor shall have the right to transfer or assign all or any part of its rights or obligations under this Agreement to any Person or legal Entity without the consent or approval of Franchisee. With respect to any assignment that results in the subsequent performance by the assignee of all of Franchisor's

obligations under this Agreement, the assignee shall expressly assume and agree to perform the obligations and shall become solely responsible for all obligations of Franchisor under this Agreement from the date of assignment. Franchisor may sell its assets, the Marks or the 1-800-Flowers|Conroy's System, may sell securities in a public offering or in a private placement, may merge, acquire other corporations, or be acquired by another corporation, and may undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring, all without the consent or approval of Franchisee. With regard to any of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands or damages arising from or related to the loss of Franchisor's name, the Marks (or any variation thereof) or the 1-800-Flowers|Conroy's System and/or the loss of association with or identification of Franchisor as franchisor under this Agreement. Franchisee specifically waives any and all other claims, demands or damages arising from or related to the foregoing merger, acquisition and other business combination activities, including, without limitation, any claim of divided loyalty, breach of fiduciary duty, fraud, breach of contract or breach of the implied covenant of good faith and fair dealing. Franchisee agrees that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as the Franchised Units operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of these facilities, which Franchisee acknowledges and agrees may be proximate to the Franchised Unit.

b. Assignment by Franchisee. Franchisee acknowledges and agrees that the rights granted to Franchisee under this Agreement are personal and are granted in reliance upon, among other considerations, the individual or collective character, skill, aptitude, attitude, experience, business ability and financial condition and capacity of Franchisee and, if Franchisee is an Entity, that of the Owners listed on Exhibit C and each future direct or indirect shareholder, member, general or limited partner, trustor, trustee, beneficiary or other Equity Owner of Franchisee. Accordingly, to protect the reputation and goodwill of Franchisor, to maintain uniform standards of the merchandise, services, and operations offered and sold under the Marks, and to promote the goodwill of all 1-800-Flowers shops, the Marks and the 1-800-Flowers System, Franchisee shall not offer, sell, or negotiate the sale of its rights under this Agreement to any third party, either in Franchisee's own name or in the name and/or on behalf of Franchisor, except as otherwise provided in this Agreement. Franchisee acknowledges and agrees that Franchisee has no right, by operation of law or otherwise, to sell, assign, transfer, pledge, donate, encumber or otherwise deal with, directly or indirectly, (i) any interest in this Agreement, or (ii) the right to use the 1-800-Flowers System or the Marks (an "Assignment") without Franchisor's prior written consent.

(i) Franchisee shall not, without Franchisor's prior written consent, which may be withheld by Franchisor in its discretion, offer for sale or transfer at public or private auction any of the rights of Franchisee under this Agreement or directly or indirectly, pledge, encumber, hypothecate or otherwise grant any third party a security interest in this Agreement in any manner whatsoever. To the extent that the foregoing prohibition may be ineffective under Applicable Law, Franchisee shall provide not less than ten (10) days' prior written notice (which notice shall contain the name and address of the secured party and the terms of the pledge, encumbrance, hypothecation or security interest) of any pledge, encumbrance, hypothecation or security interest in this Agreement.

(ii) For purposes of this Agreement, each of the following events is an Assignment subject to the conditions to transfer identified in this Agreement: (a) the death or incapacity of any Owner, (b) the offer or sale of securities of Franchisee pursuant to a transaction subject to registration under applicable securities laws or by private placement pursuant to a written offering memorandum, (c) any sale, assignment, transfer, conveyance, gift, pledge, mortgage, or other encumbrance of any interest in Franchisee, the Franchised Business or this Agreement, (d) the issuance of any securities by Franchisee, which itself or in combination with any other

transactions, results in the Owners, as constituted on the Effective Date, owning less than one hundred percent (100%) of the outstanding Equity or voting power of Franchisee, and (e) any merger, stock redemption, consolidation, reorganization, recapitalization or other transfer of control of the Franchisee, however effected. Franchisee shall promptly provide Franchisor with written notice (stating the information that Franchisor may from time to time require) of each and every transfer, Assignment and encumbrance by any Owner of any direct or indirect Equity or voting rights in Franchisee.

(iii) Neither Franchisor's right of first refusal nor the other conditions of Assignment shall apply to a transfer by Franchisee of all of Franchisee's rights under this Agreement to a newly-formed corporation, limited liability company or other business Entity; provided that, all of the Equity or voting interests of the new business Entity are owned by the same Owners (a "Qualified Assignment").

(iv) Any attempted or purported Assignment that fails to comply with the requirements of this Article 17 shall be null and void and shall constitute a Default under this Agreement.

c. Right of First Refusal. Except with respect to a Qualified Assignment, if Franchisee or an Owner receives a bona fide written offer ("Third-Party Offer") from a third party (the "Proposed Buyer") to purchase or otherwise acquire any interest in Franchisee that will result in an Assignment within the meaning of this Agreement, Franchisee or the Proposed Buyer, shall, within fourteen (14) days after receiving the Third-Party Offer and before accepting it, apply to Franchisor in writing for Franchisor's consent to the proposed Assignment.

(i) Franchisee, or the Proposed Buyer, shall attach to its application for consent to the Assignment a copy of the Third-Party Offer together with (i) information relating to the proposed transferee's experience and qualifications; (ii) a copy of the proposed transferee's current financial statements; and (iii) any other information material to the Third-Party Offer, proposed transferee and proposed Assignment or that Franchisor requests.

(ii) Franchisor or its nominee shall have the right, exercisable by written notice ("Purchase Notice") given to Franchisee or the Proposed Buyer, within thirty (30) days following receipt of the application for consent to the Assignment and all supporting information, to notify Franchisee or the Proposed Buyer that it will purchase or acquire the rights, assets, Equity or interests proposed to be assigned on the same terms and conditions set forth in the Third-Party Offer, except that Franchisor may (i) substitute cash for any form of payment proposed in the offer discounted to present value based upon the rate of interest stated in the Third-Party Offer, and (ii) deduct from the purchase price all amounts then due and owing from Franchisee to Franchisor under this Agreement or otherwise.

(iii) If Franchisor or its nominee elects to purchase or acquire the rights, assets, Equity or interests proposed to be assigned to the Proposed Buyer, the closing shall take place no later than sixty (60) days following the date that the Purchase Notice was issued by Franchisor.

(iv) If Franchisor does not elect to purchase or acquire the rights, assets, Equity or interests proposed to be assigned to the Proposed Buyer, the closing of the sale to the Proposed Buyer shall take place no later than ninety (90) days following the date that the Third-Party Offer was received by Franchisee. If there is any material change in the terms of the Third-Party Offer before the closing of the sale, Franchisor shall have a right of first refusal to accept the new terms subject to the conditions stated in this Section 17(c).

d. Conditions of Assignment to Third-Party. As a condition to obtaining Franchisor's consent to an Assignment, all of the following conditions must be satisfied:

(i) The Proposed Buyer must submit a completed franchise application to Franchisor and meet Franchisor's Then-Current qualifications for new 1-800-Flowers franchisees, including qualifications pertaining to financial condition, credit rating, experience, moral character and reputation.

(ii) Franchisee must be in Good Standing on the date consent is requested and until the date of closing of the Assignment.

(iii) The sales price of the interest to be conveyed must not be so high, or the terms of the sale so onerous, that, in the judgment of Franchisor, the Proposed Buyer will be unlikely to meet the Proposed Buyer's financial and other obligations to Franchisor, third party suppliers and creditors following the closing. Franchisor shall have no liability to either Franchisee or the Proposed Buyer if Franchisor approves the Assignment and the Proposed Buyer thereafter experiences financial difficulties.

(iv) The Proposed Buyer must sign Franchisor's Then-Current form of Franchise Agreement, the terms of which may differ materially from any and all of the terms contained in this Agreement, and which shall supersede this Agreement in all respects, except that the term of the replacement Franchise Agreement shall be the remaining Term. In exchange for signing the Then-Current Franchise Agreement, the Proposed Buyer shall receive the rights provided for in this Agreement. If the Proposed Buyer is an Entity, each Owner and each Owner's spouse of the Proposed Buyer shall jointly and severally guarantee the Proposed Buyer's performance of its obligations in the Then-Current Franchise Agreement under a Guarantee in substantially the form of Exhibit B. If Franchisor is not offering new 1-800-Flowers franchises, is in the process of revising, amending or renewing Franchisor's form of Franchise Agreement or its Franchise Disclosure Document or is not lawfully able to offer Franchisor's Then-Current form of Franchise Agreement at the time of an Assignment, Franchisor may offer to amend this Agreement, upon terms and conditions that will be established by Franchisor and the Proposed Buyer at that time, or may offer to amend the Term on substantially the same terms and conditions set forth in this Agreement on a month-to-month basis for as long as Franchisor deems necessary or appropriate so that Franchisor may subsequently offer and utilize a Then-Current form of Franchise Agreement.

(v) Franchisee will remain subject to all obligations stated in this Agreement that expressly, or by implication due to their nature, survive the transfer, termination or expiration of this Agreement, including, without limitation, the provisions prohibiting competition, non-interference and non-disclosure of Confidential Information.

(vi) Franchisee and the Proposed Buyer shall execute a General Release in favor of Franchisor in a form acceptable to Franchisor.

(vii) Franchisee shall pay Franchisor a Transfer Fee of Ten Thousand and 00/100 Dollars (\$10,000.00) and, at Franchisor's request, shall reimburse Franchisor for Franchisor's out-of-pocket costs incurred to process the Assignment, including attorneys' fees.

(viii) Franchisee must simultaneously transfer its rights to all contracts for which continuation is necessary for operation of the Franchised Unit to the Proposed Buyer and satisfy any separate conditions to obtain any third party consents required for the transfer of Franchisee's rights to the Proposed Buyer. The Proposed Buyer must execute all other documents and agreements required by Franchisor to consummate the Assignment. All required third party consents to the Assignment must be obtained.

(ix) Franchisee's right to receive the sales proceeds from the Proposed Buyer in consideration of the Assignment shall be subordinate to the Proposed Buyer's obligations owed to Franchisor and its Affiliates under,



or pursuant to, this Agreement or any other agreement. All contracts by and between Franchisee and the Proposed Buyer shall expressly include a subordination provision permitting payment of the sales proceeds to Franchisee only after any outstanding obligations owed to Franchisor and its Affiliates are fully satisfied.

(x) Except when the transferee is an existing Franchisee or franchisee of Franchisor, the Proposed Buyer and a supervisorial or managerial employee of the Proposed Buyer who will have general management and supervisory responsibilities for the Franchised Unit who is acceptable to Franchisor, must complete, to Franchisor's sole satisfaction, the Initial Training Program prior to the effective date of the Assignment.

(xi) The Proposed Buyer must remodel, renovate, redecorate and/or refurbish the Franchised Unit to conform with Franchisor's Then-Current appearance and design standards and equipment specifications applicable to new 1-800-Flowers shops.

e. Death or Incapacity. In the event of the death or incapacity of an Owner, the spouse, heirs or personal representative of the deceased or incapacitated Owner, or the remaining Owners (the "Successor") shall have one hundred eighty (180) days from the date of death or incapacity in which to (i) purchase the interest of the deceased or incapacitated Owner; or (ii) complete an Assignment of the interest of the deceased or incapacitated Owner to a qualified, approved third party, subject to the provisions of this Article 17. If a Successor has not purchased the interest of the deceased or incapacitated Owner or completed an Assignment of the interest of the deceased or incapacitated Owner to a qualified, approved third party within one hundred eighty (180) days from the date of death or incapacity, Franchisor may terminate this Agreement.

f. Transfer by Franchisee in Bankruptcy. If, for any reason, this Agreement is not terminated pursuant to Section 21(a)(iv) below and this Agreement is to be assumed by, and assigned to, any Person or Entity who has made a bona fide offer to accept an assignment of this Agreement pursuant to the United States Bankruptcy Code, notice of the proposed assignment or assumption, setting forth (i) the name and address of the Proposed Buyer; and (ii) all of the terms and conditions of the proposed assignment and assumption, shall be given to Franchisor within twenty (20) days after receipt of the Proposed Buyer's offer to accept assignment of this Agreement, and, in any event, within ten (10) days prior to the date application is made to a court of competent jurisdiction for authority and approval to enter into the assignment and assumption. Franchisor shall thereupon have the prior right and option, to be exercised by notice given at any time prior to the effective date of the proposed assignment and assumption, to accept an assignment of this Agreement to itself upon the same terms and conditions and for the same consideration, if any, as in the bona fide offer made by the Proposed Buyer.

g. Restriction on Publicly Traded and Private Securities. Securities, partnership or other ownership interests in Franchisee may not be offered to the public under the Securities Act of 1933, as amended, nor may they be registered under the Securities Exchange Act of 1934, as amended, or any comparable federal, state or foreign law, rule or regulation. Such interests may be offered by private offering or otherwise only with the prior written consent of Franchisor, which consent shall not be unreasonably withheld. All materials required for any private offering by federal or state law shall be submitted to Franchisor for a limited review as discussed below prior to being filed with any governmental agency; and any materials to be used in any exempt offering shall be submitted to Franchisor for such review prior to their use. No offering by Franchisee shall imply that Franchisor is participating in an underwriting, issuance or offering of securities of Franchisee or Franchisor, and Franchisor's review of any offering materials shall be limited solely to the subject of the relationship between Franchisee and Franchisor, and its Affiliates. Franchisor may, at its option, require Franchisee's offering materials to contain a written statement prescribed by Franchisor concerning the limitations described in the preceding sentence. Franchisee, its Owners and other participants in the offering must fully agree in writing to defend, hold harmless, and indemnify Franchisor, its Affiliates, their respective partners and the officers, directors, manager(s) (if a

limited liability company), shareholders, members, partners, agents, representatives, independent contractors, servants and employees of each of them, from and against any and all losses, costs and liability in connection with the offering and shall execute any documentation required by Franchisor to further evidence this indemnity. For each proposed offering, Franchisee shall pay to Franchisor a non-refundable fee of Ten Thousand and 00/100 Dollars (\$10,000.00), which shall be in addition to any Transfer Fee under any Franchise Agreement or such greater amount as is necessary to reimburse Franchisor for its reasonable costs and expenses associated with reviewing the proposed offering, including without limitation, legal and accounting fees. Franchisee shall give Franchisor written notice at least thirty (30) days prior to the date of commencement of any offering or other transaction covered by this Article.

18. WEB SITES.

a. Definitions. For the purposes of this Agreement, the following words and phrases shall have the meanings set forth in this Section 18(a):

(i) “Content” means all text, images, sounds, files, video, designs, animations, layout, color schemes, trade dress, concepts, methods, techniques, processes and data used in connection with, displayed on, or collected from or through Franchisor’s Web Site.

(ii) “Deep Link” means a Link to the content of a Web site. Typically, a deep link is to an interior page of a Web site (*i.e.*, bypassing the front page of the Web site).

(iii) “Electronic Commerce” means offering and selling merchandise and services associated with the Marks, and receiving and accepting orders and payment for that merchandise and services, directly or indirectly, through any means of electronic communication, including receiving and accepting orders over the Internet.

(iv) “Frame” refers to a feature which, when used in conjunction with certain browsers, allows visitors of a Web site to view content from other Web sites without actually leaving the first page.

(v) “Franchisee’s Web Page” means one or more interior pages of Franchisor’s Web Site that Franchisor may dedicate, in whole or in part, to the Franchised Unit.

(vi) “Franchisor’s Web Site” means one or more Internet Web sites that Franchisor may develop, in its sole discretion, and may be used to, among other things, facilitate orders, provide information about the 1-800-Flowers|Conroy’s System and the products and services that are offered on the Web site and at franchised units operated under the Marks; Franchisee’s Web Page may be part of Franchisor’s Web Site.

(vii) “Internet” means any means of electronic communication that employs inter-connected computer networks to communicate information (of any kind) by fiber optics, wire, radio or other methods of transmission, including the myriad of computers, telecommunications facilities and similar means (both equipment and software) that comprise the interconnected worldwide network of networks that employ the TCP/IP (Transmission Control Protocol/Internet Protocol) or any predecessor or successor protocols to that protocol.

(viii) “Intranet” means a private method of communication for use only by employees and franchisees of Franchisor; Franchisor’s Intranet may be either a “true” intranet (a series of inter-connected computers that use the same type of software as the Internet, but that are not technically part of the Internet and do not use the

Internet to transmit material to one another) or an extranet (which will actually transmit information over the Internet, but require a password to access data on the servers used by Franchisor).

(ix) "Link" means a cross-reference which, with the aid of an interactive browser program, allows the end-user to move or connect easily from one document (including, another Web site or page on a Web site) to another.

(x) "Software" means all computer programs and computer code (e.g., HTML, Java) used for or on the Web site, excluding any Software owned by third parties.

(xi) "URL" means uniform resource locator, the unique address assigned to each page of a Web site.

(xii) "Web site" means a series of inter-connected "pages" on the World Wide Web section of the Internet (the "World Wide Web" is the portion of the Internet that features graphics-rich pages using the HTTP and HTML protocols).

b. Use of Marks on Internet. Except as provided in this Agreement, Franchisee shall not develop, create, generate, own, license, lease or use in any manner any computer medium or electronic medium (including, any URL, Internet home page, e-mail address, Web site, bulletin board, newsgroup or other Internet-related medium) that in any way uses or displays, in whole or in part, the Marks, or any of them, or any words, symbols or terms confusingly similar thereto other than Franchisee's Web Page, if established by Franchisor, in its sole discretion, and in accordance with this Agreement, such procedures, policies, standards and specifications as Franchisor may establish in the Manuals from time to time and only so long as Franchisee is not in Default of this Agreement or any other Agreement between Franchisor, its Affiliates and Franchisee. Without limiting the generality of the foregoing, Franchisee shall not cause, permit or allow the Marks, or any of them, or any words, symbols or terms confusingly similar thereto, to be used or displayed in whole or part: (a) as, or as a part of, an Internet domain name; (b) as, or as a part of, a URL (at any level or address); or (c) on or in connection with any Internet home page, Web site, bulletin board, newsgroup, chat-group, buddy list, instant messenger, meta-tag, keyword, search term, or the comparable identifier in any future technology, or other internet-related activity other than Franchisee's Web Page and in accordance with such procedures, policies, standards and specifications as Franchisor may establish in the Manuals from time to time. Franchisee shall not Link to or frame Franchisor's Web Site (including Franchisee's Web Page, if any) to any other Web site or authorize any third party to Link to or frame the Web site (including Franchisee's Web Page, if any) without Franchisor's express prior written consent, and then only in such manner and in accordance with such procedures, policies, standards and specifications as Franchisor may establish in the Manuals from time to time.

(i) Except as provided in Section 18(d) below, Franchisee shall not use, nor authorize any third party to use, the Marks to advertise, promote, offer or sell any goods or services through the Internet. Franchisee may, however, use the Marks to sell such goods or services through the Internet in compliance with Section 18(d) below or with Franchisor's prior written consent, the granting of which shall be within the sole discretion of Franchisor, but then only in such manner and in accordance with such procedures, policies, standards and specifications as Franchisor may establish in the Manuals from time to time.

(ii) Franchisor will own and will retain all right, title and interest in and to the Marks and the use thereof in any and all manner and to all existing and future domain names, URLs, addresses and sub-addresses established by Franchisor (including Franchisee's Web Page sub-addresses), which may or may not include the Marks; all Software; all Content prepared for, or used on, Franchisor's Web Site; and all intellectual property rights in or to any of them.

(iii) Franchisee acknowledges and agrees that it is strictly prohibited from using the Marks to promote its Franchised Unit, in any manner on any social and/or networking websites, such as Facebook, LinkedIn, Instagram and Twitter (or any successor websites), without Franchisor's prior written consent.

c. Franchisor's Web Site. Franchisor may, but shall not be obligated to, establish and maintain from time to time, Franchisor's Web Site to provide information about the 1-800-Flowers|Conroy's System and the goods and services that 1-800-Flowers|Conroy's shops provide. Franchisor's Web Site may, directly or indirectly compete with Franchisee. Franchisor has sole discretion and control over the establishment, design and content of Franchisor's Web Site, except that Franchisor may, but shall not be obligated to, configure the site to accommodate Franchisee's Web Page as described in Section 18(c)(ii) below. Franchisor may, at its sole option, from time to time, without prior notice to Franchisee: (a) change, revise, or eliminate the design, content and functionality of Franchisor's Web Site; (b) make operational changes to Franchisor's Web Site; (c) change or modify the URL and/or domain name of Franchisor's Web Site; (d) substitute, modify, or rearrange Franchisor's Web Site, at Franchisor's sole option, including in any manner that Franchisor considers necessary or desirable to, among other things, (1) comply with Applicable Laws, (2) respond to changes in market conditions or technology and respond to any other circumstances; or (3) limit or restrict end-user access (in whole or in part) to Franchisor's Web Site; (e) disable or terminate Franchisor's Web Site without any liability to Franchisee; and (f) as an alternative to establishing Franchisor's Web Site and Franchisee's Web Page, Franchisor may permit Franchisee to use Franchisee's existing web site and domain name for the purposes described in this Article 18, provided that, if any part of Franchisee's domain name or URL contains any of the Marks, Franchisee must transfer the domain name or URL to Franchisor when Franchisor directs or upon termination or expiration of this Agreement.

(i) Franchisor's Web Site may include a series of interior pages that may identify participating 1-800-Flowers|Conroy's shops by, among other things, name, geographic region, address, telephone number and/or e-mail address. Franchisor may, but shall not be obligated to, permit Franchisee to customize or post certain information to Franchisee's Web Page, subject to Franchisee's compliance with the procedures, policies, standards and specifications that Franchisor may establish in the Manuals from time to time, which may require Franchisee to pay a reasonable fee for the privilege of having Franchisee's Web Page, and may include, without limitation, specifications and limitations for the data or information to be posted to Franchisee's Web Page, customization specifications, the basic template for design of Franchisee's Web Page, parameters and deadlines specified by Franchisor, disclaimers, and such other standards and specifications and rights and obligations of the Parties as Franchisor may establish from time to time. Any modifications (including customizations, alterations, submissions or updates) to the Content made by Franchisee for any purpose will be deemed to be a "work made for hire" under the copyright laws, and therefore, Franchisor shall own the intellectual property rights in and to such modifications. To the extent any modification does not qualify as a work made for hire as outlined above, Franchisee hereby assigns those modifications to Franchisor for no additional consideration and with no further action required and shall execute such further assignments(s) as Franchisor may request. Franchisee may not modify Franchisee's Web Page, except in coordination with Franchisor's webmaster and in compliance with Franchisor's policies and procedures. Franchisee shall contribute a reasonable fee toward the cost of the Web Site's maintenance, which may vary from year to year during the Term and shall pay the same to Franchisor in the manner and at the times that Franchisor may establish in the Manuals from time to time. If Franchisee fails to pay when due any fees or other amounts payable to Franchisor under this Agreement, or any other agreement with Franchisor or Franchisor's Affiliates, or otherwise breaches this Agreement or any other agreement with Franchisor or Franchisor's Affiliates, Franchisor may disable Franchisee's Web Page, without prior notice and without any liability or recourse as against Franchisor, or its Affiliates, until such time as Franchisee pays its outstanding obligations in full. Franchisee hereby appoints Franchisor as Franchisee's attorney-in-fact with full power and authority for the sole purpose of disabling Franchisee's Web Page. This appointment shall be deemed

to be coupled with an interest and shall continue in full force and effect until the termination or expiration of this Agreement.

(ii) Franchisor may Link Franchisor's Web Site to the Web sites of third parties, including, electronic service providers, Franchisor's Affiliates and other providers of goods and services. Franchisor may also permit third parties to Link (including Deep Links to any interior page of Franchisor's Web Site, including Franchisee's Web Page) and frame Franchisor's Web Site (including Franchisee's Web Page). Franchisor may place legal notices, disclaimers, Franchisor's corporate logos and slogans, advertisements, endorsements, trademarks, and other identifying information on Franchisor's Web Site, all of which may be modified, expanded, or eliminated at Franchisor's option and sole discretion. Further, Franchisor may establish or participate in programs whereby Franchisor refers end-users to other Web sites, or Franchisor receives referrals from other Web sites. All consideration (monetary and non-monetary) received by Franchisor on account of the placement or sale of advertisements, endorsements, and sponsorships on Franchisor's Web Site (including any Franchisee Web Page), and all consideration (monetary and non-monetary) received by Franchisor on account of Affiliate programs, will belong exclusively to Franchisor. Franchisor may also establish programs that encourage repeat visits and business by end-users.

(iii) Without limiting Franchisor's general unrestricted right to permit, deny and regulate Franchisee's participation on Franchisor's Web Site in Franchisor's sole discretion, if Franchisee fails to pay when due any fees or other amounts payable to Franchisor under this Agreement, or any other agreement with Franchisor or Franchisor's Affiliates or otherwise breaches this Agreement or any other agreement with Franchisor or Franchisor's Affiliates, Franchisor may disable or terminate Franchisee's Web Page, without prior notice and without any liability or recourse as against Franchisor, or its Affiliates, and remove all references to the Franchised Unit on Franchisor's Web Site until the Default is cured.

(iv) Franchisor has no control over the stability or maintenance of the Internet generally; as a result, Franchisor is not responsible for damage or loss caused by errors or failures of the Internet. Furthermore, Franchisor is not liable for any direct, indirect, special, incidental, exemplary or consequential damages arising out of the use of, or the inability to use, Franchisor's Web Site or the Internet, including loss of profits, goodwill, or savings; downtime; or damage to or replacement of programs and data, whether known or unknown, based in contract, tort, product liability, or otherwise.

d. Electronic Commerce. Franchisee will not use the Marks to advertise, promote or sell any services or merchandise through the Internet, nor will Franchisee offer or sell any service that is identified with the Marks or any memorabilia or other merchandise that bears the Marks through the Internet, except in compliance with Section 18(b) above, this Section 18(d), and the Manuals. Franchisee's Default of this restriction will constitute willful trademark infringement and a material breach of this Agreement.

(i) Franchisor may, at its discretion, use the Web Site described in Section 18(c) above of this Agreement or may establish another facility on the Internet for the purpose of engaging in Electronic Commerce with respect to products and services that are identified with the Marks.

(ii) If Franchisor decides to engage in Electronic Commerce, it will (a) establish uniform procedures, policies and protocols to govern electronic communications between Franchisor and its customers and the use and dissemination of information that Franchisor obtains with respect to customers' identities, purchasing habits and other commercially relevant matters; (b) develop a secure site on the facility through which Franchisor can accept credit card and other Confidential Information from its customers; (c) establish a central administration center through which customer orders are processed, customer complaints are handled, sales taxes (if any) are

remitted, and records of sales transactions are created and maintained; (d) establish a central fulfillment center through which all customer orders are filled; and (e) establish the terms and conditions under which members of the 1-800-Flowers|Conroy's System may participate in Franchisor's Electronic Commerce program.

(iii) In the event that Franchisor initiates, in its sole discretion, Franchisor's Electronic Commerce program, Franchisee may have the opportunity to participate in the program, provided that, Franchisee is in Good Standing under this Agreement and any other agreement with Franchisor or Franchisor's Affiliates. The Electronic Commerce program set forth in the Manuals may (a) state the terms on which Franchisor and participating franchisees of Franchisor may share program revenues and expenses, (b) obligate Franchisee to adhere to Franchisor's procedures, policies and protocols that govern electronic communications and the use and dissemination of customer information, (c) authorize Franchisor from time to time to modify the procedures, policies and protocols that govern the Electronic Commerce program; and (d) release Franchisor from liability to Franchisee and its customers for theft or disclosure of confidential customer information or breach of Franchisor's privacy standards, unless the proximate cause of such theft, disclosure or breach is Franchisor's gross negligence or willful misconduct.

(iv) If Franchisee declines to participate in the Electronic Commerce program on the terms stated in the Manuals, Franchisee will have no right to share in program revenues, nor will Franchisee have any responsibility to bear or pay any program expenses.

(v) If Franchisee fails to pay when due any fees or other amounts payable to Franchisor under this Agreement, or any other agreement with Franchisor or Franchisor's Affiliates or otherwise breaches this Agreement or any other agreement with Franchisor or Franchisor's Affiliates, Franchisee hereby authorizes Franchisor to disable or terminate the end-user's ability to place pick-up and delivery orders with Franchisee, without prior notice and without any liability or recourse as against Franchisor, or its Affiliates, until the breach is cured.

(vi) Electronic Commerce transactions may include, but are not limited to, electronic funds transfer, web-based marketing, management of Franchisor's supply chain, online transaction processing, electronic data interchange, inventory management systems, automated data collection and other similar transactions.

e. Franchisor's Intranet. Franchisor may, at its sole discretion and option, establish and maintain, an Intranet through which Franchisor, franchisees of Franchisor and Franchisor's employees may communicate with each other, and through which Franchisor may disseminate the Manuals, updates thereto and other confidential information. Franchisor shall have sole discretion and control over all aspects of the Intranet, including the content and functionality thereof. Franchisor will have no obligation to maintain any such Intranet indefinitely and may dismantle it at any time without liability to Franchisee.

(i) If Franchisor establishes an Intranet, Franchisee shall have the privilege to use the Intranet, subject to Franchisee's strict compliance with the standards and specifications, protocols and restrictions that Franchisor may establish from time to time. Such standards and specifications, protocols and restrictions may relate to, among other things, (a) the use of abusive, slanderous or otherwise offensive language in electronic communications; (b) communications between or among franchisees that endorse or encourage breach of any franchisee's Franchise Agreement; (c) confidential treatment of materials that Franchisor transmits via the Intranet; (d) password protocols and other security precautions; (e) grounds and procedures for Franchisor's suspending or revoking a franchisee's access to the Intranet; and (f) a privacy policy governing Franchisor's access to and use of electronic communications that franchisees post to the Intranet. Franchisee acknowledges and agrees that, as administrator of the Intranet, Franchisor can technically access and shall be entitled to view any communication that any Person posts on the Intranet. Franchisee further acknowledges and agrees that the

Intranet facility and all communications that are posted to it will become Franchisor's property, free of any claims of privacy or privilege that Franchisee or any other Person may assert.

(ii) Upon receipt of notice from Franchisor that Franchisor has established the Intranet, Franchisee shall establish and continually maintain (during all times that the Intranet shall be established and until the termination of this Agreement) an electronic connection (the standards and specifications of which shall be specified in the Manuals) with the Intranet that allows Franchisor to send messages to and receive messages from Franchisee, subject to such standards and specifications. Franchisee shall contribute a reasonable amount toward the cost of the Intranet's maintenance, which may vary from time to time during the Term and shall pay the same to Franchisor in the manner and at the times that Franchisor may establish in the Manuals from time to time.

(iii) If Franchisee fails to pay when due any fees or other amounts payable to Franchisor under this Agreement, or any other agreement with Franchisor or Franchisor's Affiliates, or otherwise breaches this Agreement or any other agreement with Franchisor or Franchisor's Affiliates, Franchisor may, without prior notice and without any liability or recourse against Franchisor, or its Affiliates, temporarily disable or terminate Franchisee's access to the Intranet until such time as Franchisee pays its outstanding obligation in full without Franchisor having any liability to Franchisee, in which case, Franchisor shall only be required to provide Franchisee a paper copy of the Manuals and any updates thereto, if none have been previously provided to Franchisee, unless Franchisee is not otherwise entitled to the Manuals.

#### 19. INDEMNIFICATION.

Franchisee shall defend at Franchisee's own cost and indemnify and hold harmless Franchisor and its Affiliates, and their respective shareholders, directors, officers, employees and agents, and each of them, from and against any and all loss, costs, expenses (including attorneys' fees), claims, damages and liabilities, however caused, resulting directly or indirectly from or pertaining to the use, condition, or construction, equipping, maintenance, administration, supervision or operation of the Franchised Unit, including those resulting from claims arising under this Agreement, a Sublease or a Third-Party Lease, as applicable. Such loss, claims, costs, expenses, damages and liabilities shall include, without limitation, those arising from latent or other defects in the Franchised Unit, whether or not discoverable by Franchisor, and those arising from the death or injury to any Person or arising from damage to the property of Franchisee or Franchisor, their agents or employees, or any third Person, firm or corporation, whether or not such losses, claims, costs, expenses, damages, or liabilities were actually or allegedly caused wholly or in part through the active or passive negligence of Franchisor or its Affiliates or their respective shareholders, directors, officers, employees or agents or from any strict liability imposed on Franchisor, its Affiliates, or their respective shareholders, directors, officers, employees or agents.

#### 20. RELATIONSHIP OF THE PARTIES.

In all matters pertaining to the operation of the Franchised Unit, Franchisee is and shall be an independent contractor. No employee of Franchisee shall be deemed to be an employee of Franchisor nor shall Franchisor have any responsibility whatsoever for the acts or omissions to act, intentional, negligent or otherwise, of the employees of Franchisee. Nothing in this Agreement shall be construed to create a partnership, joint venture or agency between Franchisee and Franchisor. Neither Party shall be liable for the debts or obligations of the other unless expressly assumed in writing. Franchisee shall have no right to bind Franchisor, transact business in Franchisor's name or in any manner make any promises or representations on behalf of Franchisor, nor contract any debts or obligations on behalf of Franchisor, or its Affiliates.

21. DEFAULTS.

Franchisee acknowledges and agrees that complete performance of all the terms of this Agreement is necessary for the protection of Franchisor and the Trade Practices and that complete and exact performance by Franchisee of each of Franchisee's promises contained in this Agreement is a condition to the continuance of this Agreement. In addition to all other remedies that may be available to Franchisor, Franchisor shall have the right to terminate this Agreement and, if applicable, upon the occurrence of any of the following events:

a. Grounds for Immediate Termination. Termination shall be effective immediately and automatically, with no right to cure, where the grounds for termination are:

(i) The expiration of the Term or the expiration or termination of a Sublease or Third-Party Lease, except as otherwise provided in Section 4(b) above.

(ii) The voluntary Abandonment of the Franchised Unit, the Franchised Location or the franchise relationship by Franchisee.

(iii) The conviction of Franchisee, or any of its Owners if it is an Entity, in a court of competent jurisdiction of any offense directly related to the business conducted pursuant to this Agreement or any offense that may tend to adversely affect the goodwill or reputation of Franchisor or its Affiliates, Franchisee or the 1-800-Flowers|Conroy's System, or the commission of any offense directly related to the business conducted pursuant to the Franchised Unit or this Agreement.

(iv) Any affirmative act of bankruptcy or insolvency by Franchisee, or any of its Owners if it is an Entity, or the filing by Franchisee or any of its Owners if it is an Entity, of any petition or action in bankruptcy or insolvency, or for appointment of a receiver or trustee, or an assignment by Franchisee, or any of its Owners if it is an Entity, for the benefit of creditors, or the failure to vacate or dismiss within sixty (60) days after filing any such proceedings commenced against Franchisee, or any of its Owners, by a third party.

(v) The failure of Franchisee to maintain reasonable and satisfactory procedures to record Franchisee's Adjusted Gross Sales and Incoming Sales at the Franchised Unit or to accurately report Franchisee's Adjusted Gross Sales and Incoming Sales at the Franchised Unit to Franchisor, or the failure of Franchisee to make available to Franchisor upon Franchisor's request, any of the sales records for the Franchised Unit described in Section 14(b) above or in the Manuals, within five (5) years of their generation, or the disclosure by Franchisor by an examination or audit of Franchisee's financial books and records and supporting materials, of an understatement of Adjusted Gross Sales of three percent (3%) or more, which results in a deficiency in Franchisee's payment of all continuing franchise fees and/or marketing fees due to Franchisor under the terms of this Agreement, or the disclosure of the use of a centralized telephone system or of any inter-store or intra-store transmission of Incoming Sales or Outgoing Sales by Franchisee, at, to or from the Franchised Unit without the prior written consent of Franchisor, or the disclosure of the use of the same by Franchisee without the prior written consent of Franchisor, which results in an understatement of Adjusted Gross Sales, Incoming Sales or Outgoing Sales and a deficiency in Franchisee's payment of all continuing franchise fees and/or marketing fees due to Franchisor under the terms of this Agreement or any other use of inter-store or intra-store transmissions of Incoming Sales or Outgoing Sales to understate Adjusted Gross Sales, Incoming Sales or Outgoing Sales.

(vi) The purported Assignment, transfer, or subfranchise of any interest under this Agreement, or any right under this Agreement by Franchisee, without the prior written consent of Franchisor.



(vii) Franchisee's understatement of Adjusted Gross Sales and/or Incoming Sales more than once during the Term.

(viii) The failure of Franchisee to select a site for the Franchised Location within six (6) months from the Effective Date, or to have the Franchised Unit built-out and all required signage installed at the Franchised Unit and/or on vehicles, as required by the Franchisor, and open for business within nine (9) months from the Effective Date.

(ix) Disclosure of the contents of the Manuals by Franchisee or any Owner.

(x) The failure of Franchisee to make available to Franchisor upon Franchisor's request, any of the sales records for the Franchised Unit described in Sections 14(b) and 14(c) above or in the Manuals within five (5) years of their generation.

(xi) Franchisee's Default in any obligation under this Agreement or any other agreement between Franchisor and Franchisee that is not by its nature capable of being cured by Franchisee.

(xii) If Franchisee or the Owners use abusive language when communicating with Franchisor, Franchisor's staff or with customers or suppliers, engage in any illegal activity or abusive or threatening behavior towards Franchisor, Franchisor's staff or customers or suppliers, or denigrate the 1-800-Flowers System or portray it in an unflattering light on the Internet or otherwise.

(xiii) The attachment of any involuntary lien in the sum of One Thousand and 00/100 Dollars (\$1,000.00) or more upon any of the business assets or property of Franchisee, which lien is not promptly removed.

(xiv) Franchisee's Default under the Sublease for the Franchised Location, if applicable, or any other agreement between Franchisor or its Affiliates, and Franchisee, including, without limitation, a Default by Franchisee under the BloomNet Membership Agreement with BMT, or Default under a Third-Party Lease, which Default is not cured within the period required in said agreement.

(xv) Franchisee's conduct of the business of the Franchised Unit in such a manner so as to affect materially and adversely the goodwill or reputation of Franchisor or its products.

(xvi) If, during the Term, or any extension thereof, or during the term of any subsequent Successor Franchise, the right to occupy the Franchised Location is lost and a new site satisfactory to Franchisor and Franchisee is not leased within one hundred twenty (120) days.

(xvii) If, at any time prior to the completion of Franchisee's training program, Franchisor for any reason whatsoever, determines, in its sole and absolute discretion that Franchisee should not be a franchisee.

(xviii) The failure of Franchisee to operate the Franchised Unit during such days and hours as may be specified in accordance with this Agreement for a period of five (5) days after having received notification of noncompliance from Franchisor.

(xix) The failure of Franchisee to make timely payment to Franchisor of any and all continuing franchise fees and marketing fees payable pursuant to this Agreement for a period of five (5) days after having received notification of noncompliance from Franchisor.

(xx) The failure of Franchisee to make timely payments upon any obligation of Franchisee upon which Franchisor has advanced any funds for or on behalf of Franchisee, or upon which Franchisor is acting as a guarantor of Franchisee, or Default upon or breach of any provision of any promissory note or other evidence of indebtedness or any agreement relating thereto concerning any obligation of Franchisee that arises from the Franchised Unit for a period of five (5) days after having received notification of noncompliance from Franchisor.

(xxi) The failure of Franchisee to comply with Applicable Law related to the operation of the Franchised Unit for a period of ten (10) days after having received notification of noncompliance from Franchisor or any governmental or quasi-governmental agency or authority.

(xxii) Franchisee's Default in the repayment or performance of any obligation or financing transaction with third parties where this franchise, the Franchised Unit, the Franchised Location or any asset of Franchisee pertaining to this franchise is pledged as security for Franchisee's performance for a period of ten (10) days after having received notification of noncompliance from Franchisor.

(xxiii) The repeated failure of Franchisee to comply with the terms of this Agreement, or any of them, of any nature, cured or uncured, after notice from Franchisor.

b. Right to Cure. If Franchisee shall be in Default in the performance of any of the terms of this Agreement other than any of the Defaults listed in Section 21(a) above, then Franchisor, in addition to all other remedies available to it at law or in equity, may declare this Agreement automatically terminated unless:

(i) The Default is cured within ten (10) days after written notice thereof from Franchisor to Franchisee, if the Default complained of is the payment of an obligation due to Franchisor, its Affiliates or to a third party such as a landlord or trade vendor.

(ii) The Default is cured within thirty (30) days after written notice thereof from Franchisor to Franchisee, if the Default complained of is a non-monetary Default not included in Section 21(a) above; however, if a qualifying non-monetary Default is of a nature that more than thirty (30) days are reasonably required to cure, Franchisee shall commence to cure the Default within said thirty (30) day period and shall proceed with such cure with due diligence and within the period, if any, designated by Franchisor as the allowable additional time within which the cure must be accomplished.

c. Notice Required By Law. Notwithstanding anything to the contrary contained in this Article 21, in the event any valid, Applicable Law of a competent Governmental Authority having jurisdiction over this Agreement and the Parties shall limit Franchisor's rights of termination under this Agreement or shall require longer notice periods than those set forth above, this Agreement shall be deemed amended to conform to the minimum notice periods or restrictions upon termination required by such laws and regulations. Franchisor shall not, however, be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, arbitration, hearing or dispute relating to this Agreement or the termination of this Agreement.

d. Cross-Default. Any Default by Franchisee under the terms and conditions of this Agreement, any Lease, or any other agreement between Franchisor or its Affiliates and Franchisee shall be deemed to be a Default of each and every other agreement. In the event of termination, for any cause, of this Agreement or any other agreement between the Parties, Franchisor may, at its option, terminate any or all said agreements.

22. OBLIGATIONS FOLLOWING TERMINATION.

a. Obligations of Franchisee.

(i) Following termination of Franchisee's rights to use the Marks and/or the "1-800-FLOWERS|CONROY'S" service mark and trade name as part of the name of the Franchised Unit, Franchisee shall not operate or do business utilizing the "1-800-FLOWERS|CONROY'S" service mark and trade name or any of the Marks or do business in any manner that might tend to give the public the impression that Franchisee has any right to use the "1-800-FLOWERS|CONROY'S" service mark and trade name or any of the Marks.

(ii) Following termination of this Agreement, Franchisee shall not:

(aa) Operate or do business under any name or in any manner that might tend to give the general public, suppliers, wire services, credit card processing services or the like, the impression that this Agreement is still in force or that Franchisee has any right to use the Marks, the Trade Practices or is a franchisee in the 1-800-Flowers|Conroy's System.

(bb) Make use of or avail himself or itself of any of the Marks or Trade Practices or information received from Franchisor in the operation of the Franchised Unit or disclose or reveal any such information or any portion thereof to anyone not employed by Franchisor.

(cc) Solicit any customers of the Franchised Unit, either directly or indirectly, or retain any list of such customers.

(dd) Assist anyone in the development or operation of any business that incorporates any of the features or equipment layout or product displays, that are identifying characteristics of the 1-800-Flowers|Conroy's System.

(iii) Following termination of this Agreement, Franchisee shall comply with all covenants in Article 16 above.

b. Discontinue Use of Trade Practices. In the event of the termination of this Agreement, whether by reason of a Default, lapse of time or other cause, Franchisee shall immediately discontinue the use of the Trade Practices and trade names, shall return to Franchisor all Manuals, training films, training materials and other property of Franchisor, and shall not thereafter operate or do business under any name or in any manner that might tend to give the general public the impression that Franchisee is dispensing, selling or servicing any of the products developed by Franchisor or that Franchisee is operating a flower shop similar to the 1-800-Flowers|Conroy's shops established by Franchisor. Franchisee shall immediately cease use of the Marks and shall remove, destroy, or otherwise obliterate all signs, placards, posters, stationery, banners, advertising or lettering that utilizes the Marks, or any part thereof, by the date upon which termination becomes effective. Franchisee shall permit Franchisor to enter the Franchised Unit to ensure that the foregoing has been completed upon reasonable advance notice. Franchisee's failure to immediately cease the use of the Marks upon termination of this Agreement will result in irreparable harm and injury to Franchisor. If the Sublease for the Franchised Location or Franchisee's Third-Party Lease is also terminated, or if Franchisor has been granted the right to assume, or have its assignee assume, the obligations of a Third-Party Lease and elects to do so, Franchisee shall vacate the Franchised Location promptly and completely.

c. Return of the Manuals. Immediately upon the termination of this Agreement, for whatever reason, Franchisee agrees to cease and forever abstain from using the Trade Practices or any part thereof or any proprietary information contained in this Agreement, to return to Franchisor all copies of the Manuals and all other documents, instructions, display items, advertising material, training and other tangible property connected with the franchise and to remove all signs and other items tending to identify the Franchised Unit as being connected with Franchisor or the 1-800-Flowers|Conroy's System.

d. De-Identification. In the event that Franchisee's Third-Party Lease will not be terminated or if Franchisee will otherwise remain in possession of the Franchised Location following the termination of this Agreement, upon demand by Franchisor, Franchisee shall, on or before the effective date of the termination of this Agreement, remove and/or modify to Franchisor's satisfaction any or all distinctive design features and characteristics of the Franchised Unit, including, without limitation, distinctive interior designs and surface materials and refrigeration equipment, display fixtures, color décor, stained glass windows, interior, exterior and reader-board signs and any other items in, on, the Franchised Unit and Franchisee's delivery van and other vehicles that contain the Marks, cease use of any web site URL that contains the Marks and any other reference to the Marks theretofore used by Franchisee on the Internet, and all other items identifying the Franchised Location as a 1-800-Flowers|Conroy's shop or otherwise affiliated with the 1-800-Flowers|Conroy's System. In the event that Franchisee fails to so de-identify the Franchised Unit prior to the effective date of the termination of this Agreement, Franchisor shall have the right to do so or cause the same to be done at the expense of Franchisee. In addition to the foregoing, Franchisee's failure to complete the proper de-identification of the Franchised Unit to Franchisor's satisfaction shall be considered a misuse of the Marks, and Franchisee shall pay to Franchisor the One Thousand and 00/100 Dollars (\$1,000.00) fee specified in Section 15(g) above. In addition to such fee, Franchisee agrees that Franchisor has the right to require Franchisee to continue paying the continuing franchise fees until all 1-800-Flowers|Conroy's signage is removed from the Franchised Location and delivery vehicles. Such fees shall be in addition to any other remedies available to Franchisor at law.

e. Electronic Communications and Media. The goodwill associated with all telephone and fax numbers, email addresses, domain names, websites or web pages, social media and other Internet addresses used in operation of the Franchised Unit ("Electronic Communications and Media") is an asset that belongs to Franchisor. Franchisor shall have the option, exercisable by written notice within thirty (30) days after the cancellation, termination or expiration of this Agreement, to take an assignment of all Electronic Communications and Media for the Franchised Unit. If Franchisor exercises this option, Franchisee will be deemed to have assigned to Franchisor or Franchisor's designee all right, title and interest in and to these Electronic Communications and Media and/or services associated with the same. Franchisee shall notify the telephone company, domain name registrars and all listing agencies of the cancellation, termination or expiration of Franchisee's right to use the Electronic Communications and Media associated with the Franchised Unit, and shall authorize their transfer to Franchisor. Franchisee appoints Franchisor as its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as may be necessary to effect an assignment of all Electronic Communications and Media for the Franchised Unit. This power of attorney is coupled with an interest and shall survive the cancellation, termination or expiration of this Agreement. Franchisee, by executing this Agreement, authorizes Franchisor and hereby appoints Franchisor and all of Franchisor's officers as Franchisee's attorney-in-fact to direct the telephone, company, domain name registrars and all listing agencies to transfer the same to Franchisor, should Franchisee fail or refuse to do so. The telephone, company, domain name registrars, and all listing agencies may accept this Agreement as conclusive evidence of Franchisor's exclusive rights to the Electronic Communications and Media and Franchisor's authority to direct their transfer. Franchisee must sign the instruments Franchisor requests to confirm the assignments and transfers to Franchisor. Franchisee shall not be entitled to any compensation from Franchisor if Franchisor exercises this option.

f. Monetary Obligations. In the event of termination, Franchisor may retain all fees paid pursuant to this Agreement. In addition, all obligations of Franchisor to Franchisee and all rights of Franchisee under this Agreement shall automatically terminate; however, any obligations of Franchisee to take, or abstain from taking, any action upon termination pursuant to this Agreement shall not be affected by such termination, including the payment to Franchisor, or its Affiliates, of all sums due from Franchisee at the time of termination and all sums that would have become due to Franchisor, or its Affiliates, from Franchisee during the remaining Term had this Agreement not been terminated prior to the expiration of the Term of this Agreement.

g. Right to Purchase. Upon termination of this Agreement, Franchisor shall have the option, in its sole and absolute discretion, to purchase the tangible assets at the Franchised Unit and any off-site production facility operated by Franchisee on the following terms and conditions:

(i) Franchisor shall give written notice to Franchisee of its exercise of its option to purchase the "tangible assets" at the Franchised Unit, or any portion thereof, if at all, within thirty (30) days following the date of termination of this Agreement. For purposes of this Section 22(g), the term "tangible assets" shall mean only the leasehold improvements, furniture, fixtures, equipment and interior and exterior signs at the Franchised Unit.

(ii) The purchase price for the tangible assets shall be their Then-Current fair market value less the amount of all fees and obligations due to Franchisor, or its Affiliates, from Franchisee and less the amount of any current and long term liabilities of the Franchised Unit to be assumed by Franchisor as described in Section 22(g)(iv) below. The purchase price shall not contain any amount for "goodwill", "going concern value" or Initial Franchise Fees, continuing franchise fees, marketing fees or any other sums paid to Franchisor by Franchisee prior to the termination of this Agreement. In addition, the purchase price shall not include payment for any inventory or supplies or leasehold improvements, equipment, fixtures or signs that Franchisor deems obsolete or has theretofore designated as failing to meet quality standards for the 1-800-Flowers|Conroy's System.

(iii) The amount of the purchase price shall be included by Franchisor in its notice of its exercise of the option to purchase the tangible assets. If Franchisee does not accept Franchisor's purchase price for the tangible assets within twenty (20) days following the date of Franchisor's notice under Section 22(g)(i) above, the purchase price shall be determined as follows:

(aa) Within ten (10) days thereafter, each Party shall name an appraiser to independently ascertain the purchase price in accordance with the criteria set forth in Sections 22(g)(i) and 22(g)(ii) above. If the two appraisals are in "substantial agreement," the "average" of the two appraisals will be the purchase price. For this purpose, the term "substantial agreement" means a difference in the two appraisals of less than fifteen percent (15%) of the higher appraisal and the term "average" means one-half (1/2) of the sum of the two appraisals.

(bb) If the two appraisals are not in substantial agreement, the two appraisers will jointly choose a third appraiser within ten (10) days of the date that the last appraisal is delivered to the Parties who shall conduct his or its appraisal of the tangible assets within thirty (30) days. If a third appraiser is utilized, the purchase price will be the average of the two appraisals that are closest to each other.

(cc) The Parties shall share equally the fees and expenses of the third appraiser, but each Party shall be responsible for the fees and expenses of his or its appraiser. Each Party shall bear its own expenses in presenting evidence to the appraisers.

(dd) In determining the purchase price of the tangible assets, the appraisers shall consider all relevant material submitted to them by the Parties or otherwise obtained by them and shall set forth their determinations in writing, together with their opinions and the considerations on which the opinions are based, with a signed counterpart to be delivered to each Party within thirty (30) days.

(iv) The purchase price of the tangible assets shall be reduced by the current and long term liabilities of the Franchised Unit (except liabilities owed to Franchisee or its Owners) to be assumed by Franchisor, up to the amount of the purchase price.

(v) The balance of the purchase price remaining after the deductions described in Section 22(g)(iv) above shall be payable to Franchisee as follows:

(aa) Ten percent (10%) of the balance due will be paid in cash as a down payment on the date of the close of escrow.

(bb) The amount remaining due will be evidenced by a promissory note providing for payment of this sum, together with interest at a rate equal to the prime lending rate then charged by Franchisor's principal bank determined as of the date of the close of escrow, in sixty (60) equal monthly installments of principal and interest commencing on the first day of the second calendar month following the date of the close of escrow and continuing on the same day of each consecutive month until paid in full.

(vi) The close of escrow shall occur within forty-five (45) days after the final determination of the purchase price for the tangible assets. Bulk transfer costs shall be paid by Franchisee. Escrow costs shall be shared equally by Franchisor and Franchisee.

(vii) If Franchisor purchases the tangible assets, Franchisee and Franchisor shall terminate the Sublease for the Franchised Location, if applicable, or Franchisee shall, at Franchisor's request, immediately assign to Franchisor any interest that Franchisee has in any Third-Party Lease for the Franchised Location. If Franchisee fails or refuses to comply with the requirements of this Section 22(g)(vii) following Franchisor's demand that Franchisee do so, Franchisor shall have the right to immediately enter into negotiations with the Third-Party Landlord regarding assignment and assumption of the Third-Party Lease and to enter the Franchised Location and conduct business at the Franchised Unit, without being guilty of trespass or any other tort. In addition, Franchisor may make or cause to be made such changes to the Franchised Unit as may be required to enable Franchisor, or its Affiliates, or another franchisee of Franchisor, to continue the operation of a 1-800-Flowers|Conroy's shop at the Franchised Location, all at the expense of Franchisee, which expense Franchisee shall pay to Franchisor upon demand.

(viii) Franchisor shall have the right to assign its option to purchase the tangible assets at the Franchised Unit and to obtain an assignment of any Third-Party Lease to an assignee of Franchisor's choice.

h. Paper Goods. Upon termination of this Agreement, Franchisor shall have the option for a period of thirty (30) days to purchase all paper goods, containers and all other items bearing the Marks at the Franchised Unit at their cost or fair market value, whichever is less.

i. Survival of Obligations. Termination or expiration of this Agreement shall be without prejudice to any other rights or remedies that Franchisor shall have at law or in equity, including, without limitation, the right to recover benefit of the bargain damages. In no event shall a termination or expiration of this Agreement affect Franchisee's obligations to take or abstain from taking any action in accordance with this Agreement. The

provisions of this Agreement, which by their nature or expressly constitute post-termination (or post-expiration) covenants and agreements, shall survive the termination or expiration of this Agreement.

23. MISCELLANEOUS.

a. Arbitration. The Parties agree that, subject to Section 23(b) below of this Agreement, all disputes arising out of or relating to this Agreement or any other agreement between Franchisor and Franchisee, Franchisor's relationship with Franchisee, the scope and validity of this Agreement or any other agreement between Franchisor and Franchisee or any provision of those agreements (including the validity and scope of the arbitration obligations under this Section 23(a), which the Parties acknowledge is to be determined by an arbitrator and not by a court), or the 1-800-Flowers|Conroy's System, shall be submitted for binding arbitration, on demand of either Party, to the American Arbitration Association ("AAA").

(i) The arbitration proceedings shall be conducted by one arbitrator and, except as otherwise provided in this Section 23(a), according to the then-current commercial arbitration rules of the AAA. All proceedings shall be conducted at a suitable location chosen by the arbitrator in the Jericho, New York metropolitan area. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 USC. §§ 1 et seq.). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction. The arbitrator shall have the right to award or include in the arbitrator's award any relief that the arbitrator deems proper, including, without limitation, money damages (with interest on any unpaid amounts from the date due), specific performance, injunctive relief (except as provided in Section 23(b) below), and attorneys' fees and costs; provided that the arbitrator may not declare any Mark generic or otherwise invalid or award any punitive or exemplary damages against either Party. The Parties shall be bound by the provisions of any limitation on the period of time in which claims must be brought under Applicable Law or this Agreement, whichever expires earlier. The Parties further agree that, in any arbitration proceeding, each Party must submit or file any claim that would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required shall be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either Party.

(ii) Franchisor reserves the right, but not the obligation, to advance Franchisee's share of the costs of any arbitration proceeding in order for the arbitration proceeding to take place and, by doing so, shall not be deemed to have waived or relinquished Franchisor's right to seek or receive the recovery of amounts advanced. The Parties agree that arbitration shall be conducted on an individual, not a class-wide, basis and that any arbitration proceeding between the Parties, or their Affiliates, and/or their respective officers, directors, shareholders, members, managers, agents, and/or employees, may not be consolidated with any other arbitration proceeding between the Parties and any other Person. Notwithstanding the foregoing or anything to the contrary in this Section 23(a), if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section 23(a), the Parties agree that this arbitration clause shall not apply to that dispute and that such dispute shall be resolved in a judicial proceeding in the Supreme Court of the State of New York, County of Nassau, or the United States District Court in and for the Eastern District of the State of New York in accordance with this Article 23 (excluding this Section 23(a)).

b. Exceptions to Arbitration. Section 23(a) above shall not apply to any action involving or contesting the validity of any of the Marks or any action for injunctive or other provisional relief, including, without limitation, enforcement of liens, security agreements, or attachment, as Franchisor deems to be necessary or appropriate to compel Franchisee to comply with Franchisee's obligations to Franchisor and/or to protect the Marks.

c. Further Acts. The Parties agree to execute such other documents and perform such further acts as may be necessary or desirable to carry out the purposes of this Agreement.

d. Heirs and Successors. Except as otherwise provided in this Agreement, this Agreement shall be binding upon and inure to the benefit of the Parties, their heirs, successors and permitted assigns.

e. Entire Agreement. This Agreement, the Manuals, the Exhibits to this Agreement and any documents incorporated into this Agreement by reference, represent the entire understanding between the Parties regarding the subject matter of this Agreement and supersede all other negotiations, agreements, representations and covenants, oral or written, except any other agreement executed by Franchisor, or its Affiliates, and Franchisee. This Agreement may not be modified except by a written instrument signed by all Parties. The Parties intend this Agreement to be the entire integration of all of their agreements of any nature regarding the subject matter of this Agreement. No other agreements, representations, promises, commitments or the like, of any nature, exist between the Parties. By placing Franchisee's initials at the end of this Section 23(e), Franchisee acknowledges the accuracy of the provisions of this Section 23(e). Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim representations Franchisor made to Franchisee in the Franchise Disclosure Document or in any related document that Franchisor heretofore furnished to Franchisee.

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Initials

f. Waiver. Failure by either Party to enforce any rights under this Agreement shall not be construed as a waiver of such rights. Any waiver, including a waiver of Default, in any one instance shall not constitute a continuing waiver or a waiver in any other instance. Any acceptance of money or other performance by Franchisor from Franchisee shall not constitute a waiver of any Default, except as to the payment of the particular payment or performance so received. The Parties agree, to the extent permitted by Applicable Law, that any legal action or proceeding of any kind by either Party must be commenced by no later than the last to occur of the following: (i) one hundred eighty (180) days after obtaining knowledge of the facts that constituted or gave rise to the alleged violation or liability; or (ii) one (1) year after the act, event, occurrence or transaction that constituted or gave rise to the alleged violation or liability. Franchisor and Franchisee, for themselves, and Franchisee, for and on behalf of the Owners, hereby waive to the fullest extent permitted by Applicable Law, any right to, or claim for, punitive or exemplary damages against the other and agree that, in the event of a dispute between them, the Parties shall each be limited to recovering only the actual damages proven to have been sustained by that Party, except as provided in Section 23(o) below.

g. No Uniformity. Franchisor has made no warranty or representation that all Franchise Agreements previously issued or issued after this Agreement by Franchisor do or will contain terms substantially similar to those contained in this Agreement. Franchisor may, in its reasonable business judgment and its sole and absolute discretion, due to local business conditions or otherwise, waive or modify comparable provisions of other Franchise Agreements previously executed or executed after the date of this Agreement with other 1-800-Flowers|Conroy's franchisees in a non-uniform manner.

h. Interest. Any monies past due to Franchisor from Franchisee shall bear interest at the maximum rate permitted by the state whose Applicable Law governs this Agreement, or in the absence of a maximum rate specified by state law, ten percent (10%). The foregoing shall not affect any other right or remedy of Franchisor arising from any delinquency.



- i. Validity. Any invalidity of any portion of this Agreement shall not affect the validity of the remaining portions and unless substantial performance of this Agreement is frustrated by any such invalidity, this Agreement shall continue in full force and effect.
- j. Headings, Table of Contents, Gender and Recitals. The headings and Table of Contents used in this Agreement are for purposes of convenience only and shall not be used in construing the provisions of this Agreement. As used in this Agreement, the male gender shall include the female and neuter genders, the singular shall include the plural and the plural, the singular. Recitals A through C are true and correct and are incorporated into the text of this Agreement.
- k. Effectiveness. The submission of this Agreement does not constitute an offer to franchise and this Agreement shall become effective only upon execution thereof by Franchisor and Franchisee.
- l. Execution by Franchisor. This Agreement shall not be binding on Franchisor unless and until it shall have been accepted and signed by authorized officers of Franchisor.
- m. Counterparts and Electronic Transmission; Electronic Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Agreement with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Agreement for all purposes; provided that, the copies are fully executed, dated and identical in form to the original hard copy version of this Agreement. In addition, this Agreement and all Exhibits to this Agreement may be signed electronically by the Parties and electronic signatures appearing on this Agreement and the Exhibits shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Agreement and the Exhibits.
- n. Third Parties. The Parties intend to confer no benefit or right on any Person or Entity not a party to this Agreement and no third party shall have the right to claim the benefit of any provision of this Agreement as a third party beneficiary.
- o. Attorneys' Fees. If Franchisor becomes a party to any legal proceedings concerning this Agreement, the Franchised Location or the Franchised Unit by reason of any act or omission of Franchisee or its authorized representatives, Franchisee shall be liable to Franchisor for the reasonable attorneys' fees and court costs incurred by Franchisor in the legal proceedings.
- p. Responsibility. The term "Franchisee" as used in this Agreement shall refer to each Person executing this Agreement as Franchisee, whether or not such Person is one of the spouses, partners, shareholders, trustees, trustors or beneficiaries or Persons specified in this Section 23(p) named as included in "Franchisee", and shall apply to each such person as if he/she were the only named Franchisee in this Agreement.
- (i) If Franchisee is a married Person, any spouse of such Person shall be liable for all obligations and duties of Franchisee under this Agreement.
- (ii) If Franchisee is a partnership or if more than one Person executes this Agreement as Franchisee, each partner in the partnership, each Person executing this Agreement, and any spouse of any such partner or Person, shall be liable for all the obligations and duties of Franchisee under this Agreement.

(iii) If Franchisee is a trust, each trustee, trustor and beneficiary of the trust, and any spouse of any such trustee, trustor, and beneficiary shall be liable for all of the obligations and duties of Franchisee under this Agreement.

(iv) If Franchisee is a limited liability company, all members of the limited liability company and any spouses of any such members shall be liable for all obligations and duties of Franchisee under this Agreement.

(v) If Franchisee is a corporation, all shareholders of the corporation and any spouses of any such shareholders shall be liable for all obligations and duties of Franchisee under this Agreement.

(vi) If Franchisee is in Default under this Agreement, Franchisor may proceed directly against each such spouse, partner, signatory to this Agreement, shareholder, trustee, trustor or beneficiary without first proceeding against Franchisee and without proceeding against or naming in such suit any other Franchisee, partner, signatory to this Agreement, shareholder, trustee, trustor or beneficiary. The obligations of Franchisee and each such spouse, partner, Person executing this Agreement, shareholder, trustee, trustor and beneficiary shall be joint and several.

(vii) Notice to or demand upon one spouse, partner, person signing this Agreement, shareholder, trustee, trustor or beneficiary shall be deemed notice to or demand upon Franchisee and all such spouses, partners, persons signing this Agreement, shareholders, trustees, trustors and beneficiaries, and no notice or demand need be made to or upon Franchisee and all such spouses, partners, persons executing this Agreement, shareholders, trustees, trustors or beneficiaries.

(viii) The cessation of or release from liability of Franchisee, or any such spouse, partner, Person executing this Agreement, shareholder, trustee, trustor or beneficiary shall not relieve any other Franchisee, spouse, partner, Person executing this Agreement, shareholder, trustee, trustor or beneficiary from liability under this Agreement, except to the extent that the breach or Default has been remedied or monies owed have been paid.

q. Cumulative Remedies; Specific Performance. Any specific right or remedy set forth in this Agreement, legal, equitable, or otherwise, shall not be exclusive, but shall be cumulative with all other rights or remedies set forth in this Agreement or allowed or allowable by Applicable Law. The Parties acknowledge that each Party would be irreparably damaged if the provisions of this Agreement were not capable of being specifically enforced, and for this reason, the Parties agree that the provisions of this Agreement shall be specifically enforceable.

r. Notices. All notices or demands shall be in writing and shall be served in person, by Express Mail, by certified mail, by private overnight delivery or by electronic transmission (fax). Service shall be deemed conclusively made: (i) at the time of service, if personally served; (ii) twenty-four (24) hours (exclusive of weekends and national holidays) after deposit in the United States mail, properly addressed and postage prepaid, if served by Express Mail; (iii) upon the earlier of actual receipt or three (3) calendar days after deposit in the United States mail, properly addressed and postage prepaid, return receipt requested, if served by certified mail; (iv) twenty-four (24) hours after delivery by the Party giving the notice, statement or demand if by private overnight delivery; and (v) at the time of electronic transmission, if such transmission occurs prior to 5:00 P.M. on a business day and a copy of such notice is mailed within twenty-four (24) hours after the transmission.

Any notice or demand to Franchisor shall be given to:

Conroy's, Inc.  
Two Jericho Plaza, Suite 200  
Jericho, New York 11753  
Fax: 516-237-7797  
Attention: Senior Vice President, Retail Operations

With a copy to:

Conroy's, Inc.  
Two Jericho Plaza, Suite 200  
Jericho, New York 11753  
Fax: 516-433-2184  
Attention: General Counsel/Corporate Secretary

Any notice or demand to Franchisee shall be given to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention:

Either Party may change its address for the purpose of receiving notices, demands and other communications by a written notice given in the manner set forth above to the other Party.

s. Governing Law and Venue. Except as otherwise provided in Section 23(a) above, this Agreement shall be governed by and construed in accordance with the laws of the State of New York. In the event of any conflict of law, the law of New York shall prevail, without regard to the application of New York conflict of law rules. Venue for purposes of any legal proceedings brought in connection with or arising out of this Agreement shall be conclusively presumed to be in the State of New York, County of Nassau or County of Suffolk. Franchisee hereby submits to the exclusive jurisdiction of the Supreme Court of the State of New York, County of Nassau, and of the United States District Court in and for the Eastern District of the State of New York. THE PARTIES SPECIFICALLY WAIVE TRIAL BY JURY.

t. Consultation with Advisors. Franchisee acknowledges that Franchisee has carefully read this Agreement and all other related documents to be executed concurrently or in conjunction with the execution of this Agreement, that Franchisee has obtained the advice of counsel in connection with entering into this Agreement, that Franchisee understands the nature of this Agreement, and that Franchisee intends to comply herewith and be bound hereby. Franchisee acknowledges that it has read and understood this Agreement, the Exhibits to this Agreement, and agreements relating thereto, if any, and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement.

u. Entity Franchisee. If Franchisee, as Franchisee, is an "Entity", including a limited liability company, partnership, trust, association, corporation or other Entity that is not an individual, then Franchisee shall complete and sign the Entity Information Disclosure attached to this Agreement as Exhibit C and the Owners of Franchisee shall sign the Guarantee attached to this Agreement as Exhibit B.

v. Business Judgment. Notwithstanding any provision in this Agreement to the contrary, Franchisee and the Owners acknowledge and agree that:

(i) This Agreement (and the relationship of the Parties which arises from this Agreement) grants Franchisor the discretion to make decisions, take actions or refrain from taking actions not inconsistent with the explicit rights and obligations of Franchisee and the Owners hereunder that may affect Franchisee and the Owners' interests favorably or adversely. Franchisor shall use its Business Judgment in exercising such discretion based on its assessment of its own interests and balancing those interests against the interests, promotion, and benefit of the 1-800-Flowers|Conroy's System and other 1-800-Flowers|Conroy's Franchisees, 1-800-Flowers|Conroy's Franchised Units generally, and specifically without considering the individual interests of Franchisee or the Owners or the individual interests of any other 1-800-Flowers|Conroy's Franchisee. Franchisee and the Owners acknowledge and agree that Franchisor shall have no liability to Franchisee or the Owners for the exercise of its discretion in this manner; and even if Franchisor has numerous motives for a particular action or decision, so long as at least one motive is a reasonable business justification, no trier of fact in any legal action shall substitute his or her judgment for Franchisor's judgment so exercised and no such action or decision shall be subject to challenge for abuse of discretion. If Franchisor takes any action or Franchisor chooses not to take any action in its discretion with regard to any matter related to this Agreement and its actions or inaction are challenged for any reason, the Parties expressly direct the trier of fact to find that Franchisor's reliance on a business reason in the exercise of its discretion is to be viewed as a reasonable and proper exercise of its discretion, without regard to whether other reasons for its decision may exist and without regard to whether the trier of fact would independently accord the same weight to the business reason.

(ii) In granting its approval of the Franchised Location, designating suppliers, setting standards and the like, Franchisor shall exercise its Business Judgment. However, in the exercise of its Business Judgment, Franchisor shall not be liable to Franchisee or the Owners or anyone else, if Franchisor's exercise of its Business Judgment results in a business loss or if the products or services provided fail to meet the expectations of Franchisor, Franchisee, the Owners or other parties. Franchisor disclaims all warranties and liability for the acts or omissions of any contractors, vendors, suppliers, products or employees that Franchisee uses, purchases, retains or hires pursuant to Franchisor's exercise of its Business Judgment.

#### 24. ANTI-TERRORISM LAWS.

Franchisee and its officers, directors, members and shareholders shall comply with and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee and its officers, directors, members and shareholders certify, represent, and warrant that none of the property or interests of Franchisee or its officers, directors, members and shareholders is subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee and its officers, directors, members and shareholders are not otherwise in violation of any of the Anti-Terrorism Laws.

a. Definitions. For the purposes of this Article 24, "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA Patriot Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

b. Not Listed. Franchisee and its officers, directors, members and shareholders certify that none of its employees, or anyone associated with Franchisee or its officers, directors, members and shareholders are listed in

the Annex to Executive Order 13224. Franchisee agrees not to hire any individual listed in the Annex. The Annex is available at:

[www.treas.gov/offices/enforcement/ofac/sdn](http://www.treas.gov/offices/enforcement/ofac/sdn)

c. No Association. Franchisee certifies that Franchisee has no knowledge or information that, if generally known, would result in Franchisee, its officers, directors, members and shareholders, its employees, or anyone associated with Franchisee to be listed in the Annex to Executive Order 13224.

d. Responsibility of Franchisee. Franchisee shall be solely responsible for ascertaining what actions must be taken by Franchisee to comply with the Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that Franchisee's indemnification responsibilities set forth in this Agreement pertain to Franchisee's obligations under this Article 24.

e. Termination of Agreement. Any misrepresentation by Franchisee under this Article 24 or any violation of the Anti-Terrorism Laws by Franchisee, its officers, directors, members and shareholders, or Franchisee's employees shall constitute grounds for immediate termination of this Agreement and any other Agreement Franchisee has entered with Franchisor or an Affiliate of Franchisor, in accordance with the terms of this Agreement.

(Signature page follows)

IN WITNESS WHEREOF, the Parties have executed this Agreement at Jericho, New York, as of the Effective Date.

FRANCHISOR:

FRANCHISEE:

CONROY'S, INC.,  
A California corporation

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

\_\_\_\_\_

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

\_\_\_\_\_

Its: \_\_\_\_\_

\_\_\_\_\_

EXHIBIT A  
FRANCHISED LOCATION

The following site has been selected and approved as the "Franchised Location" for the "Franchised Unit" in accordance with the Franchise Agreement entered into between Franchisor and Franchisee and dated \_\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_

The Commencement Date of this Agreement is \_\_\_\_\_. The Expiration Date of this Agreement is \_\_\_\_\_, unless sooner terminated in accordance with this Agreement.

This Exhibit A may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Exhibit A with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Exhibit A for all purposes; provided that, the copies are fully executed, dated and identical in form to the original hard copy version of this Exhibit A.

IN WITNESS WHEREOF, the Parties have executed this Exhibit A at Jericho, New York, on \_\_\_\_\_. The Parties acknowledge and agree that they shall execute updated versions of this Exhibit A in the event that any information contained in this Agreement is modified during the Term of the Franchise Agreement.

FRANCHISOR:

FRANCHISEE:

CONROY'S, INC.,  
A California corporation

\_\_\_\_\_  
A \_\_\_\_\_

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

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

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

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

Its: \_\_\_\_\_

Its: \_\_\_\_\_

EXHIBIT B  
GUARANTEE OF FRANCHISE AGREEMENT

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement, and any revisions, modifications and amendments thereto (hereinafter collectively the "Agreement") dated \_\_\_\_\_, by and between CONROY'S INC., a California corporation (hereinafter the "Franchisor"), and \_\_\_\_\_, a \_\_\_\_\_ (hereinafter the "Franchisee"), each of the undersigned Guarantors hereby grant this guarantee (this "Guarantee") in favor of Franchisor and agree as follows:

1. The Guarantors do hereby jointly and severally unconditionally guarantee the full, prompt and complete performance of Franchisee under the terms, covenants and conditions of the Agreement, including, without limitation, the complete and prompt payment of all indebtedness to Franchisor under the Agreement. The word "indebtedness" is used in this Guarantee in its most comprehensive sense and includes, without limitation, any and all advances, debts, obligations and liabilities of Franchisee, now or hereafter incurred, either voluntarily or involuntarily, and whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, or whether recovery thereof may be now or hereafter barred by any statute of limitation or is otherwise unenforceable.
2. The obligations of the Guarantors are independent of the obligations of Franchisee and a separate action or actions may be brought and prosecuted against any or all of the Guarantors, whether or not actions are brought against Franchisee or whether Franchisee is joined in any such action.
3. If Franchisee is a corporation, partnership or limited liability company, Franchisor shall not be obligated to inquire into the power or authority of Franchisee or its partners or the officers, directors, agents, members or managers acting or purporting to act on Franchisee's behalf and any obligation or indebtedness made or created in reliance upon the exercise of such power and authority shall be guaranteed under this Guarantee. Where the Guarantors are corporations or partnerships, it shall be conclusively presumed that the Guarantors and the partners, agents, officers and directors acting on their behalf have the express authority to bind such corporations or partnerships and that such corporations or partnerships have the express power to act as the Guarantors pursuant to this Guarantee and that such action directly promotes the business and is in the interest of such corporations or partnerships.
4. Franchisor, its successors and assigns, may from time to time, without notice to the undersigned: (a) resort to the undersigned for payment of any of the indebtedness, whether or not it or its successors have resorted to any property securing any of the indebtedness or proceeded against any other of the undersigned or any party primarily or secondarily liable on any of the indebtedness; (b) release or compromise any indebtedness of any of the undersigned under this Guarantee or any indebtedness of any party or parties primarily or secondarily liable on any of the indebtedness; (c) extend, renew or credit any of the indebtedness for any period (whether or not longer than the original period); (d) alter, amend or exchange any of the indebtedness; or (e) give any other form of indulgence, whether under the Agreement or otherwise.
5. The undersigned further waive presentment, demand, notice of dishonor, protest, nonpayment and all other notices whatsoever, including without limitation: notice of acceptance of this Guarantee; notice of all contracts and commitments; notice of the existence or creation of any liabilities under the Guarantee and of the amount and terms thereof; and notice of all Defaults, disputes or controversies between Franchisee and Franchisor resulting from the Guarantee or otherwise, and the settlement, compromise or adjustment thereof.



6. This Guarantee shall be enforceable by and against the respective administrators, executors, successors and assigns of the Guarantors and the death of any Guarantor shall not terminate the liability of Guarantor or limit the liability of the other Guarantors under this Guarantee.

7. If more than one Person has executed this Guarantee, the term the “undersigned” as used herein shall refer to each such Person, and the liability of each of the undersigned under this Guarantee shall be joint and several and primary as sureties.

8. In each case where the spouse of a Guarantor has executed any documents in connection with the granting of the Agreement, and Franchisee subsequently divorces from such spouse, then, in the event that Franchisee subsequently remarries, the new spouse of such Franchisee must execute, and agree to be bound by the provisions of, each of the documents previously executed by Franchisee’s original spouse. Guarantors acknowledge and agree that Guarantors shall, and hereby are, bound by each and all of the confidentiality and non-competition provisions of the Franchise Agreement.

9. This Guarantee shall be governed by and construed in accordance with the laws of the State of New York. In the event of any conflict of law, the law of New York shall prevail, without regard to the application of New York conflict of laws rules. Venue for purposes of any legal proceedings brought in connection with or arising out of this Guarantee shall be conclusively presumed to be in the State of New York, County of Nassau or County of Suffolk. Guarantor hereby submits to the exclusive jurisdiction of the Supreme Court of the State of New York, County of Nassau, and of the United States District Court in and for the Eastern District of the State of New York. GUARANTORS SPECIFICALLY WAIVE TRIAL BY JURY.

10. This Guarantee may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Guarantee with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Guarantee for all purposes, provided that the, copies are fully executed, dated and identical in form to the original hard copy version of this Guarantee.

IN WITNESS WHEREOF, each of the undersigned has executed this Guarantee under seal effective as of \_\_\_\_\_.

\_\_\_\_\_  
Name

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

Address:

\_\_\_\_\_  
Name

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

Address:

EXHIBIT C  
ENTITY INFORMATION DISCLOSURE

Franchisee represents and warrants that the following information is accurate and complete in all material respects:

(1) Franchisee is a (check as applicable):

- ☐ corporation
- ☐ limited liability company
- ☐ general partnership
- ☐ limited partnership
- ☐ Other (specify): \_\_\_\_\_

Name of Entity:

State of incorporation/organization:

Federal Tax Identification Number:

(2) Franchisee shall provide to Franchisor concurrently with the execution of this Agreement true and accurate copies of its charter documents, including Articles of Incorporation/Organization, Bylaws, Operating Agreement, Partnership Agreement, resolutions authorizing the execution of this Agreement and any amendments to the foregoing (the "Entity Documents").

(3) Franchisee promptly shall provide all additional information that Franchisor may from time to time request concerning all persons who may have any, direct or indirect, financial interest in Franchisee.

(4) The name and address of each of Franchisee's Owners, members, shareholders or general and limited partners are:

NAME	ADDRESS	NUMBER OF SHARES OR PERCENTAGE INTEREST

(5) The names, addresses and titles of the Owner of Franchisee who will be devoting their full time to the Franchised Unit are:

NAME	ADDRESS	TITLE

(6) The address where Franchisee's financial records and Entity Documents are maintained is:

\_\_\_\_\_.

(7) The Principal Owner of Franchisee is \_\_\_\_\_.

(8) Franchisee represents and warrants to Franchisor, as an inducement to Franchisor's execution of the Franchise Agreement, that the information set forth in this Entity Information Disclosure is true, accurate and complete in all material respects on the Effective Date and that Franchisee shall provide Franchisor with all

additional information Franchisor may request with respect to the Owners and the ownership of Franchisee. In addition, Franchisee shall notify Franchisor within ten (10) days of any change in the information set forth in the Entity Information Disclosure and shall provide Franchisor with a revised Entity Information Disclosure certified by Franchisee to be true, correct and complete in all material respects. Franchisor grants Franchisee the rights in the Franchise Agreement in reliance upon each and all of the terms of this Entity Information Disclosure.

(9) This Exhibit C may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Exhibit C with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Exhibit C for all purposes, provided that the, copies are fully executed, dated and identical in form to the original hard copy version of this Exhibit C. In addition, this Exhibit C may be signed electronically by the Parties and electronic signatures appearing on this Exhibit C shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Exhibit C. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Agreement.

IN WITNESS WHEREOF, the Parties have executed this Exhibit C on the Effective Date.

FRANCHISOR:

FRANCHISEE:

CONROY'S, INC.,  
A California corporation

\_\_\_\_\_  
A \_\_\_\_\_

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

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

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

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

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

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

CONROY'S, INC.  
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT B  
FRUIT BOUQUETS ADDENDUM TO FRANCHISE AGREEMENT

CONROY'S, INC.

ADDENDUM TO FRANCHISE AGREEMENT FOR FRUIT BOUQUETS PROGRAM

THIS ADDENDUM TO FRANCHISE AGREEMENT FOR FRUIT BOUQUETS PROGRAM (this "Addendum") dated \_\_\_\_\_ hereby amends and modifies the CONROY'S Franchise Agreement dated \_\_\_\_\_ (the "Franchise Agreement") by and between CONROY'S, INC., a California corporation (hereinafter "we", "us" or "Franchisor"), and \_\_\_\_\_ ("you" or "Franchisee").

The parties hereby amend the Franchise Agreement in accordance with the following, in addition to the deletions, additions and modifications (which shall control in the event of any ambiguity between any of them and the terms of the pre-printed form), which appear on the pre-printed form of agreement to which this Addendum is attached. In the event of any conflict or ambiguity between the terms of this Addendum and the Franchise Agreement, the terms of this Addendum shall control. All capitalized terms used in this Addendum that are not specifically defined shall have the meanings ascribed to them in the Franchise Agreement. The term "Manuals" shall be deemed to specifically include the Fruit Bouquets Operations and Brand Standards Manual and Fruit Bouquets Pricing Guide. The term "Marks" shall be deemed to specifically include "Fruit Bouquets by 1-800-Flowers.com" and other proprietary marks authorized to be used related to such program.

1. Section 2(a) titled "Grant" shall be amended by adding the following paragraph at the end thereof:

"During the Term, provided that Franchisee is and remains in good standing under this Agreement and all other agreements between Franchisor or Franchisor's Affiliates and Franchisee, Franchisee shall have the right to offer and sell fresh fruit products, fresh cut fruit arrangements and related products ("fruit bouquets")."

2. Section 2(d) of the Franchise Agreement titled "Reservation of Rights" is deleted in its entirety and is replaced by the following:

"(i) Develop, own and operate, by itself, through its Affiliates, or by their franchisees, and to grant others the right to develop, own and operate and issue licenses and franchises to others to develop, own and operate Conroy's|1-800-Flowers and Conroy's|1-800-Flowers.Com units, shops and other businesses or systems including, without limitation, retail flower shops that operate under the marks and trade names of its Affiliates, whether or not utilizing the Conroy's|1-800-Flowers System and Trade Practices, shops that operate under the "Fruit Bouquets by 1-800-Flowers.com" and "FruitBouquets.com" marks and trade names, and shops operating under any other marks or trade names designated by Franchisor, utilizing the Conroy's|1-800-Flowers System and Trade Practices, anywhere."

3. Franchisee's execution of this Addendum shall not serve to modify or extend the term of the Franchise Agreement, as set forth in Article 4 thereof.

4. Section 4(b)(viii) under "Conditions for Successor Franchise" is hereby amended to reflect that in addition to payment of the Successor Franchise Fee and execution of Franchisor's Then-Current form of Franchise Agreement, Franchisee shall also pay Franchisor the amount of Seven Thousand Five Hundred and 00/100 Dollars (\$7,500.00) as a Successor Franchise Fee for renewal of the Fruit Bouquets Program for the term of the Successor Franchise Agreement and, at Franchisor's request, shall execute Franchisor's Then-Current form of Fruit Bouquets Addendum.

5. Article 5 titled "INITIAL FRANCHISE FEE" shall be amended to reflect that, in addition to the initial franchise fee set forth in such section, for the rights to offer and sell fruit bouquets Franchisee shall pay to Franchisor an additional initial franchise fee in the amount of Seven Thousand Five Hundred and 00/100 Dollars (\$7,500.00). If this Addendum is for Franchisee's second (2<sup>nd</sup>) or later purchase of the Fruit Bouquets Program for a second (2<sup>nd</sup>) or later shop for which Franchisee has executed a Franchise Agreement, then the initial franchise fee payable hereunder shall be reduced to Three Thousand Five Hundred and 00/100 Dollars (\$3,500.00). If Franchisee signs a Franchise Agreement and a Fruit Bouquets Addendum to the Franchise Agreement on or before October 1, 2024, Franchisor will waive payment of the entire Fruit Bouquets initial franchise fee.
6. Section 7(a) titled "Continuing Franchise Fees" shall be amended to reflect that, in addition to the continuing franchise fees set forth in such section, Franchisee shall pay to Franchisor a continuing franchise fee in an amount equal to six percent (6%) of Fruit Bouquets Gross Sales from the Franchised Unit each month.
7. Section 7(b) shall be amended to reflect that the definition of "Adjusted Gross Sales" shall specifically exclude "Fruit Bouquets Gross Sales", as defined below.
8. Section 7(b) shall be further amended by adding the following at the end thereof:
- "(vi) The term "Fruit Bouquets Gross Sales" as used in this Agreement means all revenues from operating the Fruit Bouquets franchise, including from the sale of all products and services by Franchisee, in, upon or from the Franchised Location or through or by any means of the business conducted at the Franchised Location, including any orders received from a third party for fulfillment, except for orders forwarded for fulfillment by 800-Flowers pursuant to the terms of the Fruit Bouquet Order Fulfillment Agreement. "Fruit Bouquets Gross Sales" excludes (a) sales or service taxes collected from customers and paid to the appropriate taxing authority, and (b) all customer refunds, adjustments and credits given to customers in good faith."
9. Section 8(a) titled "Marketing Fee" shall be amended to reflect that, in addition to the marketing fee set forth in such section, Franchisee shall pay to Franchisor a marketing fee based on Franchisee's monthly sales of Fruit Bouquets in an amount equal to two percent (2%) of Fruit Bouquets Gross Sales each month. All Marketing Fees payable pursuant to this Section shall be placed in a "Fruit Bouquets Marketing Fund", which shall be held separate and apart from the Floral Marketing Fund designated in the Franchise Agreement. Such Fruit Bouquets Marketing Fund shall be used for the benefit of 1-800-Flowers franchisees offering the Fruit Bouquets Program and is intended to maximize general public recognition in all media, of the Fruit Bouquets Marks, patronage of retail outlets participating in the Fruit Bouquets Program, and the availability of fruit bouquets offered at 1-800-Flowers Franchised Units and elsewhere. Once the Fruit Bouquets Marketing Fund is established, Franchisor has the right to begin collecting Fruit Bouquets Marketing Fund contributions from Franchisee upon 30 days' advance written notice. The Fruit Bouquets Marketing Fund shall be administered in the same manner as the Floral Bouquets Marketing Fund, as described in Article 8 of the Franchise Agreement.
10. Section 10(l) titled "Initial Training, Additional Training and Franchisee Employee Policy" shall be amended to reflect that Franchisor shall provide, and Franchisee must attend, two (2) days of initial training in the Fruit Bouquets Program, and such training is typically held at Franchisee's existing Franchised Unit.
11. Section 10(o) titled "Permits and Licenses" shall be amended to reflect that for the offer and sale of fruit bouquets, Franchisee shall obtain and maintain any permits, licenses, certificates and approvals required by applicable law related to this activity.

12. Section 11(b) titled "Additional Trainees, Additional Initial Training Programs" shall be amended to reflect that, in addition to requesting additional training or assistance related to the floral business, Franchisee may also request additional training or assistance related to the fulfillment of fruit bouquets orders. If Franchisor, at its sole discretion, agrees to provide such training, Franchisor will provide the training at no additional charge.

13. Article 12 titled "Supplies and Suppliers" shall be amended to reflect that Franchisee shall have additional expenses for required equipment, signage and supplies, such as are contained in a fruit bouquets starter kit, which includes tools, packaging and containers. In some cases, Franchisee may purchase certain equipment from Franchisor or its affiliates.

14. Section 15(b) titled "Reimbursement of Franchisee" shall be amended to reflect that if Franchisee is held liable in any proceeding described in Paragraph 15(a) related to the "Fruit Bouquets by 1-800-Flowers" Marks, such reimbursement as described in Paragraph 15(b) shall be made from the Fruit Bouquets Marketing Fund.

15. Article 16 titled "COVENANTS" shall be amended to reflect that all of its terms shall also apply to fruit bouquets and any other products offered by Franchisor or Franchisor's affiliates.

16. Section 17(d)(vii), under "Conditions of Assignment to Third Party", shall be amended to reflect that in addition to the transfer fee payable pursuant to such section for the Franchise, Franchisee shall also pay to Franchisor the amount of Five Thousand and 00/100 Dollars (\$5,000.00) plus Franchisor's out of pocket costs associated with the transfer of the Fruit Bouquets program, including costs of attorneys' fees associated with the transfer.

17. Section 21(d) titled "Cross-Default" shall be amended to reflect that, upon termination or expiration of the Franchise Agreement, this Addendum and the Fruit Bouquets Order Fulfillment Agreement shall also terminate and Franchisee shall no longer have the right to offer fruit bouquets or to use the "Fruit Bouquets by 1-800-Flowers.com" marks or trade names.

18. Section 22(a) titled "Obligations of Franchisee" shall be amended by adding the following paragraph at the end thereof:

"In addition, following termination of this Agreement, Franchisee shall comply with all non-competition restrictions contained in Article 14 of the Fruit Bouquets Order Fulfillment Agreement, which restrictions are deemed incorporated into this Agreement as if fully set forth herein."

IN WITNESS WHEREOF, the parties have executed this Addendum at Jericho, New York, on the date first shown above.

FRANCHISOR:

FRANCHISEE:

CONROY'S, INC.,  
A California corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

CONROY'S, INC.  
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT C  
SUBLEASE



CONROY'S, INC.

1-800-FLOWERS RETAIL, INC.

SUBLEASE

1-800-FLOWERS RETAIL, INC.  
SUBLEASE  
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EXHIBITS

EXHIBIT A

MASTER LEASE

1-800-FLOWERS RETAIL, INC.  
SUBLEASE

THIS SUBLEASE (this "Sublease") is made \_\_\_\_\_ by and between 1-800-FLOWERS RETAIL, INC., a Delaware corporation ("Sublessor"), and \_\_\_\_\_ ("Sublessee"), with reference to the following facts:

A. 1-800-FLOWERS.COM, INC., a Delaware corporation, an affiliate of Sublessor, is the owner of all right, title and interest in and to the trade name, trademark and service marks "CONROY'S FLOWERS" and 1-800-FLOWERS|CONROY'S" and other marks and has authorized Conroy's, Inc., a California corporation ("Franchisor"), as franchisor, to franchise the rights to certain valuable trade practices and all of the designs, phrases, logos, signs, formulas, operating procedures, electronic communications systems, merchandising methods, cost control, accounting and general business techniques, strategies, routines, copyrights, manuals, training materials, bulletins and all other items now or hereafter owned, used, developed or provided by Franchisor, as franchisor, in connection with the retail flower business, all of which may be improved, further developed or otherwise modified from time to time.

B. Franchisor and its affiliates have developed a chain of retail sales outlets for the sale of flowers, plants, related products and services and gift and sentiment items under the trade name and/or the Marks "CONROY'S FLOWERS" and "1-800-FLOWERS|CONROY'S", which are or will be operated in accordance with uniform standards of operation, including, without limitation, design of building, layout of equipment, interior and exterior decoration, signs, operating methods, purchasing programs, items of standard appearance and design, advertising, sales and general business techniques, personnel management and control systems and bookkeeping and accounting systems in order to create and maintain a unique appeal to the public.

C. Sublessor has entered into a Lease dated \_\_\_\_\_ (the "Master Lease"), as tenant, with \_\_\_\_\_ (the "Master Landlord"), for the premises located at \_\_\_\_\_ (the "Franchised Location") for the purpose of owning and operating or granting a franchise to a franchisee to own and operate a 1-800-Flowers|Conroy's franchised unit (the "Franchised Unit") at the Franchised Location. A copy of the Master Lease is attached to this Sublease as Exhibit A and incorporated herein by reference.

D. The following basic terms shall apply to this Sublease unless they are expressly contradicted, limited, or modified elsewhere in this Sublease:

1. Term: The initial term of this Sublease shall be \_\_\_\_\_.
2. Number of Options To Extend: \_\_\_\_\_.
3. Length of Option Period(s): \_\_\_\_\_.
4. Rent: \$ \_\_\_\_\_ and \_\_\_\_\_ /100 (\$ \_\_\_\_\_) per annum payable in equal consecutive monthly installments of \$ \_\_\_\_\_ and \_\_\_\_\_ /100 (\$ \_\_\_\_\_) per calendar month, in advance, without demand, on the first day of each month, commencing \_\_\_\_\_ and as adjusted in accordance with the terms of this Sublease and the Master Lease.

5. Security Deposit: The greater of the amount required under the Master Lease or two (2) months' rent, common area maintenance expenses, taxes, insurance and other assessments made by the Master Landlord under the Master Lease.

E. Sublessee desires to sublease the Franchised Location from Sublessor for the purpose of owning and operating the Franchised Unit at the Franchised Location as a franchisee of Franchisor and Sublessor desires to sublease the Franchised Location to Sublessee on the terms and conditions set forth in this Sublease.

NOW, THEREFORE, IT IS AGREED:

1. INCORPORATION OF RECITALS.

The recitals set forth in Paragraphs A through E of this Sublease are true and correct and are hereby incorporated by reference into the body of this Sublease.

2. SUBLEASE OF PREMISES.

a. Franchised Location. Sublessor hereby subleases to Sublessee and Sublessee hereby subleases from Sublessor for the term, at the rent, and upon all of the terms and conditions set forth in this Sublease, that certain real property, together with any improvements situated thereon, in the County of \_\_\_\_\_, State of \_\_\_\_\_, commonly known as \_\_\_\_\_.

b. Franchise Agreement. Concurrently with the parties' execution of this Sublease, Franchisor, as franchisor, and Sublessee, as franchisee, will enter into a Franchise Agreement (the "Franchise Agreement") pursuant to which Franchisor will grant Sublessee the right to own and operate the Franchised Unit at the Franchised Location. Sublessee will comply with and perform all covenants contained in the Franchise Agreement. Sublessee's breach of any of the terms and covenants of the Franchise Agreement will also constitute a breach of this Sublease. Termination, default or revocation of the Franchise Agreement for any reason, either in whole or in part, will also terminate this Sublease without further notice being required.

c. Master Lease. Sublessor is the tenant of the Franchised Location under the Master Lease. Sublessee shall comply with each and all of the terms and conditions of the Master Lease and shall perform each and all of the acts required to be performed by Sublessor, as tenant under the Master Lease, as if Sublessee was the tenant under the Master Lease. Sublessee shall not be obligated under this Sublease or the Master Lease to a greater extent than Sublessor, as tenant, is obligated to the Master Landlord under the Master Lease, except as otherwise set forth in this Sublease, nor shall Sublessee obtain any greater rights as against Sublessor than those held by Sublessor, as tenant, under the Master Lease. If the Master Lease provides for additional or more onerous terms with Sublessor, as tenant under the Master Lease, than this Sublease places on Sublessee, those additional or more onerous terms of the Master Lease shall apply and be binding upon Sublessee as if each and all of such terms were contained in this Sublease.

d. Liability of Sublessor. Sublessor shall not be liable for any default by the Master Landlord under the Master Lease and Sublessee assumes all such risks. Any obligation of Sublessor that is contained in this Sublease by the incorporation by reference of the provisions of the Master Lease may be observed or performed by Sublessor using reasonable efforts to cause the Master Landlord to observe and/or perform the same; provided, however, that Sublessee shall pay any cost or expense (including, without limitation, attorneys' fees) incurred by Sublessor in causing the Master Landlord to observe and/or perform the same.

Sublessor shall have a reasonable time to enforce its rights to cause such observance or performance by the Master Landlord. Sublessor shall not be required to furnish, supply or install anything required under any article of the Master Lease. If the Master Lease should terminate for any cause whatsoever during the term of this Sublease, this Sublease shall automatically terminate on the same date and with the same force and effect as if the termination date was set forth in this Sublease as the date of the expiration of the term. In such event, Sublessee shall have no claim against Sublessor for the termination of this Sublease, except for apportionment of rent paid in advance to the date of termination, unless the termination is caused by a failure of Sublessor to carry out Sublessor's obligations as the tenant under the Master Lease, which failure was not caused by any action or inaction of Sublessee.

e. Termination of Master Lease. If termination of the Master Lease is threatened because of the failure of Sublessor to pay the "Master Lease Rent", as defined in Section 5 of this Sublease, Sublessee may prevent a termination of the Master Lease by his direct payment to the Master Landlord of the Master Lease Rent, to the extent the terms of the Master Lease grant Sublessee such right or to the extent that the Master Landlord allows Sublessee to do so. Sublessor shall notify Sublessee of any threatened termination of the Master Lease for Sublessor's failure to pay Master Lease Rent within five (5) days after Sublessor is notified in writing of such action by the Master Landlord.

### 3. CONSTRUCTION OR REMODELING OF PREMISES.

If applicable, Sublessee shall construct a building suitable for use as the Franchised Unit on the Franchised Location or the existing building shall be remodeled by or on behalf of Sublessee, at Sublessee's sole cost and expense. The Franchised Unit must conform to the general plan and decor of 1-800 Flowers/Conroy's' units operated by Sublessor, or its "affiliates" (a person, other than a natural person, controlled by, controlling, or under common control with Sublessor which is providing products or services to Sublessor's franchisees), or by franchisees of Sublessor, modified to conform to space and other limitations of the Franchised Location and the Master Lease. The Franchised Unit shall be fixturized, equipped and operated at Sublessee's expense in accordance with the terms of the Franchise Agreement and this Sublease. Sublessor reserves the right to require Sublessee, at Sublessee's expense, to make additional improvements to the Franchised Unit, if reasonably necessary, after the completion of the original improvements and during the term or any extended term of this Sublease.

### 4. TERM.

a. Term. The term of this Sublease shall be for ten (10) years or the term of the Master Lease, less one (1) day, whichever is less, commencing on the day and year of the parties' execution of this Sublease. As used in this Sublease, the word "term" shall include the initial term and all renewals and extensions of this Sublease. The term is subject to earlier termination in accordance with the terms and conditions of this Sublease or by operation of law. Upon the termination of this Lease for any reason, Sublessee shall deliver to Sublessor a release and cancellation of this Sublease.

b. Successor Franchise. If Franchisor grants Sublessee a "Successor Franchise" upon the expiration of the term of the Franchise Agreement as described in Section 4 of the Franchise Agreement and if the Master Lease provides for a right to renew or extend the term of the Master Lease, providing Sublessee is not in default of the Sublease or the Franchise Agreement, Sublessee shall have the right and option to renew or extend the term of this Sublease for an additional period of time equal to the time permitted under the Master Lease, less one (1) day. If Sublessee is not in default of the Sublease or the Franchise Agreement and wishes to exercise such option, it shall give written notice to Sublessor of such election not later than thirty

(30) days prior to the date Sublessor is required to give the Master Landlord notice of Sublessor's exercise of the renewal option pursuant to the terms of the Master Lease. Sublessee understands and acknowledges that its obligation to provide such notice to Sublessor is completely dependent on the option and notice provisions in the Master Lease and that such 30-day notice is required to be provided to Sublessor in advance of Franchisor's notice to Sublessee of any Successor Franchise. In the event that Franchisor does not grant Sublessee a Successor Franchise upon the expiration of the term of the Franchise Agreement and/or Sublessee fails to give Sublessor the notice required hereunder in a timely manner, then the Sublease shall terminate on the scheduled termination date and Sublessor shall be free to (i) exercise the renewal or extension rights itself and sublease the Franchised Location to a third party on such terms and conditions as Sublessor shall, in Sublessor's sole discretion, elect, (ii) occupy the Franchised Location itself, or (iii) terminate the Master Lease or permit it to lapse. If Sublessor elects to terminate the Master Lease or let it lapse, providing Sublessee is not in default and has been granted an extension, if applicable, on their Franchise Agreement, Sublessee may negotiate a direct lease with the Master Landlord. Sublessee understands and acknowledges that nothing in this Section 4(b) places an obligation upon Franchisor to grant Sublessee a Successor Franchise, which shall be governed by the terms and provisions of the Franchise Agreement, regardless of whether proper notice to renew this Sublease was provided to Sublessor by Sublessee.

c. No Direct Negotiations. Except as provided in Section 4(b) above, in no event shall Sublessee negotiate for or otherwise attempt to obtain an extension or renewal of the Master Lease, directly or indirectly. Nothing contained in this Sublease shall require Sublessor to negotiate for or secure any extension or renewal of the term of the Master Lease not originally provided for in the Master Lease.

d. Relocation. If Sublessee is granted a successor franchise as described in Paragraph 4(b), Sublessor and Franchisor shall have the option to require Sublessee to relocate the Franchised Unit at the expiration of the initial term of the Franchise Agreement, based upon their analysis of market changes in the trade area of the Franchised Location during the prior ten (10) year period. If Sublessor and Franchisor elect to require Sublessee to re-locate the Franchised Unit, Sublessor and Franchisor shall give Sublessee six (6) months' written notice of their intention to require Sublessee to re-locate the Franchised Unit and Sublessee shall do so at its sole expense within six (6) months after the expiration of such ten (10) year period.

## 5. RENT.

a. Monthly Rent. Sublessee shall pay to Sublessor as monthly rent for the Franchised Location, without deduction or offset, in advance, without demand or notice, the sum set forth in Recital Paragraph D(4) above for each month of the term commencing upon the parties' execution of this Sublease. The rent due under this Sublease shall include the "Master Lease Rent" payable by Sublessor to the Master Landlord under the Master Lease and shall be due and payable by Sublessee on the first day of each month during the term. "Master Lease Rent" shall mean the monthly rent and any adjustments to the Master Lease Rent required to be paid by Sublessor to the Master Landlord pursuant to the Master Lease and any extension or renewal of the term of the Master Lease.

b. Rent Prior to Opening for Business. In the event that the Master Lease provides for monthly rent or other payments prior to the completion of the construction of the Franchised Unit and/or the obtaining of all certificates of occupancy for the Franchised Unit, Sublessee shall pay the monthly rent or other payments to Sublessor as and when these sums are due and payable by Sublessor to the Master Landlord under the terms of the Master Lease.

c. Security Deposit. Sublessee shall, upon execution of this Sublease, deposit with Sublessor, in cash, an amount equal to the greater of the amount required under the Master Lease or two (2) months' rent, common area maintenance expenses, taxes, insurance and other assessments made by the Master Landlord under the Master Lease, as a "Security Deposit". If Sublessee fails to pay rent or other charges due under this Sublease, or is otherwise in default under this Sublease, Sublessor may use, apply and retain all or any portion of the Security Deposit for the payment of any rent or other charge in default or for the payment of any other sum to which Sublessor may become obligated by reason of Sublessee's default, or to compensate Sublessor for any loss or damage that Sublessor may suffer thereby. If Sublessor uses, applies or retains all or any portion of the Security Deposit, Sublessee shall, within ten (10) days after written demand therefor, deposit cash with Sublessor in an amount sufficient to restore the Security Deposit to the full amount required. Sublessee's failure to do so shall be a material breach of this Sublease. If Sublessee performs all of Sublessee's obligations under this Sublease, the Security Deposit, or so much of the Security Deposit that has not been used, applied or retained by Sublessor, shall be returned to Sublessee without payment of any interest, after Sublessee has vacated the Franchised Location.

d. Other Rental Fees and Rental Payments. If Master Lease Rent or other payments (including, without limitation, attorneys' fees, title insurance premiums and/or expenses, costs of subdividing, parcel mapping, zoning changes and variances, and/or closing costs) have accrued or have been paid by Sublessor in the acquisition of the Franchised Location or in securing the Master Lease, Sublessee shall pay Sublessor, as additional rent, the amount of the Master Lease Rent or other payments, whether accrued or paid prior to the execution of this Sublease, upon execution of this Sublease, or after the execution of this Sublease, within ten (10) days following demand for such payment by Sublessor.

e. Additional Rent. This Sublease is a "net-net-net" Sublease. Sublessor shall receive the rent set forth in this Section 5 free and clear of any and all taxes, liens, insurance premiums, operating charges, maintenance charges, utilities and any other charges, costs and expenses of any nature whatsoever in connection with the occupation and operation of the Franchised Location, or which arise or may be contemplated under any provision of this Sublease during the term of this Sublease, as additional rent. All of such costs and expenses shall be the responsibility of Sublessee and shall be paid by Sublessee on or before the due date thereof.

## 6. PAYMENT FOR IMPROVEMENTS TO THE FRANCHISED LOCATION.

Except where the Master Landlord builds to suit for Sublessee or where no remodeling of the existing improvements on the Franchised Location is required by Sublessor, Sublessee shall pay all costs and expenses to construct or remodel the Franchised Location, directly to the persons constructing, remodeling or providing the improvements to the Franchised Unit.

## 7. USE AND CONDITION OF PREMISES.

a. Use of Franchised Location. The Franchised Location shall be used and occupied only for the operation of the Franchised Unit in accordance with the 1-800-Flowers/Conroy's System as described in the Franchise Agreement. Any unauthorized use shall constitute a material breach of this Sublease and the Franchise Agreement.

b. Condition of Franchised Location. Sublessee acknowledges and agrees that he has inspected the Franchised Location and accepts the Franchised Location in the condition existing as of the date of his execution of this Sublease, subject to all applicable zoning, municipal, county, state and federal laws,

ordinances and regulations governing and regulating the Franchised Location and the use thereof. Sublessee hereby waives any right to terminate this Sublease under California Civil Code Section 1932 or any similar statute or law.

c. Compliance with Law. Sublessee shall, at Sublessee's expense, promptly comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term or any part of the term of this Sublease that affect the Franchised Location. Sublessee shall not use or permit the use of the Franchised Location in any manner that will tend to create waste or a nuisance.

8. MAINTENANCE, REPAIRS AND ALTERATIONS.

a. Sublessee's Obligations.

(i) Sublessee shall, during the term of this Sublease, keep in good order, condition and repair, the Franchised Location and every part thereof, structural or non-structural and all adjacent sidewalks, landscaping, driveways, parking lots, fences and signs located in the areas that are adjacent to and included with the Franchised Location and all fixtures, furnishings, equipment and other items included in the Franchised Location.

(ii) Sublessee shall repaint the Franchised Location as necessary, but at least once every three (3) years. Notwithstanding the preceding provision, Sublessor will consider a waiver of Sublessee's obligation for repainting, upon an appropriate request, if Sublessor shall determine that such repainting is not then required for the maintenance of the Franchised Location in good sanitary order, condition and repair.

(iii) Sublessor shall incur no expense, nor have any obligation of any kind whatsoever, in connection with the maintenance, repair or replacements of the Franchised Location, and Sublessee expressly waives the benefits of any statute now or hereafter in effect that would otherwise afford Sublessee the right to make repairs or replacements at Sublessor's expense or to terminate this Sublease because of Sublessor's failure to keep the Franchised Location in good order, condition and repair.

(iv) Sublessee shall repair or replace at his own expense any furnishings, fixtures, and equipment that become unusable or defective, including without limitation, the refrigeration unit, doors, compressors, heaters, air conditioning, if any, and/or water cooling system, if any, ventilating systems, plumbing fixtures, lighting fixtures or other electrical services, glass and display cases, and any and all utilities and waste systems, parking lot and roof replacement if required under the Master Lease with such replacements to be subject to Sublessor's approval.

b. Sublessor's Rights. If Sublessee fails to perform Sublessee's obligations under this Section 8, Sublessor may, at Sublessor's option, (but shall not be required to) enter upon the Franchised Location, and put the same in good order, condition and repair, and the cost thereof plus ten percent (10%) of the cost (which is the fair and reasonable estimate of the cost Sublessor will incur by reason of Sublessee's non-performance) shall become due and payable by Sublessee as additional rent to Sublessor together with Sublessee's next rental installment.

c. Alterations and Additions.

(i) Sublessee shall not, without Sublessor's prior written consent, make any subleasehold improvements, building improvements, alterations, additions or utility installations in, on or about



the Franchised Location. As used in this Paragraph 8(c), the term "utility installations" shall include ducting, power panels, fluorescent fixtures, space heaters, conduits and wiring. As a condition to giving such consent, Sublessor, at its sole option, may require that Sublessee remove any such alterations, improvements, additions or utility installations at the expiration of the term, or any sooner termination, and to restore the Franchised Location to their prior condition. Sublessor shall also require Sublessee to submit plans and specifications with respect to such alterations, improvements, additions or utility installations to Sublessor for approval. As a further condition to giving such consent, Sublessor may require Sublessee to provide Sublessor, at Sublessee's sole cost and expense, a lien and completion bond in an amount equal to one and one-half (1 1/2) times the estimated cost of such improvements, to insure Sublessor against any liability for mechanic's and materialmen's liens and to insure completion of the work. As permitted under the Master Lease, Sublessee shall be the owner of all the sub-leasehold improvements, alterations, additions, furniture and fixtures that Sublessee has purchased.

(ii) Sublessee shall pay, when due, all claims for labor or materials furnished to or for Sublessee at or for use in the Franchised Location, which claims are or may be secured by any mechanics' or materialmen's lien against the Franchised Location or any interest therein. Sublessee shall give Sublessor not less than ten (10) days written notice prior to the commencement of any work in the Franchised Location, and Sublessor shall have the right to post notices of non-responsibility in, or on, the Franchised Location as provided by law.

9. INSURANCE.

a. Insurance Coverage. Sublessee shall obtain and shall maintain in full force and effect during the term of this Sublease, at Sublessee's expense, insurance coverage in accordance with Sublessor's current insurance requirements with insurance carriers acceptable to Sublessor. The coverage shall commence when possession of the Franchised Location is delivered to Sublessee for construction or otherwise. The policy or policies shall comply with the requirements of the Master Lease and this Sublease; however, Sublessor may require Sublessee to maintain insurance coverage in amounts that exceed the coverage required by the Master Lease or this Sublease and/or the Master Lease may require Sublessee to maintain insurance coverage in amounts that exceed the coverage required by Sublessor. Sublessee shall obtain and maintain coverage for:

(i) Auto liability for any vehicle for a combined single limit of \$1,000,000.

(ii) Public liability including products liability, covering bodily injury, property damage, and advertising, sidewalks and parking areas and personal injury in the amount of at least \$1,000,000 combined single limit and an aggregate of \$2,000,000 and a \$2,000,000 umbrella coverage against claims for personal injury, death or property damage occurring in, on, or about the Franchised Unit.

(iii) Workers compensation as may be required by law.

(iv) Employer's liability for a limit of \$1,000,000 for each accident or disease.

(v) Employment Practices Liability Insurance.

Sublessee shall also carry fire and extended coverage insurance on the Franchised Unit and its property in an amount adequate to replace it in the event of an insured loss, fire-legal liability insurance in an amount of the value of the Franchised Location and business interruption insurance in sufficient amounts to cover twelve (12) months of continuing franchise fee and marketing fee payments to Sublessor, based upon the average fees

paid by Sublessee to Sublessor during the twelve (12) months preceding the event of business interruption, twelve (12) months of rent and other direct site costs for the Franchised Location, twelve (12) months of insurance premiums and other fixed expenses.

Sublessee shall also carry coverage against all forms of liability for death or injury to any individual, and for loss or damage to property. Sublessee's Insurance shall provide for primary coverage and not contributory coverage, notwithstanding any other insurance which Sublessor may obtain or maintain.

b. Conditions of Coverage. Sublessor shall be named as an additional named insured on all of such policies to the extent of its interests and shall be provided with certificates of insurance evidencing such coverage upon the issuance and each renewal of such policies. All policies shall provide Sublessor with at least thirty (30) days prior written notice to Sublessor of cancellation, lapse, material changes in or notice of cancellation or termination of coverage. Sublessor reserves the right to specify reasonable changes in the types and amounts of insurance coverage required by this Section 9. Sublessee's policies shall provide a waiver of subrogation to the Sublessor and all additional insureds. Sublessee's insurance shall be primary and non-contributory with respect to all additional insureds. Any insurance or self-insurance maintained by Sublessor shall be in excess of the Sublessee's insurance and shall not contribute with it. Sublessee's policies shall not contain any provision, definition or endorsement that would serve to eliminate coverage for third party action over claims. Sublessee's policies shall not contain any provision, definition or endorsement (including, but not limited to, ISO endorsement Form CG 24 26, that would serve to revise the definition of insured contract to remove coverage for an indemnitee's or additional insured's sole negligence. Sublessee shall provide Sublessor with a certificate of insurance as evidence of the Sublessee's Insurance prior to, or as soon as practicable after, the execution hereof. The insurance however, shall be effective as of the Effective Date of this Sublease.

c. No Limit of Liability. The insurance requirements hereunder shall not limit the liability of Sublessee hereunder. Sublessee shall remain responsible for the payment of all amounts due to Sublessor or its affiliates, notwithstanding the limits of insurance required herein.

d. Annual Review. The limits of all insurance policies shall be reviewed annually and may be increased by an amount that Sublessor, in its sole and absolute discretion, deems necessary to protect it and its interests in the Franchised Unit. In no event, however, shall Sublessee be obligated to obtain and keep in force a policy or policies of insurance covering loss or damage to the Franchised Unit in excess of the full replacement value thereof.

e. Right to Obtain Coverage. Should Sublessee fail or refuse to procure the required insurance coverage from an insurance carrier acceptable to Sublessor or to maintain it throughout the term of this Sublease, Sublessor may procure such coverage for Sublessee, in which event Sublessee agrees to pay the required premiums or to reimburse Sublessor therefor in the manner provided by Paragraph 13(k) herein. Failure to maintain the required insurance or to promptly reimburse Sublessor for any premiums paid on behalf of Sublessee by Sublessor shall constitute a default under this Sublease.

f. Destruction. If the Franchised Unit is damaged or destroyed by an insured or uninsured cause, Sublessee shall repair, restore or rebuild the Franchised Location, provided that, if the cost to do so exceeds the insurance proceeds, Sublessee will be liable for the difference. There shall be no abatement of the obligations of Sublessee by reason of damage or destruction to the Franchised Unit.

g. Sublessor's Insurance. Sublessee's obligation to maintain insurance as set forth herein shall not be in any way diminished or limited by reason of any insurance maintained by Sublessor or its affiliates, on or in connection with this Sublease, the Franchised Unit or the Franchised Location.

10. INDEMNITY.

a. Indemnification of Sublessor. Sublessee shall indemnify and hold Sublessor and its affiliates, and their respective shareholders, directors, officers, employees and agents, and each of them, harmless from and against any and all liability, claims, losses and damages arising from Sublessee's use of the Franchised Location, or from the conduct of Sublessee's business or from any activity, work or thing done, permitted or suffered by Sublessee in or about the Franchised Location or elsewhere and shall further indemnify and hold Sublessor and its affiliates harmless from and against any and all liability, claims, losses or damages arising from any breach or default in the performance of any obligation on Sublessee's part to be performed under the terms of this Sublease, or arising from any negligence, active or passive, of Sublessee, or any of Sublessee's agents, contractors, or employees, and from and against all costs, attorney's fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon.

b. Actions and Proceedings. In any action or proceeding brought against Sublessor or its subsidiaries or affiliates by reason of any liability, claim, loss or damage described in Paragraph 10(a) above of this Sublease, Sublessee, upon written notice from Sublessor, shall defend the same at Sublessee's expense with legal counsel satisfactory to Sublessor. Sublessee, as material consideration to Sublessor, hereby assumes all risk of damage to property or injury to persons, in, upon or about the Franchised Location arising from any cause and Sublessee hereby waives any and all claims, losses or damages in respect thereof against Sublessor or its subsidiaries or affiliates.

11. ASSIGNMENT AND SUBLETTING.

a. Restrictions. Except as set forth in this Section 11, Sublessee shall not voluntarily or by operation of law, assign, transfer, mortgage, sublet, or otherwise transfer or encumber all or any part of Sublessee's interest in this Sublease or in the Franchised Location, without Sublessor's prior written consent. This Sublease shall be assigned by Sublessee to any party to whom the Franchise Agreement is assigned by Sublessee in accordance with the applicable terms and conditions of the Franchise Agreement. The events that constitute a transfer of the Franchise Agreement shall also constitute a transfer of this Sublease. Any attempted assignment, transfer, mortgage, encumbrance or subletting without Sublessor's prior written consent shall be void, shall give no rights to the purported assignee, transferee, mortgagee, lienholder or sub-sublessee and shall constitute a breach of this Sublease or the Franchise Agreement.

b. Consent. The consent or failure of Sublessor to object to one assignment or subletting shall not be deemed a consent to or approval of any subsequent assignment or subletting. Sublessor may assign or encumber this Sublease at any time to any person or entity without the consent of Sublessee.

12. EVENTS OF DEFAULT.

a. Defaults. The occurrence of any one or more of the following events shall constitute a default and breach of this Sublease by Sublessee:

(i) The vacating or abandonment of the Franchised Location by Sublessee. Sublessee shall be deemed to have vacated or abandoned the Franchised Location if Sublessee shall have ceased the

continuous and uninterrupted occupancy and use of the Franchised Location, ceased operating or conducting its business therein, or failed to remain open as a "CONROY'S", "CONROY'S FLOWERS" or "1-800-FLOWERS|CONROY'S" franchised unit in accordance with the terms and conditions of the Franchise Agreement. The failure by Sublessee to operate or conduct its business from the Franchised Location for five (5) consecutive days shall be conclusively presumed a vacation and abandonment of the Franchised Location. The foregoing shall not limit the events that may constitute vacation or abandonment of the Franchised Location by Sublessee.

(ii) The failure of Sublessee to make any payment of rent or any other payment required to be made by Sublessee hereunder as additional rent, as and when due, where such failure shall continue for a period of three (3) days after written notice thereof from Sublessor to Sublessee.

(iii) The failure of Sublessee to observe or perform any of the covenants, conditions and provisions of this Sublease to be observed or performed by Sublessee, where such failure shall continue for a period of thirty (30) days after written notice thereof from Sublessor to Sublessee.

(iv) The failure of Sublessee to observe or perform any of the covenants, conditions and provisions of the Franchise Agreement to be observed or performed by Sublessee where such failure shall continue for a period beyond the applicable cure period provided for in the Franchise Agreement and the termination of the Franchise Agreement.

(v) The failure of Sublessee to comply with any federal, state or local law or regulation applicable to the operation of the franchise, where such failure shall continue for a period of ten (10) days after written notification of noncompliance.

(vi) The failure of Sublessee to observe or perform any of the covenants, conditions and provisions of any other agreement between Sublessor, its affiliates, and Sublessee to be observed or performed by Sublessee, where such failure shall continue for a period beyond the applicable cure period provided for in the agreement.

(vii) Any affirmative act of bankruptcy or insolvency by Sublessee, or any of its owners if it is an entity, or the filing by Sublessee, or any of its owners if it is an entity, of any petition or action in bankruptcy or insolvency, or for appointment of a receiver or trustee, or an assignment by Sublessee, or any of its owners if it is an entity, for the benefit of creditors, or the failure to vacate or dismiss within sixty (60) days after filing any such proceedings commenced against Sublessee, or any of its owners, by a third party.

(viii) The termination of the Franchise Agreement.

b. Remedies. In the event of any default or breach by Sublessee, Sublessor may at any time thereafter, with or without further notice or demand, and without limiting Sublessor in the exercise of any right or remedy that Sublessor may have by reason of such default or breach:

(i) Terminate Sublessee's right to possession of the Franchised Location by any lawful means, in which case this Sublease shall terminate and Sublessee shall immediately surrender possession of the Franchised Location to Sublessor. In such event Sublessor shall be entitled to recover from Sublessee all damages incurred by Sublessor by reason of Sublessee's default, including, but not limited to, the cost of recovering possession of the Franchised Location, cost of storage, expenses of reletting, including necessary renovation and alteration of the Franchised Location, reasonable attorney's fees, and any real estate

commission actually paid; the worth at the time of award by the court having jurisdiction thereof of (a) any unpaid rent that had been earned by the time of such termination, plus (b) the amount by which the unpaid rent that would have been earned after termination until the time of award exceeds the amount of such rental loss Sublessee proves could have been reasonably avoided, plus (c) the amount by which the unpaid rent for the balance of the term after the time of such award exceeds the amount of such rental loss for the same period that Sublessee proves could be reasonably avoided. As used in (a) and (b) directly above, the "worth at the time of award" is computed by allowing interest at the maximum legally allowed rate of interest on transactions of this nature. In the event Sublessee shall have abandoned the Franchised Location, Sublessor shall have the option of (x) retaking possession of the Franchised Location and recovering from Sublessee the amount specified in this Paragraph 12(b)(i) or (y) proceeding under Paragraph 12(b)(ii).

(ii) Maintain Sublessee's right to possession, in which case, this Sublease shall continue in effect whether or not Sublessee shall have abandoned the Franchised Location. In such event, Sublessor shall be entitled to enforce all of Sublessor's rights and remedies under this Sublease, including the right to recover the rent as it becomes due hereunder. Should Sublessor proceed under this Paragraph 12(b)(ii), Sublessor's consent to assignment or subletting by Sublessee shall not have been unreasonably withheld.

(iii) Pursue any and all remedies afforded landlords of Shopping Centers under the Bankruptcy Reform Act of 1978 or any successor or similar statute or law.

(iv) Pursue any other remedy now or hereafter available to Sublessor under the laws or judicial decisions of the State where the Franchised Location is located.

(v) In no event shall Sublessee be entitled to the return of all or any portion of any sum paid to Sublessor under this Sublease or the Franchise Agreement or to any credit for or offset by reason of any such payment.

c. Conflict with Master Lease. If the terms of this Sublease and the terms of the Master Lease differ as to the time allowed for the cure of any default hereunder and under the Master Lease, the shorter period of time, whether stated in this Sublease or in the Master Lease, shall control.

### 13. GENERAL PROVISIONS

#### a. Estoppel Certificate.

(i) Sublessee shall within ten (10) days of written notice from Sublessor execute, acknowledge and deliver to Sublessor a statement in writing certifying that this Sublease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Sublease, as so modified, is in full force and effect) and the date to which the rent and other charges are paid in advance, if any, and acknowledging that there are not, to Sublessee's knowledge, any uncured defaults on the part of Sublessor hereunder, or specifying such defaults if any are claimed.

(ii) Any such statement may be conclusively relied upon by any prospective purchaser of or lender for the Franchised Location, or any part thereof. Sublessee's failure to deliver this statement within such time means that this Sublease is in full force and effect, without modification, except as may be represented by Sublessor; that there are no uncured defaults in Sublessor's performance; and that not more than one month's rent has been paid in advance by Sublessee. If Sublessor desires to finance or refinance or assign the Franchised Location, or any part thereof, Sublessee shall deliver to any lender or proposed assignee

designated by Sublessor current and the past three (3) years financial statements of Sublessee as may be reasonably required by such lender or proposed assignee to enable Sublessor to obtain the financing.

b. Recording. Sublessee shall not record this Sublease without Sublessor's prior written consent. Sublessee shall, upon request of Sublessor, execute, acknowledge and deliver to Sublessor a "Short Form" Memorandum of this Sublease for recording purposes.

c. Holding Over. If Sublessee remains in possession of the Franchised Location or any part thereof after the expiration of the term of this Sublease without the express written consent of Sublessor, such occupancy shall be a tenancy from month-to-month as a rental plus all other charges payable hereunder and upon all the terms hereof applicable to a month-to-month tenancy and shall indemnify the Sublessor from any claims under the Master Lease, including without limitation, payment of Sublessor's legal fees and expenses.

d. Subordination. This Sublease, at Sublessor's option, shall be subordinate to any ground lease, mortgage, deed of trust, construction, equipment or personal property agreement or any other hypothecation for security now or hereafter placed upon the real property of which the Franchised Location is a part and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. Notwithstanding such subordination, Sublessee's right to quiet possession of the Franchised Location shall not be disturbed if Sublessee is not in default and so long as Sublessee pays the rent and observes and performs all of the provisions of this Sublease, unless this Sublease is otherwise terminated pursuant to its terms. If any mortgagee, trustee or ground lessor shall elect to have this Sublease subordinate to the lien of its mortgage, deed of trust or ground lease and shall give written notice thereof to Sublessee, this Sublease shall be deemed subordinate to such mortgage, deed of trust, or ground lease, whether this Sublease is dated prior or subsequent to the date of such mortgage, deed of trust or ground lease or the date of the recording of same. Sublessee shall execute any documents required to effectuate such subordination or to make this Sublease subordinate to the lien of any mortgage, deed of trust or ground lease, as the case may be. If Sublessee fails to do so within ten (10) days after written demand, Sublessee hereby make, constitutes and irrevocably appoints Sublessor as Sublessee's attorney-in-fact and in Sublessee's name, place and stead, to do so.

e. Access by Sublessor. Sublessor and Sublessor's agents shall have the right to enter the Franchised Location at reasonable times in accordance with those provisions of this Sublease and the Franchise Agreement for the purpose of inspecting the same, showing the same to prospective purchasers or lenders and making such alterations, repairs, improvements or additions to the Franchised Location or any part thereof or to the building of which they are a part as Sublessor may deem necessary or desirable. Sublessor may at any time place on or about the Franchised Location, any ordinary "For Lease" signs and signs regarding the availability of franchises offered by Sublessor, all without rebate of rent or liability to Sublessee.

f. Further Acts. The parties agree to execute such other documents and perform such further acts as may be necessary or desirable to carry out the purposes of this Sublease.

g. Heirs and Successors. This Sublease shall be binding upon and inure to the benefit of the parties, their heirs, successors and assigns.

h. Entire Agreement. This Sublease, the Exhibits to this Sublease and any documents incorporated herein by reference represent the entire understanding between the parties regarding the subject matter of this Sublease and supersede all other negotiations, agreements, representations and covenants, oral or written, except any other agreement executed by Sublessor or its subsidiaries or affiliates, and Sublessee in

connection herewith. This Sublease may not be modified except by a written instrument signed by the party to be charged. The parties intend this Sublease to be the entire integration of all of their agreements of any nature that are the subject matter of this Sublease. No other agreements, representations, promises, commitments or the like, of any nature, exist between the parties. By placing his initials at the end of this Paragraph 13(h), Sublessee acknowledges the accuracy of the provisions of this Paragraph 13(h).

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Initials

i. Waiver. Failure by Sublessor to enforce any rights under this Sublease shall not be construed as a waiver of such rights. Any waiver, including a waiver of default, in any one instance shall not constitute a continuing waiver or a waiver in any other instance. Any acceptance of money or other performance by Sublessor from Sublessee shall not constitute a waiver of any default except as to the particular payment or performance so received.

j. Interest and Late Charges.

(i) Any monies past due to Sublessor from Sublessee shall bear interest at the maximum rate permitted by the state whose law governs this Sublease, or in the absence of a maximum rate specified by state law, ten percent (10%). The foregoing shall not affect any other right or remedy of Sublessor arising from any delinquency.

(ii) Sublessee hereby acknowledges that late payment by Sublessee to Sublessor of rent, taxes and other sums due under this Sublease will cause Sublessor to incur costs not contemplated by this Sublease, the exact amount of which will be extremely difficult to ascertain. Such costs include, without limitation, processing and accounting charges, costs of borrowing, unavailability of funds, and late charges that may be imposed on Sublessor by the terms of the Master Lease and/or any mortgage or trust deed covering the Franchised Location. Accordingly, if any installment of rent, taxes, or any other sum due from Sublessee is not received by Sublessor on the first day of the month for which it is due, Sublessee shall pay to Sublessor a late charge equal to ten percent (10%) of such overdue amount. The parties agree that this late charge represents a fair and reasonable estimate of the costs Sublessor will incur by reason of late payment by Sublessee. Acceptance of the late charge by Sublessor shall in no event constitute a waiver of Sublessee's default with respect to such overdue amount nor prevent Sublessor from exercising any of the other rights and remedies granted in this Sublease or by law.

k. Validity. Any invalidity of any portion of this Sublease shall not affect the validity of the remaining portions and unless substantial performance of this Sublease is frustrated by any such invalidity, this Sublease shall continue in full force and effect.

l. Headings, Table of Contents and Gender. The headings and Table of Contents used herein are for purposes of convenience only and shall not be used in construing the provisions hereof. As used herein, the male gender shall include the female and neuter genders, the singular shall include the plural and the plural, the singular.

m. Effectiveness. This Sublease shall become effective only upon execution thereof by Sublessor and Sublessee.

n. Execution by Sublessor. This Sublease shall not be binding on Sublessor unless, and until, it has been accepted and signed by authorized officers of Sublessor.

o. Attorneys' Fees. If Sublessor becomes a party to any legal proceedings concerning this Sublease, the Master Lease or the Franchised Location by reason of any act or omission of Sublessee or its authorized representatives, Sublessee shall be liable to Sublessor for the reasonable attorneys' fees and court costs incurred by Sublessor in the legal proceedings. If either party commences a legal action against the other party arising out of or in connection with this Sublease, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit.

p. Uniformity. Sublessor has made no warranties or representations to Sublessee that all Subleases previously issued or issued after this Sublease by Franchisor do or will contain terms substantially similar to the terms contained in this Sublease. Sublessor may, in its reasonable business judgment and in its sole and absolute discretion, due to business conditions or other factors unique to previous or future transactions or otherwise, waive or modify comparable provisions of other Subleases previously executed or executed after the date of this Sublease with other 1-800-FLOWERS|CONROY'S franchisees in a non-uniform manner.

q. Responsibility. The term "Sublessee" as used in this Sublease shall refer to each person executing this Sublease as Sublessee, whether such person is one of the spouses, partners, shareholders, trustees, trustors or beneficiaries or persons named as included in Sublessee, and shall apply to each such person as if he were the only named Sublessee in this Sublease.

(i) If Sublessee is a married couple, both husband and wife executing this Sublease shall be liable for all obligations and duties of Sublessee hereunder as if such spouse were the sole Sublessee hereunder.

(ii) If Sublessee is a partnership or if more than one person executes this Sublease as Sublessee, each partner or person executing this Sublease shall be liable for all the obligations and duties of Sublessee hereunder.

(iii) If Sublessee is a trust, each trustee, trustor and beneficiary signing this Sublease shall be liable for all of the obligations and duties of Sublessee hereunder.

(iv) If Sublessee is a limited liability company, all members executing this Sublease shall be liable for all obligations and duties of Sublessee hereunder as if each such member were the sole Sublessee hereunder.

(v) If Sublessee is a corporation, all shareholders executing this Sublease shall be liable for all obligations and duties of Sublessee hereunder as if each such shareholder were the sole Sublessee hereunder.

(vi) If Sublessee is in breach or default under this Sublease, Sublessor may proceed directly against each such spouse, partner, signatory to this Sublease, shareholder, trustee, trustor or beneficiary without first proceeding against Sublessee and without proceeding against or naming in such suit any other Sublessee, partner, signatory to this Sublease, shareholder, trustee, trustor or beneficiary. The obligations of Sublessee and each such spouse, partner, person executing this Sublease, shareholder, trustee, trustor and beneficiary shall be joint and several.



(vii) Notice to or demand upon one spouse, partner, person signing this Sublease, shareholder, trustee, trustor or beneficiary shall be deemed notice to or demand upon Sublessee and all such spouses, partners, persons signing this Sublease, shareholders, trustees, trustors and beneficiaries, and no notice or demand need be made to or upon all such Sublessee's, spouses, partners, persons executing this Sublease, shareholders, trustees, trustors or beneficiaries.

(viii) The cessation of, or release from, liability of Sublessee, or any such spouse, partner, person executing this Sublease, shareholder, trustee, trustor or beneficiary shall not relieve any other Sublessee, spouse, partner, person executing this Sublease, shareholder, trustee, trustor or beneficiary from liability hereunder, except to the extent that the breach or default has been remedied or monies owed have been paid.

r. Cumulative Remedies. Any specific right or remedy set forth in this Sublease, legal, equitable, or otherwise, shall not be exclusive, but shall be cumulative with all other rights or remedies set forth herein or allowed or allowable by law.

s. Notices. All notices or demands shall be in writing and shall be served in person, by Express Mail, by certified mail, by private overnight delivery or by electronic transmission (fax). Service shall be deemed conclusively made: (i) at the time of service, if personally served; (ii) twenty-four (24) hours (exclusive of weekends and national holidays) after deposit in the United States mail, properly addressed and postage prepaid, if served by Express Mail; (iii) upon the earlier of actual receipt or three (3) calendar days after deposit in the United States mail, properly addressed and postage prepaid, return receipt requested, if served by certified mail; (iv) twenty-four (24) hours after delivery by the party giving the notice, statement or demand if by private overnight delivery; and (v) at the time of electronic transmission, if such transmission occurs prior to 5:00 P.M. on a business day and a copy of such notice is mailed within twenty-four (24) hours after the transmission.

Any notice or demand to Sublessor shall be given to:

1-800-Flowers Retail, Inc.  
Two Jericho Plaza, Suite 200  
Jericho, New York 11753  
Fax: 516-237-7797  
Attention: Senior Vice President, Retail Operations

With a copy to:

1-800-Flowers Retail, Inc.  
Two Jericho Plaza, Suite 200  
Jericho, New York 11753  
Fax: 516-433-2184  
Attention: General Counsel/Corporate Secretary

With a copy to:

1-800-Flowers.com, Inc.  
Two Jericho Plaza, Suite 200  
Jericho, New York 11753  
Fax: 516-237-4942  
Attention: Real Estate Department

With a copy to:

Conroy's Inc.  
Two Jericho Plaza, Suite 200  
Jericho, New York 11753  
Fax: 516-237-4721  
Attention: Senior Vice President, Retail Operations

Any notice or demand to Sublessee shall be given to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Fax: \_\_\_\_\_

Either party may change its address for the purpose of receiving notices, demands and other communications by a written notice given in the manner set forth above to the other party.

t. Additional Provisions. Additional provisions of this Sublease that are necessary or required in order to conform this Sublease with the Master Lease or for any other purpose shall be included in an Addendum to Sublease to be attached to this Sublease.

u. Counterparts and Electronic Transmission; Electronic Signatures. This Sublease may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Sublease with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Sublease for all purposes, provided that, the copies are fully executed, dated and identical in form to the original hard copy version of this Sublease. In addition, this Sublease may be signed electronically by the Parties and electronic signatures appearing on this Sublease shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Sublease.

v. Governing Law/Venue/Jurisdiction. This Sublease shall be governed by and construed in accordance with the laws of the State of New York. Venue for purposes of any legal proceedings brought in connection with or arising out of this Sublease shall be conclusively presumed to be in the State of New York, County of Nassau or County of Suffolk. Sublessee hereby submits to the exclusive jurisdiction of the Supreme Court of the State of New York and of the United States District Court in and for the Eastern District of New York.

IN WITNESS WHEREOF, the parties have executed this Sublease at Jericho, New York, on the date first shown above.

SUBLESSOR:

SUBLESSEE:

1-800-FLOWERS RETAIL, INC.,  
A Delaware corporation

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

\_\_\_\_\_

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

\_\_\_\_\_

Its: \_\_\_\_\_

CONROY'S, INC.  
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT D  
OPTION TO OBTAIN LEASE ASSIGNMENT

CONROY'S, INC.

OPTION TO OBTAIN LEASE ASSIGNMENT AGREEMENT

CONROY'S, INC.

OPTION TO OBTAIN LEASE ASSIGNMENT AGREEMENT  
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CONROY'S, INC.  
OPTION TO OBTAIN LEASE ASSIGNMENT AGREEMENT

AGREEMENT                      made                      by                      and                      between

\_\_\_\_\_  
\_\_\_\_\_  
1-800-FLOWERS RETAIL, INC., a Delaware corporation ("Retail"), with reference to the following facts:

A. On \_\_\_\_\_, \_\_\_\_\_, Landlord, as landlord, and Franchisee, as tenant, entered into a Lease (the "Lease") for the premises located at \_\_\_\_\_ (the "Franchised Location") pursuant to which Franchisee leased the Franchised Location from Landlord for the purpose of operating a franchised 1-800-Flowers|Conroy's shop (the "Franchised Unit") at the Franchised Location.

B. CONROY'S, INC., a California corporation, as franchisor ("Franchisor"), and Franchisee, as franchisee, have entered into a Franchise Agreement (the "Franchise Agreement") pursuant to which Franchisee has agreed to operate the Franchised Unit at the Franchised Location as a franchisee of Franchisor in accordance with the terms and conditions of the Franchise Agreement.

C. Franchisee, Retail and Landlord desire to enter into this Agreement to define the rights of Retail in and to the Franchised Location and to protect the interests of Retail with respect to the continued operation of a 1-800-Flowers|Conroy's shop at the Franchised Location during the entire term of the Lease and any renewals and extensions of the Lease on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, IT IS AGREED:

1. INCORPORATION OF RECITALS.

The Recitals set forth in Paragraph A through C of this Agreement are true and correct and are incorporated into this Agreement as part of this Agreement.

2. OPTION.

Franchisee does hereby grant to Retail an option, exercisable at any time within thirty (30) days after Retail's receipt of actual notice of the occurrence of any of the events described in Paragraphs 3(a)-3(g) below of this Agreement (the "Option"), to obtain an assignment of the rights and obligations of Franchisee under the Lease to Retail (the "Assignment").

3. ONLY EFFECTIVE UPON EXERCISE OF OPTION.

This Agreement shall be effective upon the date hereof; however, the Assignment shall only become effective if, and when, Retail expressly exercises the Option in writing after the occurrence of one or more of the following events:

a. Franchise Agreement. The occurrence of (i) any acts that would result in the immediate termination of the Franchise Agreement; or (ii) the default by Franchisee in the performance of any of the terms or obligations of the Franchise Agreement, which default is not cured within the applicable cure period set forth in the Franchise Agreement.

b. Lease. The occurrence of (i) any acts that would result in the termination or merger of the Lease; or (ii) the default by Franchisee in the performance of any of the terms or obligations of the Lease, which default is not cured within the applicable cure period set forth in the Lease.

c. Sale of Franchised Unit. If Franchisee, without the prior written consent of Franchisor, either (i) sells, transfers, assigns, sublets or enters into any agreement to sell, transfer, assign or sublet any of its right, title or interest in and to the Franchised Unit, including any transfer, assignment or sublet of the Franchise Agreement, the Lease or any of the operating assets of the Franchised Unit; or (ii) amends the Lease in any manner that would impair the value of the security granted by this Agreement or that would materially affect the rights of Retail under this Agreement.

d. Failure to Exercise Option to Renew or Extend. If Franchisee shall fail to exercise any option to renew or extend the term of the Lease.

e. Insolvency. If Franchisee, or any of its owners if it is an entity, (i) is adjudicated insolvent, or makes an assignment for the benefit of creditors; or (ii) applies for or consents to the appointment of a custodian, receiver, trustee, or similar officer for it or for all or any substantial part of its property; or (iii) if such a custodian, receiver, trustee or similar officer is appointed without the application or consent of Franchisee, and such appointment continues undischarged for a period of sixty (60) days.

f. Bankruptcy. If Franchisee, or any of its owners if it is an entity, (i) is adjudicated bankrupt or institutes (by petition, application, answer, consent or otherwise) any bankruptcy, insolvency, reorganization, moratorium, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction; or (ii) any such proceeding is instituted (by petition, application or otherwise) against Franchisee or any of its owners and remains undismissed for a period of sixty (60) days.

g. Sale of Franchised Location. If Franchisee or any entity with which Franchisee has any financial interest enters into any agreement to purchase the Franchised Location from Landlord, Franchisee and Landlord shall each provide Retail and Franchisor with independent and separate written notice of the occurrence of any of the events described in Paragraphs 3(a)-3(g) of this Agreement.

#### 4. CONSENT TO ASSIGNMENT.

Landlord hereby consents to the Assignment and agrees that its consent to the Assignment shall remain in effect during the entire term of the Lease and any and all renewals and extensions of the Lease. The Lease shall not be amended, modified, altered, assigned, extended, renewed or terminated by Landlord, nor shall the Franchised Location be sublet by Franchisee with the consent of Landlord, without the prior written consent of Retail.

#### 5. EXERCISE OF OPTION BY RETAIL.

Retail shall exercise the Option by giving written notice to Franchisee and Landlord of its affirmative election to do so within thirty (30) days after Retail's receipt of actual notice of the occurrence of any of the events described in Paragraphs 3(a)-3(g) above of this Agreement.

a. Cure Defaults. If Retail exercises the Option, Franchisee, Retail, or its franchisee-assignee, shall have the right to cure all uncured defaults of Franchisee under the Lease that exist as of the date of the



exercise of the Option when Retail or its franchisee-assignee is put into actual possession of the Franchised Unit. The period of time to cure all defaults of Franchisee under the Lease shall be reasonably and appropriately extended by Landlord beyond the cure period provided to Franchisee under the Lease.

b. Assignment of Rights. Retail shall have the right, concurrently with or subsequent to Retail's exercise of the Option, to assign and transfer its rights under this Agreement to an affiliate or a franchisee of Retail without the prior consent of Landlord. In the event of such an assignment or transfer, the Retail's affiliate-assignee or franchisee-assignee shall obtain the Assignment in place and instead of Retail.

c. Indemnification by Assignor. Franchisee agrees to pay and reimburse Retail and to hold Retail harmless from and against any and all costs, damages, attorneys' fees, liabilities or other expenses of any nature whatsoever incurred by Retail in connection with the enforcement of Retail's rights and/or the performance of Retail's rights or obligations under this Agreement. Retail's exercise of the Option shall not release Franchisee from any liability to Landlord or Retail for any rents, costs, damages, attorneys' fees, liabilities or other expenses incurred by Retail or Landlord as a result of Franchisee's defaults or actions under Paragraphs 3(a)-3(g) above of this Agreement.

d. No Approval of Lease. Franchisor is only a party to this Agreement, has not read nor approved the Lease, and does not and will not guarantee or approve any of the language contained in the Lease.

## 6. TERM OF AGREEMENT.

This Agreement shall terminate upon the termination of the Lease with the written consent of Retail.

## 7. TERMINATION OF LEASE AND FRANCHISE AGREEMENT.

a. Termination of Lease. If, and only if, Retail exercises the Option upon any termination of the Lease prior to the expiration date of the Lease or upon expiration of the term of the Lease in violation of Paragraph 3(d) above of this Agreement, following Retail's exercise of the Option, Landlord shall enter into a new lease for the Franchised Location with Retail, or its assignee, on the identical terms and conditions as contained in the Lease, for the remaining term of the Lease, with identical extension or renewal options, within ten (10) business days of the termination or expiration of the Lease.

b. Termination of Franchise Agreement. Upon Retail's exercise of the Option, Franchisee shall surrender possession of the Franchised Location to Retail and Retail shall be entitled to, and Franchisee shall provide Retail with, immediate possession of the Franchised Location and Franchisee shall no longer be entitled to the use or occupancy of the Franchised Unit or the Franchised Location, all of Franchisee's rights in and to the same, including all improvements, buildings and fixtures that are a part of the same will, in all respects, be deemed to have been terminated and, under the terms of this Agreement and the applicable provisions of the Franchise Agreement, assigned to Retail. Retail shall have the right to manage and operate the Franchised Unit at the Franchised Location immediately upon its exercise of the Option.

c. De-Identification of Franchised Unit. If Retail does not exercise the Option upon a termination of the Franchise Agreement and/or Lease, Retail shall have the right to enter the Franchised Unit and the Franchised Location to remove and modify to Retail's satisfaction, all distinctive design features and characteristics of the Franchised Unit and the Franchised Location, including distinctive interior designs and

surface materials and refrigeration equipment, display fixtures, color décor and interior and exterior signs and all other items identifying the Franchised Unit and the Franchised Location as a 1-800-Flowers | Conroy's shop.

8. RESTRICTIONS ON TRANSFER.

This Agreement may not be assigned by Franchisee without the prior written consent of Retail. Franchisee shall not sell, transfer, assign, sublet or otherwise encumber any or all of its right, title or interest in and to the Franchised Unit, the Franchise Agreement or the Lease, except in accordance with the applicable terms and conditions of the Franchise Agreement. Franchisee shall not amend, modify or alter the Lease during the term of this Agreement without the prior written consent of Retail and shall provide Retail with at least thirty (30) days prior written notice of any proposed amendment, modification, alteration, extension or renewal of the Lease.

9. POWER OF ATTORNEY.

Franchisee hereby irrevocably appoints Retail as its attorney-in-fact to exercise any and all of Franchisee's rights in, to and under the Lease and in and to the Franchised Location upon the occurrence of a default or an event of default under the Lease or Franchise Agreement. Landlord acknowledges this appointment and agrees to recognize and accept the rights and actions of Retail under this appointment.

10. GENERAL PROVISIONS.

a. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State in which the Franchised Location is located.

b. Notices. All notices or demands shall be in writing and shall be served in person, by Express Mail, by certified mail, by private overnight delivery or by electronic transmission (FAX). Service shall be deemed conclusively made (i) at the time of service, if personally served; (ii) twenty-four (24) hours (exclusive of weekends and national holidays) after deposit in the United States mail, properly addressed and postage prepaid, if served by Express Mail; (iii) upon the earlier of actual receipt or three (3) calendar days after deposit in the United States mail, properly addressed and postage prepaid, return receipt requested, if served by certified mail; (iv) twenty-four (24) hours after delivery by the party giving the notice, statement or demand if by private overnight delivery; and (v) at the time of electronic transmission, if such transmission occurs prior to 5:00 p.m. on a business day and a copy of such notice is mailed within twenty-four (24) hours after the transmission.

Any notice or demand to Franchisee shall be given to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Fax: \_\_\_\_\_

Any notice or demand to Retail or Franchisor shall be given to:

Conroy's, Inc.  
Two Jericho Plaza  
Suite 200  
Jericho, New York 11753  
Fax: 516-237-4721  
Attention: Senior Vice President, Retail Operations

With a copy to:

1-800-Flowers.com Franchise Co., Inc.  
Two Jericho Plaza  
Suite 200  
Jericho, New York 11753  
Fax: 516-433-2184  
Attention: General Counsel/Corporate Secretary

With a copy to:

1-800-Flowers.com  
Two Jericho Plaza  
Suite 200  
Jericho, New York 11753  
Fax: 516-237-4721  
Attention: Real Estate Department

Any notice or demand to Landlord shall be given to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Fax: \_\_\_\_\_

Any party may change its address for the purpose of receiving notices, demands and other communications by a written notice given in the manner set forth above to the other party.

c. Waivers. The delay, omission or forbearance by Retail to take action to remedy or seek damages for the breach or default of any term, covenant or condition of this Agreement or to exercise any right, power or duty arising from such breach or default shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach or default of the same or any other term, covenant or condition of this Agreement. The subsequent acceptance of performance by Retail shall not be deemed to be a waiver of any preceding breach or default by Franchisee other than its failure to pay the particular payment so accepted, regardless of Retail's knowledge of such preceding breach or default at the time of acceptance of such payment.

d. Attorneys' Fees. If any legal action is brought to enforce the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs, and any and all costs of collection, in addition to any other relief to which that party may be entitled.

e. Modification. This Agreement may be modified only by a writing executed by the party sought to be bound.

f. Entire Agreement. This Agreement, and the other agreements referred to in this Agreement, and any other agreement that may be executed by the parties concurrently with the execution of this Agreement, set forth the entire agreement and understanding of the parties with regard to the subject matter of this Agreement and any agreement, representation or understanding, express or implied, heretofore made by either party or exchanged between the parties are hereby waived and canceled.

g. Cumulative Remedies. Any specific right or remedy set forth in this Agreement, legal, equitable, or otherwise, shall not be exclusive, but shall be cumulative with all other rights or remedies set forth in this Agreement or allowed or allowable by law.

h. Captions. The various titles of the Paragraphs in this Agreement are used solely for convenience and shall not be used in interpreting or construing any word, clause, paragraph, or subparagraph of this Agreement.

i. Gender. All words used in this Agreement in the singular shall include the plural and the masculine gender shall include the feminine and neuter and the neuter shall include the masculine and feminine.

j. Successors. This Agreement shall be binding upon all of the parties to this Agreement, their respective heirs, executors, administrators, personal representatives, successors and assigns.

k. Severability. The invalidity of any one or more of the provisions contained in this Agreement as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.

l. Additional Documents. Each of the parties agrees to execute, acknowledge and deliver to the other party and to procure the execution, acknowledgment and delivery to the other party of any additional documents or instruments which either party may reasonably require to fully effectuate and carry out the provisions of this Agreement.

m. Counterparts and Electronic Transmission; Electronic Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Agreement with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Agreement for all purposes, provided that, the copies are fully executed, dated and identical in form to the original hard copy version of this Agreement. In addition, this Agreement may be signed electronically by the Parties and electronic signatures appearing on this Agreement shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Agreement.

(Signature page follows)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

RETAIL:

FRANCHISEE:

1-800-FLOWERS RETAIL, INC.,  
A Delaware corporation

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

\_\_\_\_\_

Its: \_\_\_\_\_

\_\_\_\_\_

LANDLORD:

\_\_\_\_\_

\_\_\_\_\_

CONROY'S, INC.  
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT E  
STATE SPECIFIC ADDENDUM

CONROY'S, INC.

STATE SPECIFIC ADDENDA

Each provision of this Addenda shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of a state are met independently, without reference to this Addenda.

CONROY'S, INC.  
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF NEW YORK

The disclosure document is amended as follows:

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT Q 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 DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NYS DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21<sup>ST</sup> FLOOR, NEW YORK, NEW YORK, 10005-1495

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.

2. The following is added at the end of Item 3:

Except as provided above, 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 had an administrative, criminal or civil action pending against that person alleging a felony; a violation of 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 franchises 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, 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 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.

3. The following is added to the end of Item 4:

Neither we nor any of our affiliates, predecessors, officers, or general partners have, during the 10-year period immediately before the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the U.S. Bankruptcy Code; or (c) 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 of ours held this position in such company or partnership.

4. The following is added at the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the “Summary” sections of Item 17(c), entitled “Requirements for Franchisee to Renew or Extend” and Item 17(m), entitled “Conditions for Franchisor Approval of Transfer”:

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 under the Law shall remain in force; it being the intent of this proviso that the non-waiver provision of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of Item 17(d), entitled “Termination by Franchisee”:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the “Summary” section of Item 17(j), entitled “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.

8. The following is added to the end of the “Summary” sections of Item 17(v), entitled “Choice of Forum”, and Item 17(w), “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.

9. No statement, questionnaire, or acknowledgement 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. This provision supersedes any other term of any document executed in connection with the franchise.

Franchisor's registered agent in this state authorized to receive service of process:

New York Department of State  
One Commerce Plaza  
99 Washington Avenue, 6<sup>th</sup> Floor  
Albany, New York 12231-001

CONROY'S, INC  
NEW YORK  
ADDENDUM TO FRANCHISE AGREEMENT

THIS ADDENDUM TO FRANCHISE AGREEMENT (this "Addendum") dated \_\_\_\_\_, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the "Franchise Agreement") dated \_\_\_\_\_, by and between CONROY'S, INC., as franchisor ("Franchisor") and \_\_\_\_\_, as franchisee ("Franchisee"). Defined terms contained in the Franchise Agreement shall have the identical meanings in this Addendum.

The parties to the Franchise Agreement hereby acknowledge and agree that:

1. All rights Franchisee enjoys and any causes of action arising in Franchisee's 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 provision that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.
2. Franchisee may terminate the Franchise Agreement on any grounds available by law.
3. Irrespective of any rights granted to Franchisor to assign the Franchise Agreement, no assignment will be made except to an assignee who in good faith and judgment of Franchisor, is willing and financially able to assume Franchisor's obligations under the Franchise Agreement.
4. No choice of law or choice of forum provision in the Franchise Agreement should be considered a waiver of any right conferred upon Franchisor or upon Franchisee by Article 33 of the General Business Law of the State of New York.
5. In the event of any conflict between the terms of this Addendum and the terms of the Franchise Agreement, the terms of this Addendum shall prevail.
6. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the General Business Law of the State of New York are met independently without reference to this Addendum.
7. No statement, questionnaire, or acknowledgement 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. This provision supersedes any other term of any document executed in connection with the franchise.

[Signature page to follow]

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

<p>FRANCHISOR:</p> <p>CONROY'S, INC., A California corporation</p> <p>By: _____ Name: _____ Its: _____</p>	<p>FRANCHISEE:</p> <p>_____</p> <p>A _____</p> <p>By: _____ Name: _____ Its: _____</p>
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CONROY'S, INC.  
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT F  
CONFIDENTIALITY AGREEMENT

CONROY'S, INC.

CONFIDENTIALITY AGREEMENT

CONFIDENTIALITY AGREEMENT made \_\_\_\_\_, by and between CONROY'S, INC., a California corporation ("Franchisor") and \_\_\_\_\_ ("Candidate"), with reference to the following facts:

A. 1-800-FLOWERS.COM, INC., a Delaware corporation, an affiliate of Franchisor, is the owner of all right, title and interest in and to the trade name, trademark and service marks "CONROY'S FLOWERS", "1-800-FLOWERS|CONROY'S", "FRUIT BOUQUETS BY 1-800-FLOWERS.COM" and other marks (hereinafter the "Marks") and has authorized Franchisor to franchise the rights to certain valuable trade practices and all of the designs, phrases, logos, signs, formulas, operating procedures, merchandising methods, cost control, accounting and general business techniques, strategies, routines, copyrights, manuals, training materials, bulletins and all other items now or hereafter owned, used, developed or provided by Franchisor (hereinafter collectively, the "Trade Practices") in connection with the retail flower business, all of which may be improved, further developed or otherwise modified from time to time.

B. Franchisor and its affiliates have developed a chain of retail sales outlets for the sale of flowers, plants, fresh fruit products, including fresh cut fruit arrangements, related products and services and gift and sentiment items under the trade name and/or the Marks "1-800-FLOWERS|CONROY'S" and/or "FRUIT BOUQUETS BY 1-800-FLOWERS.COM", which are or will be operated in accordance with uniform standards of operation, including, without limitation, design of building, layout of equipment, interior and exterior decoration, signs, operating methods, purchasing programs, items of standard appearance and design, advertising, sales and general business techniques, personnel management and control systems and bookkeeping and accounting systems (hereinafter collectively, the "1-800-Flowers|Conroy's System") in order to create and maintain a unique appeal to the public. Candidate acknowledges that the Trade Practices, the Marks and the 1-800-Flowers|Conroy's System have been developed by Franchisor by the investment of time, skill, effort and money and are widely recognized by the public and are of substantial value.

C. Franchisor may provide Candidate with confidential and proprietary information comprising the Trade Practices and the 1-800-Flowers|Conroy's System prior to granting Candidate a franchise or entering into a franchise agreement with Candidate. Franchisor desires that Candidate maintain the confidentiality of all such confidential and proprietary information, the Trade Practices and the elements of the 1-800-Flowers|Conroy's System on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, IT IS AGREED:

1. INCORPORATION OF RECITALS.

The recitals set forth in Paragraphs A, B and C above are true and correct and are hereby incorporated by reference into the body of this Agreement.

## 2. CONFIDENTIALITY.

Candidate acknowledges and agrees:

a. Confidential Information. That Candidate's knowledge of the elements of the 1-800-Flowers|Conroy's System and any other proprietary data that may be disclosed to Candidate by Franchisor, or any affiliate of Franchisor, including, without limitation, any and all confidential and/or proprietary knowledge, data or information of a party and any and all confidential and/or proprietary knowledge, data or information which a party has obtained or obtains from another person or entity and that a party treats as proprietary or designates (whether or not in writing or electronic form) as "Confidential Information". By way of illustration, but not limitation, "Confidential Information" includes tangible and intangible information (whether or not in electronic form) relating to the 1-800-Flowers|Conroy's System, the Trade Practices, the Marks and Franchisor's business operations (all as they may be defined herein or in any Franchise Agreement between Franchisor and Candidate), products and services, equipment, sources of materials and equipment, information management, computer hardware and software, data, other content, formulations, patterns, compilations, programs, devices and processes, know-how, business relationships, contact information for industry professionals, designs, developmental or experimental work and services, improvements, discoveries, plans for research, potential new or supplemental products and services, web sites, advertisements or ancillary products and services, marketing and selling methods and/or plans, business plans, budgets and unpublished financial statements, licenses, prices and costs, vendors, collaborators and customers, information regarding the skills and compensation of employees and contractors of Franchisor, designs, drawings, specifications, source code, object code, documentation, diagrams, flowcharts, research, development, marketing techniques and materials, trademarks, trade secrets, sales/license techniques, inventions, copyrightable material, trademarkable material, databases, relationship between Franchisor and other companies, persons or entities, and any other information or material considered proprietary by Franchisor, whether or not designated as Confidential Information by Franchisor, but that is not generally known by the public, or which derives independent economic value (actual or potential) from not being generally known to the public or persons unaffiliated with Franchisor and which is the subject of efforts by Franchisor that are reasonable under the circumstances, to maintain its secrecy or any other information in oral, written, graphic or electronic form, which, given the circumstances surrounding such disclosure, would be considered confidential. Confidential Information also includes the manner in which any of the above-described items may be combined with other information or products or synthesized or used by Candidate. Confidential Information does not include any information that: (i) was in the lawful and unrestricted possession of Candidate prior to its disclosure by Franchisor; (ii) is or becomes generally available to the public by acts other than those of Candidate after receiving it; (iii) has been received lawfully and in good faith by Candidate from a third party who did not derive it from Franchisor; or (iv) is shown by acceptable evidence to have been independently developed by Candidate.

b. Value. That the Confidential Information has been developed by Franchisor and its affiliates by the investment of time, skill, effort and money and is widely recognized by the public and are of substantial value. Candidate acknowledges and agrees the Confidential Information is not generally known by the public or parties other than Franchisor, its affiliates, its franchisees and Candidate; derives independent economic value (actual or potential) from not being generally known to the public or persons unaffiliated with Franchisor, its franchisees or Candidate; and is the subject of efforts by Franchisor that are reasonable under the circumstances to maintain the secrecy of the Confidential Information, including, without limitation (i) not revealing the Confidential Information to unauthorized parties; (ii) requiring its franchisees to acknowledge and agree in writing that the Confidential Information is confidential; (iii) requiring its franchisees to agree in writing to maintain the confidentiality of the Confidential Information; (iv) monitoring electronic access to the

Confidential Information by the use of passwords and other restrictions so that electronic access to the Confidential Information is limited to authorized parties; and (v) requiring its franchisees to return all Confidential Information to Franchisor upon the expiration or termination of their Franchise Agreements.

c. Proprietary. That the Confidential Information is proprietary, confidential and constitutes a trade secret of Franchisor and its affiliates.

d. Maintain Confidentiality. That Candidate will fully and strictly maintain the confidentiality of the Confidential Information, will exercise the highest degree of diligence in safeguarding the Confidential Information and will not disclose or reveal the Confidential Information to any person other than another person who is actively and directly participating in the acquisition of the franchise with Candidate, but only after first disclosing the identity of such person to Franchisor in writing and obtaining such person's signature on a Non-Disclosure Agreement similar to this Agreement, unless covered by attorney-client privilege, or as otherwise required by law, rule, regulation or governmental order.

e. Reproduction and Use. That Candidate will not directly or indirectly reproduce or copy any Confidential Information or any part thereof and will make no use of any Confidential Information for any purpose whatsoever unless and until Candidate becomes a franchisee of Franchisor, and then only in accordance with the provisions of Candidate's Franchise Agreement.

### 3. MISCELLANEOUS.

a. Injunction. Candidate recognizes the unique value and secondary meaning attached to the 1-800-Flowers|Conroy's System, the Marks and the Trade Practices and agrees that any noncompliance with the terms of this Agreement or any unauthorized or improper use of the Confidential Information will cause irreparable damage to Franchisor and its franchisees. Candidate therefore agrees that if he or it should engage in any such unauthorized or improper use of the Confidential Information, Franchisor shall be entitled to both permanent and temporary injunctive relief from any court of competent jurisdiction in addition to any other remedies prescribed by law.

b. Further Acts. The parties agree to execute such other documents and perform such further acts as may be necessary or desirable to carry out the purposes of this Agreement.

c. Heirs and Successors. This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, successors and permitted assigns.

d. Entire Agreement. This Agreement, the Exhibits to this Agreement and any documents incorporated herein by reference, represent the entire understanding between the parties regarding the subject matter of this Agreement and supersedes all other negotiations, agreements, representations and covenants, oral or written, except any other agreement executed by Franchisor, or its affiliates, and Candidate in connection herewith. This Agreement may not be modified except by a written instrument signed by the party to be charged. The parties intend this Agreement to be the entire integration of all of their agreements on this subject of any nature regarding the subject matter of this Agreement. No other agreements, representations, promises, commitments or the like, of any nature, exist between the parties. By placing his initials at the end of this Paragraph 3(d), Candidate acknowledges the accuracy of the provisions of this Paragraph 3(d).

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Initials



e. Waiver. Failure by Franchisor to enforce any rights under this Agreement shall not be construed as a waiver of such rights. Any waiver, including a waiver of default, in any one instance shall not constitute a continuing waiver or a waiver in any other instance.

f. Validity. Any invalidity of any portion of this Agreement shall not affect the validity of the remaining portions and unless substantial performance of this Agreement is frustrated by any such invalidity, this Agreement shall continue in full force and effect.

g. No Uniformity. Franchisor has made no warranty or representation that all Confidentiality Agreements previously issued or issued after this Confidentiality Agreement by Franchisor do or will contain terms substantially similar to those contained in this Confidentiality Agreement. Franchisor may, in its reasonable business judgment and its sole and absolute discretion, due to local business conditions or otherwise, waive or modify comparable provisions of other Confidentiality Agreements previously executed or executed after the date of this Confidentiality Agreement with other 1-800-Flowers|Conroy's franchisees in a non-uniform manner.

h. Headings, Table of Contents and Gender. The headings and table of contents used herein are for purposes of convenience only and shall not be used in construing the provisions hereof. As used herein, the male gender shall include the female and neuter genders, the singular shall include the plural and the plural, the singular.

i. Execution by Franchisor. This Agreement shall not be binding on Franchisor unless and until it shall have been accepted and signed by authorized officers of Franchisor.

j. Assignment. Except as otherwise restricted by applicable law, this Agreement may be assigned in whole or in part by Franchisor without prior approval of Candidate and such assignment shall not modify or diminish Candidate's obligations hereunder. Candidate shall have no right to assign its rights or obligations under this Agreement.

k. Third Parties. Except as otherwise restricted by applicable law, the parties intend to confer no benefit or right on any person or entity not a party to this Agreement and no third party shall have the right to claim the benefit of any provision hereof as a third party beneficiary.

l. Attorneys' Fees. If Franchisor becomes a party to any legal proceedings concerning this Agreement by reason of any act or omission of Candidate or its authorized representatives, Candidate shall be liable to Franchisor for the reasonable attorneys' fees and court costs incurred by Franchisor in the legal proceedings. If either party commences a legal proceeding against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit.

m. Responsibility. The term "Candidate" as used in this Agreement shall refer to each person executing this Agreement as Candidate, whether such person is one of the spouses, partners, shareholders, trustees, trustors or beneficiaries or persons named as included in Candidate, and shall apply to each such person as if he were the only named Candidate in this Agreement.

(i) If Candidate is a married couple, both husband and wife executing this Agreement shall be liable for all obligations and duties of Candidate hereunder as if such spouse were the sole Candidate hereunder.

(ii) If Candidate is a partnership or if more than one person executes this Agreement as Candidate, each partner or person executing this Agreement shall be liable for all the obligations and duties of Candidate hereunder.

(iii) If Candidate is a trust, each trustee, trustor and beneficiary signing this Agreement shall be liable for all of the obligations and duties of Candidate hereunder.

(iv) If Candidate is a limited liability company, all members executing this Agreement shall be liable for all obligations and duties of Candidate hereunder as if each such member were the sole Candidate hereunder.

(v) If Candidate is a corporation, all shareholders executing this Agreement shall be liable for all obligations and duties of Candidate hereunder as if each such shareholder were the sole Candidate hereunder.

(vi) If Candidate is in breach or default under this Agreement, Franchisor may proceed directly against each such spouse, partner, signatory to this Agreement, shareholder, trustee, trustor or beneficiary without first proceeding against Candidate and without proceeding against or naming in such suit any other Candidate, partner, signatory to this Agreement, shareholder, trustee, trustor or beneficiary. The obligations of Candidate and each such spouse, partner, person executing this Agreement, shareholder, trustee, trustor and beneficiary shall be joint and several.

(vii) Notice to or demand upon one spouse, partner, person signing this Agreement, shareholder, trustee, trustor or beneficiary shall be deemed notice to or demand upon Candidate and all such spouses, partners, persons signing this Agreement, shareholders, trustees, trustors and beneficiaries, and no notice or demand need be made to or upon all such Candidate's, spouses, partners, persons executing this Agreement, shareholders, trustees, trustors or beneficiaries.

(viii) The cessation of or release from liability of Candidate, or any such spouse, partner, person executing this Agreement, shareholder, trustee, trustor or beneficiary shall not relieve any other Candidate, spouse, partner, person executing this Agreement, shareholder, trustee, trustor or beneficiary from liability hereunder, except to the extent that the breach or default has been remedied.

n. Cumulative Remedies. Any specific right or remedy set forth in this Agreement, legal, equitable, or otherwise, shall not be exclusive, but shall be cumulative with all other rights or remedies set forth herein or allowed or allowable by law.

o. Notices. All notices or demands shall be in writing and shall be served in person, by Express Mail, by certified mail, by private overnight delivery or by electronic transmission (fax). Service shall be deemed conclusively made: (i) at the time of service, if personally served; (ii) twenty-four (24) hours (exclusive of weekends and national holidays) after deposit in the United States mail, properly addressed and postage prepaid, if served by Express Mail; (iii) upon the earlier of actual receipt or three (3) calendar days after deposit in the United States mail, properly addressed and postage prepaid, return receipt requested, if served by certified mail; (iv) twenty-four (24) hours after delivery by the party giving the notice, statement or demand

if by private overnight delivery; and (v) at the time of electronic transmission, if such transmission occurs prior to 5:00 P.M. on a business day and a copy of such notice is mailed within twenty-four (24) hours after the transmission.

Any notice or demand to Franchisor shall be given to:

Conroy's, Inc.  
Two Jericho Plaza, Suite 200  
Jericho, New York 11753  
Fax: 516-237-7797  
Attention: Senior Vice President, Retail Operations

With a copy to:

Conroy's, Inc.  
Two Jericho Plaza, Suite 200  
Jericho, New York 11753  
Fax: 516-433-2184  
Attention: General Counsel/Corporate Secretary

Any notice or demand to Candidate shall be given to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Fax: \_\_\_\_\_

Either party may change its address for the purpose of receiving notices, demands and other communications by a written notice given in the manner set forth above to the other party.

p. No Right to Use Marks or 1-800-Flowers|Conroy's System. This Agreement is not a Franchise Agreement or a license of any sort, and does not grant Candidate any right to use or to franchise or license the use of, the Confidential Information, which right is expressly reserved by Franchisor. Franchisor and Candidate acknowledge and agree that the execution of this Agreement by Franchisor shall not obligate Franchisor in any way to grant Candidate a license to execute a Franchise Agreement. Franchisor may refuse to offer a Franchise Agreement to Candidate for any reason whatsoever, with or without cause.

q. Counterparts and Electronic Transmission; Electronic Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Agreement with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Agreement for all purposes, provided that, the copies are fully executed, dated and identical in form to the original hard copy version of this Agreement. In addition, this Agreement may be signed electronically by the Parties and electronic signatures appearing on this Agreement shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Agreement.

r. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of New York. In the event of any conflict of law, the law of New York shall prevail, without regard to the application of New York conflict of laws rules. Venue for purposes of any legal proceedings brought in connection with or arising out of this Agreement shall be conclusively presumed to be in the State of New York, County of Nassau or County of Suffolk. Franchisee hereby submits to the

exclusive jurisdiction of the Supreme Court of the State of New York, County of Nassau, and of the United States District Court in and for the Eastern District of New York. THE PARTIES SPECIFICALLY WAIVE TRIAL BY JURY.

IN WITNESS WHEREOF, the parties have executed this Agreement at \_\_\_\_\_ on the date first shown above.

FRANCHISOR:

CANDIDATE:

CONROY'S, INC.,  
A California corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

CONROY'S, INC.  
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT G  
GENERAL RELEASE

CONROY'S INC.

GENERAL RELEASE AGREEMENT

THIS GENERAL RELEASE (the "Release Agreement") made \_\_\_\_\_ (the "Effective Date"), by and between CONROY'S INC., a California corporation ("Franchisor"), on the one hand, and \_\_\_\_\_, a \_\_\_\_\_ ("Franchisee"), and \_\_\_\_\_ ("Owner"), on the other hand, who are collectively referred to in this Release Agreement as the "Releasing Parties", with reference to the following facts:

A. Franchisor and Franchisee are parties to a Franchise Agreement and related ancillary agreements dated \_\_\_\_\_ (collectively, the "Franchise Agreement") pursuant to which Franchisor granted Franchisee a license (the "License") to use the service mark and trade name " \_\_\_\_\_ " (the "Marks") and the " \_\_\_\_\_ System" (the "System") in connection with the operation of a \_\_\_\_\_ franchised unit (the "Franchised Unit") located at \_\_\_\_\_ (the "Franchised Location").

B. Franchisee desires to enter into a \_\_\_\_\_.

C. This Release Agreement has been requested at a juncture in the relationship of the Parties where Franchisor is considering either a change or an expansion of the relationship between the Parties and/or their affiliates. Franchisor is unwilling to make the anticipated change or expansion in the relationship of the Parties unless it is certain that it is proceeding with a "clean slate" and that "Releasing Parties" (as defined below) possess no outstanding grievances or "Claims" (as defined below) against it as of the Effective Date. Releasing Parties, therefore, give this Release Agreement as consideration for receiving the agreement of Franchisor to the anticipated change or expansion of the relationship between the Parties, and acknowledge and agree that this Release Agreement is intended to wipe the slate clean as of the Effective Date.

NOW, THEREFORE, IT IS AGREED:

1. Definitions. As used in this Release Agreement, the following capitalized terms have the meanings ascribed to them. Other capitalized terms used but not defined in this Release Agreement shall have the meanings ascribed to such terms in the Franchise Agreement:

1.1 "Claims" means all actual and alleged or unalleged claims and/or any and all actions, suits, causes of action, rights of action, dues, sums of money, accounts, bonds, bills, charges, covenants, contracts, controversies, agreements (whether oral or written), promises, preferences, demands, rights, damages, costs, Losses, fees, judgments, variances, executions, debts, obligations, attorneys' fees, responsibilities, warranties, violations, counterclaims, cross claims, third-party claims, rights to terminate and rescind and liabilities of any and every kind, character, nature and/or description whatsoever, whether matured or unmatured, accrued or unaccrued, known or unknown, suspected or unsuspected, contingent or non-contingent, liquidated or unliquidated, choate or inchoate, whether or not asserted, threatened, alleged or litigated, at law, equity or otherwise.

1.2 "Constituents" means past, present and future affiliates, subsidiaries, divisions, partners, members, trustees, receivers, executors, representatives, administrators, owners, shareholders, distributors, parents, predecessors, officers, directors, agents, managers, principals, employees, insurers, successors, assigns, representatives and attorneys and the past, present and future officers, directors, agents,

managers, principals, members, employees, insurers, successors, assigns, representatives and attorneys of each of the foregoing, as applicable.

1.3 “Excluded Matters” means Franchisor’s continuing contractual obligations that arise or continue under and pursuant to the Franchise Agreement and this Release Agreement on and after the Effective Date. This Release Agreement is not intended to terminate or amend the Franchise Agreement.

1.4 “Franchisor Released Parties” means Franchisor, BloomNet, Inc., a Delaware corporation, 1-800-Flowers Retail, Inc., a Delaware corporation, 800-Flowers, Inc., a New York corporation, 1-800-Flowers.com, Inc., a Delaware corporation, Flowerama of America, Inc., an Iowa corporation, 1-800-Flowers.com Franchise Co., Inc., a Delaware corporation, and each of their Constituents.

1.5 “Losses” means all damages, debts, liabilities, accounts, suits, awards, judgments, payments, diminutions in value and other losses, costs and expenses, however suffered or characterized, all interest thereon, all costs and expenses of investigating any Claim, reference proceeding, lawsuit or arbitration and any appeal therefrom, all actual attorneys’ fees incurred in connection therewith, whether or not such Claim, reference proceeding, lawsuit or arbitration is ultimately defeated and, all amounts paid incident to any compromise or settlement of any such Claim, reference proceeding, lawsuit or arbitration.

1.6 “Releasing Parties” means Franchisee, Owner and any additional parties undersigned below. Releasing Parties make and undertake all representations, warranties, acknowledgments, agreements, commitments, and obligations in this Release Agreement on behalf of themselves and each of their Constituents.

2. General Release Agreement. Releasing Parties for themselves and their Constituents, hereby absolutely and irrevocably waive, release and forever discharge Franchisor Released Parties and their Constituents from any and all Claims, whether asserted or unasserted, known or unknown, suspected or unsuspected, based upon anything that has occurred or existed, or failed to occur or exist, or otherwise, from the beginning of time to the Effective Date, except for the Excluded Matters. This waiver, release and discharge is effective immediately in its fullest and most comprehensive sense. Releasing Parties acknowledge and agree that they have no Claims or grievances against Franchisor Released Parties as of the Effective Date.

3. Waiver Of Known and Unknown Claims. Releasing Parties for themselves and on behalf of their Constituents, acknowledge and agree that among the wide and comprehensive range of Claims being waived, released and discharged, they are waiving, releasing and discharging unknown and unsuspected Claims, which if known or suspected by them, may have materially affected their decision to enter into this Release Agreement. Releasing Parties understand that the facts upon which this Release Agreement is given may in the future turn out to be, or be discovered to be, other than or different from the facts known or believed to be true by Releasing Parties. Releasing Parties, therefore, expressly assume the risk of the facts turning out to be, or being discovered to be, different and agree that this Release Agreement shall be in all respects effective and not subject to termination or rescission because of any such difference in facts.

4. Representations And Warranties. Releasing Parties, hereby represent and warrant to Franchisor that, in entering into this Release Agreement, they (i) are doing so freely and voluntarily upon the advice of counsel and business advisors of their own choosing (or declined to do so, free from coercion, duress or fraud); (ii) have read and fully understand the terms and scope of this Release Agreement entering into; (iii) realize that it is final and conclusive, and intends to be final and conclusive, as to the matters set forth in this Release Agreement; and (iv) have not assigned, transferred, or conveyed to any third party all or any part of or partial or contingent interest in any of the Claims that are released by this Release Agreement now or in the future, that they are aware of no

third party who contends or claims otherwise, and that they shall not assign, transfer, or convey any such Claim in the future.

5. Covenants Not To Sue. Releasing Parties for themselves and their Constituents hereby irrevocably covenant that they will not directly or indirectly: (i) commence, initiate, or cause to be commenced or initiated any proceeding, claim, or demand of any kind against Franchisor Released Parties based upon any Claims released under this Release Agreement; or (ii) assist or encourage any person or entity to investigate, inquire into, commence, initiate, or cause to be commenced or initiated any proceeding, claim, or demand of any kind against Franchisor Released Parties based upon any Claims released under this Release Agreement.

6. Indemnity. Without in any way limiting any of the rights and remedies otherwise available to any Franchisor Released Party, Releasing Parties shall defend, indemnify and hold harmless each Franchisor Released Party from and against all Claims, whether or not involving third-party Claims, arising directly or indirectly from or in connection with (i) the assertion by or on behalf of Releasing Parties or their Constituents of any Claim or other matter waived or released or discharged pursuant to this Release Agreement; (ii) the assertion by any third party of any Claim against any Franchisor Released Party, which Claim arises directly or indirectly from, or in connection with, any Claims or other matters waived or released or discharged pursuant to this Release Agreement; and (iii) any breach of representations, warranties or covenants in this Release Agreement by Releasing Parties or their Constituents.

## 7. General Provisions

7.1 Amendment. This Release Agreement cannot be modified, altered or otherwise amended, except by an agreement in writing signed by all of the parties hereto.

7.2 Entire Agreement. This Release Agreement, together with the agreements referenced in this Release Agreement, constitute the entire understanding between and among the Parties with respect to the subject matter of this Release Agreement and supersedes any prior negotiations and agreements, oral or written, with respect to the subject matter of this Release Agreement.

7.3 Counterparts and Electronic Transmission; Electronic Signatures. This Release Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument. Copies of this Release Agreement with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Release Agreement for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Release Agreement. In addition, this Release Agreement may be signed electronically by the Parties and electronic signatures appearing on this Release Agreement shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Release Agreement.

7.4 Heirs, Successors and Assigns. This Release Agreement shall be binding on and shall benefit the Parties and their respective heirs, successors and permitted assigns. The Releasing Parties may not assign this Agreement without the prior written approval of the Franchisor Released Parties. Each of the Franchisor Released Parties and each of the Constituents is intended to be a third party beneficiary of this Agreement, with the right to enforce this Agreement for his or her or its benefit, whether acting alone or in combination with any other Franchisor Released Party and/or Constituent, even though such Franchisor Released Party or Constituent is not a signatory to this Agreement.



7.5 Interpretation. The rule that an agreement is to be construed against the party drafting the agreement is hereby waived by the Parties, and shall have no applicability in construing this Release Agreement or any of its terms. The headings used in this Release Agreement are for purposes of convenience only and shall not be used in construing the provisions of this Release Agreement. As used in this Release Agreement, the male gender shall include the female and neuter genders, the singular shall include the plural and the plural, the singular.

7.6 Severability/Validity. Any provision of this Release Agreement that is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions of this Release Agreement or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

7.7 Governing Law and Venue. This Release Agreement shall in all respects be interpreted, enforced and governed by the internal laws of the State of New York. Venue for purposes of any legal proceedings brought in connection with, or arising out of, this Release Agreement shall be conclusively presumed to be in the State of New York, County of Nassau or County of Suffolk. Releasing Parties hereby submit to the exclusive jurisdiction of the Supreme Court of the State of New York, County of Nassau, and of the United States District Court in and for the Eastern District of the State of New York. FRANCHISOR AND RELEASING PARTIES SPECIFICALLY WAIVE TRIAL BY JURY.

7.8 Authority of Franchisor. Franchisor represents and warrants that Franchisor has the power and authority to enter into this Release Agreement and to perform its obligations under this Release Agreement without the approval or consent of any other person or entity; and (ii) the individual who executes this Release Agreement on Franchisor's behalf is duly authorized to do so without the approval or consent of any other person or entity.

7.9 Authority of Releasing Parties. Releasing Parties represent and warrant that (i) they have the power and authority to enter into this Release Agreement and to perform their obligations under this Release Agreement without the approval or consent of any other person or entity; and (ii) the individuals who execute this Release Agreement on behalf of Releasing Parties are duly authorized to do so without the approval or consent of any other person or entity.

7.10 No Waiver. No delay, waiver, omission, or forbearance on the part of any Party to exercise any right, option, duty, or power arising out of any breach or default by any other Party of any of the terms, provisions, or covenants of this Release Agreement, and no custom or practice by the Parties at variance with the terms of this Release Agreement, shall constitute a waiver by any Party to enforce any such right, option, or power as against the other Parties, or as to a subsequent breach or default by the other Parties.

7.11 Attorneys' Fees. If any legal action is brought to enforce the terms of this Release Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees and costs, and any and all costs of collection, in addition to any other relief to which that Party may be entitled.

7.12 Further Acts. The Parties agree to execute, acknowledge and deliver to any requesting Party, and to procure the execution, acknowledgment and delivery to any requesting Party, of any additional documents or instruments that the requesting Party may reasonably require to fully effectuate and carry out the provisions of this Release Agreement.

7.13 Incorporation of Recitals. The Recitals set forth in Paragraphs A through C of this Release Agreement are true and correct and are incorporated into this Release Agreement as part of this Release Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Release Agreement as of the Effective Date.

FRANCHISOR:

CONROY’S, INC.,  
A California corporation

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

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

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

RELEASING PARTIES:  
FRANCHISEE:

\_\_\_\_\_  
A \_\_\_\_\_

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

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

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

OWNER:

\_\_\_\_\_

CONROY'S, INC.  
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT H  
PROMISSORY NOTE

CONROY'S, INC.

PROMISSORY NOTE  
NOTE FOR \_\_\_\_\_

\$ \_\_\_\_\_ Jericho, New York \_\_\_\_\_

1. Principal and Payment.

FOR VALUE RECEIVED, the undersigned, \_\_\_\_\_ ("Maker"), promises to pay Conroy's, Inc., a California corporation, or order ("Payee"), without deduction or offset, at the address specified for notice to Payee in Paragraph 8 hereof (or at such other place as Payee shall specify in writing), in lawful money of the United States of America, the principal amount of \_\_\_\_\_ (\$ \_\_\_\_\_), together with interest thereon at the rate of \_\_\_\_\_ percent (\_\_\_\_%) per annum, until the entire balance due under this Promissory Note (the "Note") shall be paid in full as follows: \_\_\_\_\_ (\_\_\_\_) equal installments of principal and interest of \_\_\_\_\_ and \_\_\_\_/100 Dollars (\$ \_\_\_\_\_), pursuant to Exhibit A (attached hereto), which amounts are to be deducted from BloomNet # \_\_\_\_\_ Direct Pay, commencing with \_\_\_\_\_, 20\_\_\_\_ BloomNet orders and continuing thereafter each of the following \_\_\_\_\_ (\_\_\_\_) months' BloomNet orders. In the event that for any month in which there are insufficient funds in the above-mentioned Direct Pay account to make the full required monthly payment, then, in that event, the Payee shall supply the Maker with a statement of any such deficiency, and the Maker shall make payment of said amount within seven (7) days of the date of the statement.

2. Prepayment.

This Note may be prepaid at any time or from time to time, in whole or in part, without penalty.

3. Application of Payments.

Each payment on this Note (whether made when due or otherwise) shall first be credited against any interest then due, and the remainder of such payment shall be credited against the unpaid principal.

4. Default; Acceleration.

If one or more of the following events shall occur ("Events of Default" or an "Event of Default"):

a. Maker shall default in the due and punctual payment of any installment due hereunder, whether at maturity, upon acceleration or otherwise, and such default shall continue for a period of ten (10) days after written notice of such default is given by Payee to Maker; or

b. Maker shall default in the performance of Maker's obligations under the "Franchise Agreement" between Maker and Payee, as Franchisor, dated \_\_\_\_\_, and such default shall continue past the applicable cure period specified in the Franchise Agreement after written notice of such default is given by Payee to Maker; or

c. Maker shall sell, exchange, transfer or make any other disposition of all or substantially all of the assets (other than a transfer by Maker to an affiliated entity) of the Franchised Unit or the 1-800-Flowers|Conroy's business located at the Franchised Location; or

d. Maker, or any of its owners if it is an entity, shall be adjudicated bankrupt or insolvent, or make an assignment for the benefit of creditors; or Maker, or any of its owners if it is an entity, shall apply for or consent to the appointment of a custodian, receiver, trustee, or similar officer for it or for all or any substantial part of its property; or such custodian, receiver, trustee or similar officer shall be appointed without the application or consent of Maker, and such appointment shall continue undischarged for a period of sixty (60) days; or

e. Maker, or any of its owners if it is an entity, shall institute (by petition, application, answer, consent or otherwise) any bankruptcy, insolvency, reorganization, moratorium, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction; or any such proceeding shall be instituted (by petition, application or otherwise) against Maker, or any of its owners if it is an entity, and shall remain undismissed for a period of sixty (60) days;

#### THEN

upon the occurrence of an Event of Default under Paragraphs 4(c), 4(d) or 4(e) above, automatically, and, upon the occurrence of an Event of Default under Paragraphs 4(a) or 4(b), upon the election of Payee following the expiration of the applicable cure period provided therein, the entire principal balance of this Note, and all accrued interest, without further demand, shall immediately become due and payable. No delay or omission on the part of Payee in exercising any right under this Note shall operate as a waiver of such right.

#### 5. Waiver.

Maker waives presentment, protest and demand, notice of protest, demand, dishonor and nonpayment of this Note, notice of acceleration, notice of intent to accelerate, and any and all other notices or matters of a like nature; provided that, such waiver shall not extend to any notice of default to be given by Payee under Paragraphs 4(a) or 4(b) hereof.

#### 6. Attorneys' Fees.

Maker agrees that if any legal action is brought to enforce or collect this Note, Payee shall be entitled to reasonable attorney's fees and costs, and any and all costs of collection, in addition to any other relief to which Payee may be entitled. This provision shall be applicable to the entire Note.

#### 7. Severability.

Every provision of this Note is intended to be severable. If any term or provision hereof is declared by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable.

#### 8. Notices.

All notices, statements or demands shall be in writing and shall be served in person, by Express Mail, by certified mail, by private overnight delivery or by electronic transmission (fax). Service shall be deemed

conclusively made: (a) at the time of service, if personally served; (b) twenty-four (24) hours (exclusive of weekends and national holidays) after deposit in the United States mail, properly addressed and postage prepaid, if served by Express Mail; (c) upon the earlier of actual receipt or three (3) calendar days after deposit in the United States mail, properly addressed and postage prepaid, return receipt requested, if served by certified mail; (d) twenty-four (24) hours after delivery by the party giving the notice, statement or demand if by private overnight delivery; and (e) at the time of electronic transmission, if such transmission occurs prior to 5:00 p.m. on a business day and a copy of such notice is mailed within twenty-four (24) hours after the transmission.

Any notice or demand to Payee shall be given to:

Conroy's, Inc.  
Two Jericho Plaza, Suite 200  
Jericho, New York 11753  
Fax: 516-237-7797  
Attention: Senior Vice President, Retail Operations

With a copy to:

Conroy's, Inc.  
Two Jericho Plaza, Suite 200  
Jericho, New York 11753  
Fax: 516-433-2184  
Attention: General Counsel/Corporate Secretary

Any notice or demand to Maker shall be given to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Fax: \_\_\_\_\_

Either party may change its address for the purpose of receiving notices, demands and other communications as herein provided by a written notice given in the manner aforesaid to the other party.

9. Binding Effect.

All the terms and provisions of this Note shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

10. Headings.

Headings at the beginning of each numbered Paragraph of this Note are intended solely for convenience and are not to be deemed or construed to be a part of this Note.

11. Security for Payment of Note.

Payment of this Note shall be secured by a security interest in the "Assets" located at the Franchised Unit and certain other assets of the Franchised Unit as evidenced by the "Security Agreement" executed by Maker in favor of Payee concurrently with the execution of this Note.

12. Governing Law and Venue.

This Note shall be governed by the laws of the State of New York. Any dispute arising out of this Agreement shall be resolved by the Courts of the State of New York, and the parties hereby consent that venue must be placed in the Supreme Court of the State of New York, Nassau County, or the United States District Court in and for the Eastern District of New York, and the parties submit to the exclusive jurisdiction of said Courts. THE PARTIES SPECIFICALLY WAIVE TRIAL BY JURY.

IN WITNESS WHEREOF, the undersigned have executed this Note as of the day and year first above written.

MAKER:

---

EXHIBIT A

AMORTIZATION SCHEDULE



CONROY'S, INC.  
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT I  
GUARANTEE OF PROMISSORY NOTE

CONROY'S, INC.

GUARANTEE OF PROMISSORY NOTE

THIS GUARANTEE OF PROMISSORY NOTE (this "Guarantee") is executed by the undersigned (the "Guarantors") in favor of Franchisor, in consideration of, and as an inducement to, the acceptance of that certain Promissory Note, and any revisions, modifications and amendments thereto (hereinafter collectively the "Note") dated \_\_\_\_\_, in favor of CONROY'S, INC., a California corporation (hereinafter the "Franchisor"), from \_\_\_\_\_ (hereinafter the "Franchisee"), each of the Guarantors agree as follows:

1. The Guarantors do hereby jointly and severally unconditionally guarantee the full, prompt and complete performance of Franchisee under the terms, covenants and conditions of the Note, including, without limitation, the complete and prompt payment of all indebtedness to Franchisor under the Note. The word "indebtedness" is used herein in its most comprehensive sense and includes, without limitation, any and all advances, debts, obligations and liabilities of Franchisee, now or hereafter incurred, either voluntarily or involuntarily, and whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, or whether recovery thereof may be now or hereafter barred by any statute of limitation or is otherwise unenforceable.
2. The obligations of the Guarantors are independent of the obligations of Franchisee and a separate action or actions may be brought and prosecuted against any or all of the Guarantors, whether or not actions are brought against Franchisee or whether Franchisee is joined in any such action.
3. If Franchisee is a corporation, partnership or limited liability company, Franchisor shall not be obligated to inquire into the power or authority of Franchisee or its partners or the officers, directors, agents, members or managers acting or purporting to act on Franchisee's behalf and any obligation or indebtedness made or created in reliance upon the exercise of such power and authority shall be guaranteed hereunder. Where the Guarantors are corporations or partnerships, it shall be conclusively presumed that the Guarantors and the partners, agents, officers and directors acting on their behalf have the express authority to bind such corporations or partnerships and that such corporations or partnerships have the express power to act as the Guarantors pursuant to this Guarantee and that such action directly promotes the business and is in the interest of such corporations or partnerships.
4. The Franchisor, its successors and assigns, may from time to time, without notice to the Guarantors: (a) resort to the Guarantors for payment of any of the indebtedness, whether or not it or its successors have resorted to any property securing any of the indebtedness or proceeded against any other of the Guarantors or any party primarily or secondarily liable on any of the indebtedness; (b) release or compromise any indebtedness of any of the Guarantors hereunder or any indebtedness of any party or parties primarily or secondarily liable on any of the indebtedness; (c) extend, renew or credit any of the indebtedness for any period (whether or not longer than the original period); (d) alter, amend or exchange any of the indebtedness; or (e) give any other form of indulgence, whether under the Note or otherwise.
5. The Guarantors further waive presentment, demand, notice of dishonor, protest, nonpayment and all other notices whatsoever, including without limitation: notice of acceptance hereof; notice of all contracts and commitments; notice of the existence or creation of any liabilities under the Note and of the amount and terms thereof; and notice of all defaults, disputes or controversies between Franchisee and Franchisor resulting from the Note or otherwise, and the settlement, compromise or adjustment thereof.

6. This Guarantee shall be enforceable by and against the respective administrators, executors, successors and assigns of the Guarantors and the death of any Guarantor shall not terminate the liability of Guarantor or limit the liability of the other Guarantors hereunder.

7. If more than one person has executed this Guarantee, the term the "Guarantors" as used herein shall refer to each such person, and the liability of each of the Guarantors hereunder shall be joint and several and primary as sureties.

8. In each case where a spouse of any Guarantor has executed any documents in connection with the Note, and Franchisee subsequently divorces from such spouse, then, in the event that Franchisee subsequently remarries, the new spouse of such Franchisee must execute, and agree to be bound by the provisions of, each of the documents previously executed by Franchisee's original spouse.

9. This Guarantee shall be governed by and construed in accordance with the laws of the State of New York. In the event of any conflict of law, the law of New York shall prevail, without regard to the application of New York conflict of laws rules. Venue for purposes of any legal proceedings brought in connection with or arising out of this Guarantee shall be conclusively presumed to be in the State of New York, County of Nassau and County of Suffolk. Guarantors hereby submit to the exclusive jurisdiction of the Supreme Court of the State of New York, County of Nassau, and of the United States District Court in and for the Eastern District of the State of New York. GUARANTORS SPECIFICALLY WAIVE TRIAL BY JURY.

(Signature page follows)

IN WITNESS WHEREOF, each of the Guarantors has executed this Guarantee under seal effective as of \_\_\_\_\_

\_\_\_\_\_  
Signature

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

\_\_\_\_\_  
Home Address  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Home Telephone  
\_\_\_\_\_

\_\_\_\_\_  
Business Telephone  
\_\_\_\_\_

\_\_\_\_\_  
Date  
\_\_\_\_\_

\_\_\_\_\_  
Signature of Spouse (if married)

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

\_\_\_\_\_  
Home Address  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Home Telephone  
\_\_\_\_\_

\_\_\_\_\_  
Business Telephone  
\_\_\_\_\_

\_\_\_\_\_  
Date  
\_\_\_\_\_

CONROY'S, INC.  
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT J  
SECURITY AGREEMENT

CONROY'S, INC.

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Agreement") is made \_\_\_\_\_, by and between CONROY'S, INC., a California corporation ("Secured Party" or "Franchisor"), on the one hand, and \_\_\_\_\_ ("Debtor"), on the other hand, with reference to the following facts:

A. Debtor has [purchased from Secured Party the "Assets" of] [entered into a Franchise Agreement with Secured Party for] the 1-800-Flowers|Conroy's shop (the "Franchised Unit") located at \_\_\_\_\_ (the "Franchised Location") and has agreed to operate the Franchised Unit as a franchisee of Franchisor. In conjunction with this acquisition, Debtor has agreed to pay Secured Party the sum of \_\_\_\_\_ and \_\_/100 dollars (\$\_\_\_\_\_) in accordance with the terms of a Promissory Note (the "Note"), a copy of which is attached hereto as Exhibit A.

B. Secured Party and Debtor desire to enter into this Agreement to grant Secured Party a security interest in all of the "Assets" at the Franchised Unit to secure payment of the Note on the terms and conditions set forth herein.

NOW, THEREFORE, IT IS AGREED:

1. INCORPORATION OF RECITALS.

The Recitals set forth in Paragraphs A and B of this Agreement are true and correct and are incorporated herein as part of this Agreement.

2. SECURITY INTEREST.

In consideration of the foregoing, Debtor hereby grants to Secured Party a security interest as follows:

a. Collateral. Debtor hereby grants to Secured Party a continuing security interest in all of the right, title and interest of Debtor in, and to, all leasehold improvements, fixtures, furnishings and equipment, inventory, supplies and delivery vehicles located at or used in connection with Debtor's business at the Franchised Unit and the Franchised Location, now or hereafter leased or acquired by Debtor, together with all accounts, payment intangibles, attachments, accessories, additions, substitutions and replacements, all cash and non-cash proceeds derived from insurance or the disposition of such assets, all rights of Debtor to use the 1-800-Flowers/Conroy's trademarks, service marks, trade names, trade styles, patents, copyrights and their registrations, trade secret information and other proprietary rights, and all rights granted, owned or licensed to Debtor under contracts and licenses and franchise agreements for the use of the 1-800-Flowers/Conroy's trademarks, service marks, trade names, trade styles, patents, copyrights, trade secret information and other proprietary rights (collectively, the "Collateral") (i) to secure payment and performance by Debtor of the Note; and (ii) to secure payment to Secured Party by Debtor of all reasonable costs and expenses (including, without limitation, reasonable attorneys' fees) that Secured Party may incur to enforce the terms of the Note and this Agreement.

b. Security Interest. Debtor hereby grants Secured Party a valid and continuing lien on, and perfected security interest in, the Collateral.

c. Financing Statement. Debtor hereby authorizes Secured Party to file UCC-1 Financing Statements with the Secretary of State for any state Secured Party deems necessary, which shall evidence the security interests in the Collateral.

3. WARRANTIES OF DEBTOR.

Debtor warrants, covenants and represents to Secured Party that:

a. Ownership of Collateral. Debtor is the owner of all of the Collateral, free and clear of all liens and encumbrances, except liens in favor of Secured Party.

b. Encumbrances. Until all obligations of Debtor have been paid and performed under the Note and this Agreement, Debtor shall not create, incur, assume or suffer to exist any encumbrances on the Collateral, without the prior written consent of Secured Party.

c. Defense and Indemnity. Debtor will defend its title, and Secured Party's interest, in the Collateral against all claims that may affect title to or Secured Party's security interest in the Collateral and will take any action necessary to remove any liens or encumbrances in the Collateral not authorized by this Agreement.

d. Sale of Collateral. Until all obligations of Debtor have been paid and performed under the Note and this Agreement, Debtor shall not sell or otherwise dispose of any assets or properties comprising the Collateral without the prior written consent of Secured Party.

e. Maintenance and Insurance. Debtor shall maintain the Collateral in good repair, working order and condition and shall maintain or cause to be maintained, at no cost or expense to Secured Party for the mutual benefit of Debtor and Secured Party, comprehensive broad form general public liability insurance against claims and liability for personal injury, death, or property damage arising from the use, occupancy or condition of the Franchised Unit and the improvements at the Franchised Unit. All insurance policies carried by Debtor shall provide that the policies cannot be canceled or materially changed except after thirty (30) days prior written notice by the insurer to Secured Party. All policies shall name Secured Party as an additional insured.

4. EVENTS OF DEFAULT.

If one or more of the following events shall occur, Debtor shall be in default under the Note and this Agreement:

a. Note. If Debtor shall default in the due and punctual payment of any installment due under the Note, whether at maturity, upon acceleration or otherwise, and such default shall continue for a period of ten (10) days after written notice of such default is given by Secured Party to Debtor.

b. Security Agreement and Other Agreements. If Debtor shall default in the performance of Debtor's obligations under this Agreement, or under the Note referenced herein, or under the "Franchise Agreement" between Debtor and Franchisor dated \_\_\_\_\_, \_\_\_\_\_, and/or under the "Sublease"

between Debtor and Secured Party dated \_\_\_\_\_, \_\_\_\_\_, and such default shall continue for a period of ten (10) days after written notice of such default is given by Secured Party to Debtor.

c. Sale of Collateral or Business. If Debtor shall sell, exchange, transfer or make any other disposition of all or substantially all of the assets (other than a transfer by Debtor to an affiliated entity) of the Franchised Unit or the business located at the Franchised Location.

d. Adjudication. If Debtor, or any of its owners if it is an entity, shall be adjudicated bankrupt or insolvent, or make an assignment for the benefit of creditors; or Debtor, or any of its owners if it is an entity, shall apply for or consent to the appointment of a custodian, receiver, trustee, or similar officer for it or for all or any substantial part of its Collateral; or such custodian, receiver, trustee or similar officer shall be appointed without the application or consent of Debtor, and such appointment shall continue undischarged for a period of sixty (60) days.

e. Institution of Proceedings. If Debtor, or any of its owners if it is an entity, shall institute (by petition, application, answer, consent or otherwise) any bankruptcy, insolvency, reorganization, moratorium, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction; or any such proceeding shall be instituted (by petition, application or otherwise) against Debtor, or any of its owners if it is an entity, and shall remain undismissed for a period of sixty (60) days.

Upon the occurrence of an event of default under Paragraphs 4(c), 4(d) or 4(e) above, automatically, and, upon the occurrence of an event of default under Paragraphs 4(a) or 4(b), upon the election of Secured Party following the expiration of the ten (10) day period provided therein, the entire principal balance of the Note, and any accrued interest, without further demand, shall immediately become due and payable. No delay or omission on the part of Secured Party in exercising any right under the Note shall operate as a waiver of such right.

f. Remedies. Upon any such event of default, or at any time thereafter, Secured Party may, following notice to or demand of Debtor, declare all obligations secured hereby to be immediately due and payable, and may proceed to enforce payment of the same and exercise any and all of its rights and remedies provided by the New York Uniform Commercial Code now or hereafter existing, as well as any and all other rights and remedies afforded Secured Party by law. Secured Party will give Debtor reasonable notice of the time and place of any public sale of the Collateral, or any portion thereof, and of the time after which any private sale or other intended disposition thereof is to be made. Reasonable notice shall be deemed given if such notice is given in accordance with Paragraph 5(b) hereof at least ten (10) business days prior to the time of the sale or disposition of the Collateral. Expenses incurred by Secured Party in the sale or other disposition of the Collateral shall include all Secured Party's reasonable attorneys' fees and legal expenses, and Debtor shall be liable to Secured Party for all such expenses that Secured Party incurs.



5. GENERAL PROVISIONS.

a. Governing Law and Venue. This Agreement shall be governed by the laws of the State of New York. Any dispute arising out of this Agreement shall be resolved by the Courts of the State of New York, and the parties hereby consent that venue must be placed in the Supreme Court of the State of New York, Nassau County, or the United States District Court in and for the Eastern District of New York, and the parties submit to the exclusive jurisdiction of said Courts. THE PARTIES SPECIFICALLY WAIVE TRIAL BY JURY.

b. Notices. All notices or demands shall be in writing and shall be served in person, by Express Mail, by certified mail, by private overnight delivery or by electronic transmission (fax). Service shall be deemed conclusively made (i) at the time of service, if personally served, (ii) twenty-four (24) hours (exclusive of weekends and national holidays) after deposit in the United States mail, properly addressed and postage prepaid, if served by Express Mail, (iii) upon the earlier of actual receipt or three (3) calendar days after deposit in the United States mail, properly addressed and postage prepaid, return receipt requested, if served by certified mail, (iv) twenty-four (24) hours after delivery by the party giving the notice, statement or demand if by private overnight delivery, and (v) at the time of electronic transmission, if such transmission occurs prior to 5:00 p.m. on a business day and a copy of such notice is mailed within twenty-four (24) hours after the transmission.

Any notice or demand to Secured Party shall be given to:

Conroy's, Inc.  
Two Jericho Plaza, Suite 200  
Jericho, New York 11753  
Fax: 516-237-7797  
Attention: Senior Vice President, Retail Operations

With a copy to:

1-800-Flowers.com Franchise Co., Inc.  
Two Jericho Plaza, Suite 200  
Jericho, New York 11753  
Fax: 516-433-2184  
Attention: General Counsel/Corporate Secretary

Any notice or demand to Debtor shall be given to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Fax: \_\_\_\_\_

Either party may change its address for the purpose of receiving notices, demands and other communications by a written notice given in the manner set forth above to the other party.

c. Waivers. The delay, omission or forbearance by Secured Party to take action to remedy or seek damages for the breach or default of any term, covenant or condition herein contained or to exercise

any right, power or duty arising from such breach or default shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach or default of the same or any other term, covenant or condition herein contained. The subsequent acceptance of payments by Secured Party shall not be deemed to be a waiver of any preceding breach or default by Debtor other than its failure to pay the particular payment so accepted, regardless of Secured Party's knowledge of such preceding breach or default at the time of acceptance of such payment.

d. Attorneys' Fees. If Secured Party becomes a party to any legal proceedings concerning this Agreement or the Note by reason of any act or omission of Debtor or its authorized representatives, Debtor shall be liable to Secured Party for the reasonable attorneys' fees and court costs incurred by Secured Party in the legal proceedings.

e. Modification. This Agreement may be modified only by a writing executed by the party sought to be bound.

f. Entire Agreement. This Agreement, the other agreements referred to herein and any other agreement that may be executed by the parties concurrently with the execution of this Agreement, set forth the entire agreement and understanding of the parties and any agreement, representation or understanding, express or implied, heretofore made by either party or exchanged between the parties are hereby waived and canceled.

g. Cumulative Remedies. Any specific right or remedy set forth in this Agreement, legal, equitable, or otherwise, shall not be exclusive, but shall be cumulative with all other rights or remedies set forth herein or allowed or allowable by law.

h. Titles. The various titles of the Paragraphs herein are used solely for convenience and shall not be used in interpreting or construing any word, clause, paragraph, or subparagraph of this Agreement.

i. Gender. All words used in this Agreement in the singular shall include the plural and the masculine gender shall include the feminine and neuter and the neuter shall include the masculine and feminine.

j. Successors. This Agreement shall be binding upon all of the parties hereto, their respective heirs, executors, administrators, personal representatives, successors and permitted assigns.

k. Severability. The invalidity of any one or more of the provisions contained in this Agreement as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.

l. Additional Documents. Debtor agrees to execute, acknowledge and deliver to Secured Party and to procure the execution, acknowledgment and delivery to Secured Party of any additional documents or instruments that Secured Party may reasonably require to fully effectuate and carry out the provisions of this Agreement.

m. Counterparts and Electronic Transmission; Electronic Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Agreement with

signatures that have been transmitted by email or by facsimile shall constitute, and be deemed, original copies of this Agreement for all purposes; provided that, the copies are fully executed, dated and identical in form to the original hard copy version of this Agreement. In addition, this Agreement, and all Exhibits to this Agreement, may be signed electronically by the Parties and electronic signatures appearing on this Agreement and the Exhibits shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Agreement and the Exhibits.

n. Representation By Counsel. Debtor acknowledges and agrees that Debtor has been represented by independent legal counsel of Debtor's choice in connection with the negotiation and review of the terms and conditions of this Agreement, or has had the opportunity to have legal counsel assist Debtor, but has voluntarily elected not to do so.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

SECURED PARTY:

CONROY'S, INC.  
A California corporation

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

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

Its: \_\_\_\_\_

DEBTOR:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

EXHIBIT A

PROMISSORY NOTE

CONROY'S, INC.  
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT K-1  
PREMIER ORDER FULFILLMENT AGREEMENT

## PREMIER ORDER FULFILLMENT AGREEMENT

THIS PREMIER ORDER FULFILLMENT AGREEMENT (the "Agreement") is made as of the \_\_\_\_ day of \_\_\_\_\_, 202\_\_ (the "Effective Date"), by and between \_\_\_\_\_, with offices located at \_\_\_\_\_ ("Florist") and **800-FLOWERS, INC.**, with its principal place of business located at Two Jericho Plaza, Suite 200, Jericho, New York 11753 ("1-800-Flowers").

WHEREAS, 1-800-Flowers desires to contract with certain independently owned and operated businesses with respect to the fulfillment of certain of its orders for floral and related gift products (collectively, the "Products" or "orders") for making, fulfillment and delivery (collectively "fulfillment").

WHEREAS, Florist desires to be referred such orders and handle the fulfillment of them.

WHEREAS, 1-800-Flowers is willing to contract with Florist in connection with the fulfillment of orders, subject to the terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, 1-800-Flowers and Florist agree as follows:

### 1. Fulfillment of Orders

(a) During the term of this Agreement, 1-800-Flowers will refer orders to the Florist on a non-exclusive basis for fulfillment; provided that, Florist is able to fulfill such orders to the satisfaction of 1-800-Flowers. 1-800-Flowers reserves the absolute right to refer orders for fulfillment to other florists and floral providers at any time. No exclusivity is granted under this Agreement or otherwise.

(b) 1-800-Flowers shall handle all customer inquiries with reference to the orders. Florist shall timely render to 1-800-Flowers any and all assistance requested with reference to any such inquiries.

(c) Florist shall bear full responsibility for the fulfillment of all orders, including, without limitation: (i) the making, packaging and delivery of the orders; (ii) the fulfillment of the orders on a timely basis and in a professional manner; (iii) compliance with all applicable federal, state, and local laws, rules and ordinances in the fulfillment of the orders; (iv) compliance with the order fulfillment requirements and performance standards set forth in Exhibit A attached hereto; and (v) satisfactory completion of all of the Florist's obligations under this Agreement, and any other agreements 1-800-Flowers or its Affiliates (as defined below) may have entered into with Florist and its Affiliates.

(d) Florist acknowledges and agrees to be open for business for referral and fulfillment of 1-800-Flowers orders in all U.S. Postal Service zip codes indicated on, and as set forth in, Exhibit B attached hereto.

### 2. Grant of Rights.

(a) Subject to the terms and conditions of this Agreement, 1-800-Flowers licenses to Florist a limited, non-exclusive, non-transferable, non-sublicensable, and revocable license to use,

reproduce, and display the trademark "1-800-Flowers" and select other trademarks or service marks of 1-800-Flowers as determined within the sole discretion of 1-800-Flowers (the "Licensed Property") as needed solely for the purpose of fulfillment of Products in the USA (the "Territory"), and for no other purpose whatsoever. No right, property or interest in the Licensed Property is intended to be given to, or acquired by, the Florist by the execution or performance of this Agreement, except for the limited license granted to Florist under this Section 2.

(b) Except for the express limited license rights granted above, all right, title and interest in the Licensed Property, including all copyright, trademark, service mark, patent and other rights therein (and all renewals and extensions thereof) and all goodwill associated therewith shall be owned exclusively by 1-800-Flowers. Florist shall use the Licensed Property only to the extent permitted under this Agreement. Florist acknowledges the strength and validity of the Licensed Property and agrees not to (i) alter, modify, amend or change the Licensed Property in any way, (ii) dilute, contest, challenge, or seek to register anywhere the Licensed Property as a trademark, service mark, copyright or the like or any trademark, service mark, copyright or the like confusingly similar to the Licensed Property, (iii) create a unitary composite mark involving any of the Licensed Property, or (iv) use or seek to register any word, trademark, service mark, trade name, domain name, URL, vanity telephone number, symbol, design or the like, which is similar to or which is likely to be confused with any of the Licensed Property. This provision 2(b) shall expressly survive the termination or expiration of this Agreement.

(c) Upon expiration of this Agreement, or earlier termination pursuant to the terms hereof, all rights granted hereunder in the Licensed Property shall automatically revert to 1-800-Flowers for its sole use and disposition with no further obligation whatsoever to Florist or any third party. Upon any such expiration or termination, Florist shall immediately cease all use of the Licensed Property.

### 3. Quality Control.

(a) Florist agrees to maintain a standard of high quality for the Products sold under the Licensed Property and to perform the fulfillment of the Products to the complete satisfaction of 1-800-Flowers, including but not limited to, compliance with the order fulfillment requirements and performance standards set forth in Exhibit A. In addition, Florist agrees that the fulfillment of the Products shall be performed in a manner appropriate for the highest quality products of the type included in the categories of the Products. To monitor Florist's maintenance of the aforementioned standard of quality, Florist shall deliver to 1-800-Flowers, upon request, samples of the Products for its review. If 1-800-Flowers has any objection to the quality of any of the Products, or any packaging or other materials used in relation thereto, then Florist shall promptly comply with any changes requested by 1-800-Flowers. 1-800-Flowers has the right to approve all Products and all related materials used under or in connection with the Licensed Property.

### 4. Term.

(a) This Agreement shall become effective on the Effective Date and shall expire on the first anniversary of the Effective Date, unless sooner terminated pursuant to Section 4(b) below (the "Initial Term"). This Agreement shall be automatically renewed for successive one (1) year terms (each an "Additional Term"), unless

either party sends written notice to the other at least fifteen (15) days prior to the end of the then current Term notifying the other party of its intent not to renew. The Initial Term and any Additional Terms are hereafter referred to as the “Term”.

(b) Either Party shall have the right to terminate this Agreement, without waiving any other rights or remedies, and without any liability for such termination, upon thirty (30) days prior written notice (but in the case of non-payment, upon ten (10) days prior written notice) if the other Party breaches or otherwise fails to perform any of its obligations hereunder, unless the breaching Party remedies same within such thirty (30) day period (or in the case of non-payment, such ten (10) day period) and notifies the non-breaching Party of such remedy in writing within such period. 1-800-Flowers reserves the right to immediately terminate this Agreement, without waiving any other rights or remedies, and without any liability whatsoever, (i) should Florist (x) not comply with the requirements and standards set forth on Exhibit A, as such exhibit may be amended from time to time, (y) damage, in the sole opinion of 1-800-Flowers, to the brand or reputation of 1-800-Flowers or any of its Affiliates, or (z) use the Licensed Property in violation of this Agreement or otherwise misuse the Licensed Property, (ii) upon the sale or transfer by Florist of all or substantially all of Florist’s assets, or a majority of Florist’s capital stock or voting securities, or (iii) upon any assignment or attempted assignment of this Agreement or any of the rights or obligations hereunder by Florist. In any and all events, either party has the right to terminate this Agreement at any time, with or without cause, and without liability for any such termination, upon forty-five (45) days prior written notice.

#### 5. Fulfillment Commission.

(a) For the satisfactory performance of Florist’s services hereunder, 1-800-Flowers shall pay Florist a Fulfillment Commission as set forth in Exhibit C attached hereto.

#### 6. Protection of the Licensed Property.

(a) Florist agrees to assist 1-800-Flowers in the procurement and maintenance of 1-800-Flowers’ rights in the Licensed Property and, without limitation, in connection therewith, Florist agrees to provide samples to 1-800-Flowers as reasonably requested at no charge and to execute and deliver to 1-800-Flowers in such form as may reasonably be requested all instruments (including appropriate applications for registration and assignment) necessary to effectuate copyright, trademark and/or other intellectual property protection for 1-800-Flowers. Florist hereby appoints 1-800-Flowers its attorney-in-fact to execute such instruments on Florist’s behalf. The power granted 1-800-Flowers in the preceding sentence is acknowledged by Florist to be coupled with an interest and shall be irrevocable.

(b) Florist agrees to inform 1-800-Flowers promptly of any encroachment or infringement of the Licensed Property in the Territory that comes to the attention of Florist. Any litigation or other action to police the Licensed Property and to abate infringement shall be under the complete control of 1-800-Flowers. 1-800-Flowers may retain any money judgment or settlement in such action. Florist agrees to cooperate fully in any such litigation or action, to the extent necessary in the vigorous prosecution of the matter. 1-800-Flowers shall have the sole right to determine what, if any, actions shall be taken on account of any such infringement or encroachment. 1-800-Flowers has the absolute right to

prosecute any such claim in its own name and/or shall have the right to cause Florist to join as a party thereto. Florist shall not have any rights against 1-800-Flowers for damages or other remedy by reason of 1-800-Flowers’ decision not to prosecute any alleged infringement or encroachment.

#### 7. Florist’s Experience.

(a) Florist shall conduct its business in accordance with its own systems and standards. Florist acknowledges that it was engaged in the retail flower business prior to entering into this Agreement and acknowledges that the fulfillment of orders from 1-800-Flowers would merely be an addition to Florist’s existing business. Florist acknowledges that it does not expect, and will not receive, any marketing, training or other substantial assistance from 1-800-Flowers with reference to Florist’s obligations hereunder, and 1-800-Flowers has imposed upon Florist only those requirements necessary for the proper fulfillment of the orders and to protect the Licensed Property and the 1-800-Flowers brand. Consistent with the foregoing, Florist shall comply with all requirements and guidelines relating to the protection of the Licensed Property and the 1-800-Flowers brand, including, without limitation, those pertaining to quality, service, delivery, communications and other standards established by 1-800-Flowers from time to time for the fulfillment of its orders, as further set forth on Exhibit A, which may be amended from time to time.

(b) All employees hired by or working for Florist shall be Florist’s employees, and Florist’s alone, and shall not, for any purpose, be deemed to be employees of 1-800-Flowers or subject to 1-800-Flowers’ direct or indirect control. Florist acknowledges and agrees that 1-800-Flowers will not have the power to hire or fire Florist’s employees. Florist expressly agrees, and will never contend otherwise, that 1-800-Flowers does not directly or indirectly have the power to hire, fire or control any of Florist’s personnel. Florist alone shall be solely responsible for all hiring and employment decisions and functions relating to the Florist’s business, including, without limitation, those related to hiring, firing, training, establishing and paying remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision and discipline of employees. Florist shall indemnify, defend, reimburse and hold 1-800-Flowers and its Affiliates harmless from any direct and indirect losses, costs and expenses, including attorneys’ fees, arising out of any claim made by or for the benefit of any employee of Florist against 1-800-Flowers and its Affiliates regarding employment decisions and employee functions of the Florist business, including, without limitation, those relating to hiring, firing, training, wages and hour requirements, record keeping, supervision, and discipline of employees.

#### 8. Representations and Warranties.

(a) Florist hereby represents and warrants to 1-800-Flowers that (i) it is an entity in good standing in the jurisdiction of its formation and each other jurisdiction in which it conducts business, and has the full right, power and authority to enter into this Agreement and the relationship contemplated herein and to perform its obligations hereunder, (ii) the fulfillment by Florist of the Products shall not violate or infringe upon any rights whatsoever of any third party or any applicable laws or regulations, (iii) the Products, including any making, packaging, fulfillment, labeling, or other information provided therewith, and all marketing and other materials generated by Florist, if any, will conform in all respects with, and satisfy, applicable national, Federal, State and local laws, orders and regulations and applicable

industry guidelines, (iv) Florist has obtained, or will obtain prior to conducting any activities in a particular state or locale of the Territory, all approvals, permits and certifications necessary to perform its activities hereunder in such state or locale; (v) the Products shall be free from defects in material and workmanship and, with respect to any and all food Products, are free from contaminants and spoilage and are safe for human consumption; (vi) the Products are and shall be merchantable and fit for the purpose for which they are intended, and shall conform to their applicable specifications; and (vii) Florist is rendering its services hereunder as an independent contractor and not as an agent, employee, partner, franchisee or joint venturer of 1-800-Flowers.

#### 9. Indemnification.

(a) Florist agrees to defend, indemnify and hold harmless 1-800-Flowers, its Affiliates and their respective officers, directors, shareholders, employees and representatives from, in respect of and against any and all claims, costs, losses, liabilities, expenses (including, without limitation, reasonable attorneys' fees and disbursements), judgments, damages, demands, lawsuits or similar actions or proceedings (each, a "Claim") arising out of a Claim or otherwise based on (i) the breach or alleged breach of any of Florist's representations, warranties or covenants hereunder, (ii) the performance of Florist hereunder, including, without limitation, the manufacture, packaging, distribution, fulfillment, use or sale of the Products, including, without limitation, all Claims for product liability or product defects, and/or (iii) any claim that Florist, as to the services it is rendering hereunder, is anything other than an independent contractor.

#### 10. Insurance.

(a) Florist shall maintain in full force and effect comprehensive general liability insurance (the "Florist Insurance"), including, without limitation, product liability insurance, covering all Products sold by it as well as any liability on its part in the amount of at least \$1,000,000 per occurrence and \$3,000,000 in the aggregate. The Florist Insurance shall be placed with an insurer or insurers that is rated A or better by A.M. Best rating service or at a comparable rating level by a comparable rating service, duly licensed to carry on the business of insurance in all parts of the Territory and shall name 1-800-Flowers, its Affiliates and their respective officers, directors, employees, representatives or agents as additional insureds, for coverage, including, without limitation, against all forms of liability for death or injury to any individual, and for loss or damage to property. The Florist Insurance shall provide for primary coverage and not contributory coverage, notwithstanding any other insurance that 1-800-Flowers may obtain or maintain. The Florist Insurance shall provide for at least thirty (30) days prior written notice to 1-800-Flowers of cancellation, lapse or material change in the Florist Insurance and Florist shall provide 1-800-Flowers with a certificate of insurance as evidence of the Florist Insurance prior to, or as soon as practicable after, the execution of this Agreement. The insurance, however, shall be effective as of the Effective Date of this Agreement.

#### 11. Reports.

(a) Florist shall promptly deliver to 1-800-Flowers any reports requested by 1-800-Flowers from time to time.

#### 12. Confidentiality.

(a) Confidential Information. For purposes of this Agreement, "Confidential Information" means all information relating to 1-800-Flowers and its Affiliates and their respective customers, recipients of products, including, without limitation, the Products, operations, finances and business, including, without limitation, technical and non-technical data, programs, sales and marketing methods, pricing, processes and financial data, and all Customer Data, whether or not reduced to writing.

For purposes of this Agreement, "Customer Data" includes, without limitation, any and all information by, from, or about a "Customer", including, without limitation, a Customer's name, address, email address, telephone number, credit card information and account number(s), order information, purchasing preferences or history, and all other personally identifiable information.

For purposes of this Agreement, "Customer" means all customers of 1-800-Flowers and its Affiliates, including, without limitation, all senders and recipients of products, including, without limitation, the Products from 1-800-Flowers and its Affiliates, visitors and registered users of the 1-800-Flowers Website and the websites of its Affiliates, and any individuals or entities listed in the customer databases of 1-800-Flowers or its Affiliates.

No right, title or interest in the Customer Data is conveyed, transferred, or otherwise licensed to Florist hereunder or otherwise. Accordingly, Florist shall not, during the Term or thereafter (x) disclose, sell, lease, share or rent any Customer Data; (y) send any written or verbal communications, including, without limitation, any emails or promotional or marketing materials, to any Customers, or otherwise solicit or market to any Customers; and/or (z) make any use of the Customer Data, either individually or in an aggregate form without the express prior written approval of 1-800-Flowers, signed by a duly authorized executive officer of 1-800-Flowers. Furthermore, Florist shall abide by all applicable laws in connection with any use of the Customer Data that 1-800-Flowers may permit in writing as provided above. Florist represents and warrants that Florist has read and shall, at all times, comply with all applicable federal, state and local laws, rules and regulations related to privacy and use of Customer Data, including without limitation, the California Consumer Privacy Act, as amended, and with the Privacy Policy posted on the 1-800-FLOWERS.COM Website (URL of 1800flowers.com, the "Website"), as the same may be amended from time to time.

(b) Florist shall protect the Confidential Information. Florist will not disclose, use or copy any such Confidential Information, except solely as needed in connection with the fulfillment of the Products for 1-800-Flowers, and will not otherwise disclose such Confidential Information. Upon termination or expiration of this Agreement, Florist will promptly deliver to 1-800-Flowers all materials, documents and records in Florist's possession or control, including all copies thereof, related in any way to the Confidential Information, which at all times shall be and remain 1-800-Flowers' sole property.

#### 13. General Release.

(a) In consideration of the foregoing, Florist, and the individuals identified herein below ("Principals"), for themselves and for each of their heirs, successors and permitted assigns, and each of them, hereby releases and forever discharges 1-800-Flowers, its Affiliates, and their respective directors, officers,



shareholders, employees, attorneys and agents of said entities, and each of them, from any and all obligations, liabilities, demands, costs, expenses, damages, claims, actions and causes of action, of whatever nature, character or description, known or unknown, based on or arising out of any fact, matter, event, act or failure to act that occurred prior to the Effective Date of this Agreement. For the avoidance of doubt, this release does not release any claims for breach of this Agreement.

(b) In the event that Florist, and/or the Principals operate and/or reside in the state of California, it is further understood and agreed that any and all rights previously granted to Florist and the Principals under California Civil Code Section 1542 are hereby expressly waived. California Civil Code Section 1542 reads as follows:

"Section 1542. Certain claims not affected by general release. A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing this release, which if known by him must have materially affected his settlement with the debtor."

(c) Florist and the Principals waive and release any right or benefit that they had or may have had under California Civil Code Section 1542, or any other federal, state or local laws or regulations to the fullest extent that Florist and the Principals may lawfully waive all such rights and benefits. In connection with such waiver and relinquishment, Florist and the Principals acknowledge that they are aware that they may hereafter discover claims or facts in addition to or different from those that they now know or believe to be true with respect to the released items, and the claims relative thereto, which do now exist, may exist, or heretofore have existed between 1-800-Flowers, its Affiliates, and their respective officers, directors, shareholders, employees, agents, attorneys, and each of them, on the one hand, and the Florist and the Principals, on the other hand, with respect to such released items. In furtherance of such intention, the releases given in this Paragraph 13 shall be and remain in effect as full and complete releases of such released items, notwithstanding the discovery or existence of any such additional or different claims or facts relating thereto.

#### 14. Miscellaneous.

(a) Entire Agreement; Waiver. This Agreement represents the entire understanding between the parties and supersedes all other agreements, representations and covenants related to the subject matter hereof. This Agreement may not be modified except by written instrument signed by both parties. This Agreement may be signed in counterparts, including facsimile counterparts. All counterparts shall be construed together and shall constitute one instrument. No failure or delay by either party to exercise, and no course of dealing with respect to, any right of such party regarding an obligation of the other party, shall operate as a waiver thereof, unless agreed to in a writing signed by both parties. Any single or partial waiver of any such obligation of the other party shall not constitute a waiver of any other obligation.

(b) Notices. All notices and demands shall be in writing and shall be served by private overnight delivery, by Express Mail, by Certified Mail - Return Receipt Requested, by email with proof of transmission, or by facsimile transmission with a confirmed delivery or receipt of transmission, to the parties at the respective addresses first listed above or to the email addresses or facsimile numbers listed below, or such other address, email address, or

facsimile number, as a party shall specify to the other in writing and such notice or demand shall be deemed given and received when delivered by courier, email or facsimile, or, if mailed, five (5) business days after the date of mailing.

1-800-Flowers: Fax No.: 1-516-237-6030

1-800-Flowers:Email:  
FloristRelations@1800flowers.com

Florist: Fax No.: \_\_\_\_\_

Florist: Email: \_\_\_\_\_

In addition, an additional copy of any notice or demand from Florist shall also be served upon 1-800-Flowers' General Counsel at the address listed for 1-800-Flowers and also by facsimile to 516-433-2184 or email at mmanley@1800flowers.com.

(c) **No Representations/Limitation of Liability.** **FLORIST ACKNOWLEDGES AND AGREES THAT NEITHER 1-800-FLOWERS NOR ANY OF ITS AFFILIATES HAVE MADE ANY PROMISES, REPRESENTATIONS OR WARRANTIES TO FLORIST CONCERNING THE EXTENT TO WHICH FLORIST MAY BENEFIT FROM THE ORDERS THAT MAY BE REFERRED HEREUNDER FOR FULFILLMENT OR OTHERWISE MAY BENEFIT UNDER THIS AGREEMENT. NO GUARANTEE OR ASSURANCE IS MADE TO FLORIST REGARDING THE NUMBER OF ORDERS, IF ANY, OR DOLLAR AMOUNT OF THE ORDERS REFERRED TO FLORIST FOR FULFILLMENT UNDER THIS AGREEMENT, OR AS TO THE AMOUNT OF THE FLORIST COMMISSIONS THAT MAY BE PAID, OR ANY OTHER BENEFIT FLORIST MAY RECEIVE, HEREUNDER. FURTHERMORE, IN NO EVENT SHALL 1-800-FLOWERS OR ANY OF ITS AFFILIATES BE LIABLE TO FLORIST UNDER THIS AGREEMENT OR ANY CIRCUMSTANCES, OR UNDER CONTRACT, NEGLIGENCE, STRICT LIABILITY, OR OTHER LEGAL OR EQUITABLE THEORY OR REMEDY WHATSOEVER, FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR EXEMPLARY DAMAGES, INCLUDING, WITHOUT LIMITATION, LOSS OF REVENUE OR PROFITS OR LOST BUSINESS (EVEN IF 1-800-FLOWERS OR ITS AFFILIATES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES), WHETHER ARISING FROM A BREACH OF THIS AGREEMENT, OR FOR ANY OTHER REASON WHATSOEVER.**

(d) Injunctive Relief. Florist recognizes the unique value and reputation attached to the Licensed Property and the 1-800-Flowers brand and agrees that any non-compliance with the terms of this Agreement will cause irreparable harm and damage to 1-800-Flowers. Florist therefore agrees that in the event of such non-compliance, 1-800-Flowers shall be entitled to both temporary and permanent injunctive relief (without any requirement to post a bond or undertaking) and reasonable attorneys' fees, in addition to any other legal and equitable remedies available to it.

(e) Validity. In the event that a court of competent jurisdiction determines any provision of this Agreement to be invalid, then the invalidity of any such provision shall not affect the validity of the remaining provisions and unless substantial performance of this Agreement is frustrated by any such invalidity,

this Agreement shall continue in full force and effect pursuant to the terms hereof.

(f) Governing Law and Venue. This Agreement shall be governed by, interpreted, and enforced in accordance with the laws of the State of New York. Any claim directly or indirectly arising out of or relating to this Agreement, or any breach thereof, shall be resolved by the Supreme Court of the State of New York, County of Nassau or the United States District Court in and for the Eastern District of New York. The parties hereby consent that venue for purposes of any action brought in connection with or arising out of this Agreement shall be placed in such courts, and the parties hereby submit to the exclusive jurisdiction of said courts. For the expedited resolution of disputes, the parties hereto agree that all disputes shall be heard by the Court sitting without a jury and the parties **HEREBY WAIVE ANY AND ALL RIGHTS TO A JURY TRIAL.**

(g) No Assignment. Florist's rights and obligations hereunder are personal to Florist and shall not be assigned, mortgaged, transferred or otherwise encumbered by Florist or by operation of law. Any such assignment or transfer in contravention of the foregoing shall be null and void and of no force and effect. Any change in the ownership or change in the legal structure of Florist shall be deemed an assignment. In the event 1-800-Flowers should permit any such assignment or transfer it may, in addition to any and all other conditions it may deem necessary or desirable, require the transferee to execute a new and then current Premier Order Fulfillment Agreement, and any other related agreements. 1-800-Flowers may freely assign this Agreement and/or the benefits hereof, without the consent of the Florist.

(h) Affiliate. "Affiliate" of any person or entity means any other person or entity, directly or indirectly, controlling, controlled by, or under common control with such person or entity.

(i) Relationship. Neither party shall be or be deemed to be an agent, employee, partner, franchisee, franchisor, or joint venturer of or for the other party. Florist is and shall be an independent contractor. Florist shall have no right to bind 1-800-Flowers, transact business in 1-800-Flowers' name or in any manner make any promises or representations on behalf of 1-800-Flowers, except as otherwise specifically provided in this Agreement.

(j) Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, including facsimile counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

(k) Survival. The following Sections of this Agreement shall survive any termination or expiration: Sections 2(b), 2(c), and 6 through 14.

(l) Headings. The headings used in this Agreement are for convenience of reference only and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

(m) Construction. The construction and interpretation of this Agreement shall not be strictly construed against either party.

(n) Agent for Service of Process. 1-800-Flowers' agent in the State of New York authorized to receive service of process is:

New York Department of State  
One Commerce Plaza  
99 Washington Avenue  
Albany, New York 12231

(o) Prior Agreements. This Agreement supersedes any and all prior agreements the Florist has entered into as it relates to the fulfillment of 1-800-Flowers' orders and any such agreement is understood by the Florist to be terminated. The fulfillment of 1-800-Flowers' orders by Florist is now covered by the terms of this Agreement.

***[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;  
SIGNATURE PAGES FOLLOW]***

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

**800-FLOWERS, INC.**

By: \_\_\_\_\_  
Name:  
Title:

**FLORIST**

By: \_\_\_\_\_  
Name:  
Title:

**PRINCIPALS(s)** as to Sections 2(b), 2(c), 6, 7(b) 8, 9, 10, 12, 13 and 14 of this Agreement:

(1) \_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

(2) \_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

## **EXHIBIT A**

### **ORDER FULFILLMENT AGREEMENT REQUIREMENTS AND PERFORMANCE STANDARDS**

#### **Florist Agrees To:**

##### **Orders**

1. Bear sole responsibility for fulfilling all orders, including, without limitation: (i) the packaging and fulfillment of the orders; and (ii) the fulfillment of the orders on a timely basis and in a professional manner.
2. Have capacity to receive and fulfill up to 25 times average daily order volume on the peak day of all major floral holidays, and up to 10 times average weekly order volume on the peak week of all major floral holidays.

##### **Performance Standards**

3. Provide a product and service experience that ensures less than 1.5% of orders have customer complaints.
4. Fill every order to value and according to recipe without requiring a price change.
5. Reject less than 2% of all orders for any reason. If an order must be rejected for any reason, the reject must be submitted in a timely manner.
6. Adhere to the 1-800-Flowers.Com Substitution guidelines.
7. Be open to receive and deliver floral orders on:
  - All major floral holidays (including without limitation, Thanksgiving, Christmas Eve Day, Valentine's Day, Administrative Professionals' / Professionals' Week, Mother's Day).
  - Monday to Friday: 9:00 am with at least a 3:00 pm cut-off time for same-day deliveries in all servicing zip codes.
  - Saturdays: 9:00 am with at least a 2:00 pm cut-off time for same-day deliveries in all servicing zip codes.
  - Sundays (optional): 9:00 am with at least a 12:00 pm cut-off time for same-day deliveries in all servicing zip codes.

##### **Fresh Floral and Hard Goods**

8. Maintain an adequate inventory of fresh flowers, greens, green and blooming plants, gourmet, fruit, hard goods and other necessary items in order to fill any 1-800-FLOWERS order in accordance with the products listed in the 1-800-Flowers Design Resource Guide (DRG), Design Resource Guide (DRG) Supplements, and the Recipe Updates.
9. Have a monitored flower freshness care system to ensure optimum post-harvest life of flowers.
10. Guarantee the freshness of arrangements for seven (7) days from order delivery date.
11. Purchase codified product at bona fide wholesale prices, including fresh floral, hard goods, and other product programs (such as gift baskets, chocolate, candles, plush, etc.) in sufficient quantities to fill any 1-800-Flowers' orders.
12. Accept automatic shipment of these codified products at bona fide wholesale prices in sufficient quantities to meet order volumes.
13. Provide updates at least every 2 weeks on codified hard good inventory on-hand.
14. Participate in BloomNet's greeting card program and fulfill 1-800-Flowers orders with the appropriate greeting card when such a card is specified in the applicable order.
15. Participate in such other programs as BloomNet may launch from time to time.

##### **Delivery**

16. For orders without a specified Delivery Time Window, deliver every floral order on the scheduled date, prior to 5:00 pm for businesses and 7:00 pm for residences in all servicing zip codes.
17. For orders with a specified Delivery Time Window, deliver every order on the scheduled date and within the start and end time of the specified Delivery Time Window.
18. Use approved 1-800-FLOWERS Licensed Packaging for all floral arrangements.

19. Submit a delivery notification electronically for every order (100% of the time) immediately after the delivery is completed, or as soon as possible thereafter and no later than one (1) hour after delivery is completed or attempted, and never later than 7:00 pm on the scheduled delivery date, including notifications on deliveries that could not be made by 7:00 pm on the scheduled delivery date or if the order is left anywhere or with anyone other than with the intended recipient. "Delivery Notification" means both delivery confirmations and delivery attempt notifications.
20. Capture proof of delivery on all completed deliveries in the form of a delivery signature from the recipient and/or product photo at the time and place of delivery.
21. Capture proof of attempted delivery on all incomplete deliveries in the form of a product photo at the time and place of intended delivery.
22. Utilize the technology available and provided to you by 1-800-Flowers to support real-time delivery confirmation and recipient product photos directly from 1-800-Flowers or its vendor(s) and provide delivery confirmation and recipient product photos immediately upon delivery to the customer.
23. Utilize clean and clearly identifiable vehicles for delivery of 1-800-Flowers products
24. Ensure that delivery drivers or any other customer-facing or recipient-facing personnel are suitably attired in a manner acceptable to 1-800-Flowers.

#### **Customer Service**

25. Provide 1-800-FLOWERS any and all assistance requested with reference to any order inquiries.
26. Be responsible for tracking all orders by BloomLink sequence numbers.

#### **Promotions**

27. Participate in any 1-800-FLOWERS consumer promotions designed to drive additional order volume to Florists (e.g., percentage off or reduced cost promotions for certain products at certain price points) by accepting a to-be-determined lower payout percentage for these orders.

**EXHIBIT B**

## SERVICING ZIP CODES

Florist agrees to be open to receive and deliver 1-800-FLOWERS orders in all zip codes indicated below, per the requirements specified in Exhibit A.

[illegible][illegible]

Please list additional zip codes on a separate piece of paper and attach to this form.

## **EXHIBIT C**

### **FULFILLMENT COMMISSIONS**

#### **Fulfillment Commissions**

For the satisfactory performance of Florist's services hereunder and, unless an alternate fixed commission payment has been established by 1-800-FLOWERS for a specific Product or Products, Florist shall receive an amount equal to 80% of the "*gross sales price*" of the orders transmitted by 1-800-Flowers to Florist and which are directly fulfilled by Florist, less the applicable Settlement Processing Fee as set forth on the BloomNet Order Referral Program Schedule, which is posted on Bloomlink, as such schedule may be amended from time to time (the "BloomNet Order Referral Schedule"). The BloomNet Order Referral Schedule is applicable to Florists and orders referred under this Agreement. The term "gross sales price" of the orders shall mean the dollar amount of the merchandise of the orders transmitted to Florist during the preceding calendar month and shall not include money refunded to customers or the amount of any sales taxes or other taxes collected from customers and paid over to governmental authorities or the amount of any service, shipping or handling charges.

Any applicable fixed commission shall be set forth in the 1-800-FLOWERS' Payment Schedule, or other writing designated by 1-800-FLOWERS, as such schedule may be amended from time to time in 1-800-FLOWERS' sole discretion (the "Payment Schedule"). The Payment Schedule, or its equivalent, can be found at <http://bloomlink.net>, or such other location as 1-800-FLOWERS shall designate. Acceptance of orders from 1-800-FLOWERS constitutes Florist's acceptance of the conditions under which the orders were referred, including the designated commission payment.

Any commission payable pursuant to this Exhibit C is defined as the "*Fulfillment Commission*".

Florist shall not be paid any Fulfillment Commission for any order if it is determined, in the sole discretion of 1-800-FLOWERS, that the order was not timely and/or satisfactorily fulfilled by Florist. In addition, Florist shall be solely responsible for the cost of any replacement order delivered to the customer and for any other costs, claims, damages, expenses (including attorneys' fees) and losses resulting directly or indirectly from or pertaining to the original order and the replacement order.

Florist hereby authorizes BloomNet to handle the payment of the Fulfillment Commissions and any other charges or fees consistent with the BloomNet Order Referral Schedule, as such schedule may be amended from time to time.

CONROY'S, INC.  
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT K-2  
FRUIT BOUQUETS ORDER FULFILLMENT AGREEMENT



## ORDER FULFILLMENT AGREEMENT

THIS ORDER FULFILLMENT AGREEMENT (the "Agreement") is made as of the \_\_\_\_ day of \_\_\_\_\_, 202\_\_ (the "Effective Date"), by \_\_\_\_\_ and \_\_\_\_\_ with offices located at \_\_\_\_\_ ("Fulfiller") and **800-FLOWERS INC.**, with its principal place of business located at Two Jericho Plaza, Suite 200, Jericho, New York 11753 ("1-800-Flowers").

**WHEREAS**, 1-800-Flowers desires to contract with certain independently owned and operated businesses with respect to the fulfillment of certain of its orders for fresh fruit products, including fresh fruit arrangements, chocolate-dipped strawberries and related gift products (collectively, "fruit arrangements") for making (including the proper storage of all fruit arrangements and their ingredients), fulfillment and delivery (collectively "fulfillment").

**WHEREAS**, Fulfiller desires to be referred such orders (the "Products" or "orders") and handle the fulfillment of them.

**WHEREAS**, 1-800-Flowers is willing to contract with Fulfiller in connection with the fulfillment of fruit arrangements, subject to the terms and conditions set forth herein.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, 1-800-Flowers and Fulfiller agree as follows:

### 1. Fulfillment of Orders

(a) During the term of this Agreement, 1-800-Flowers will refer orders to the Fulfiller on a non-exclusive basis for fulfillment; provided that, Fulfiller is able to fulfill them to the satisfaction of 1-800-Flowers. 1-800-Flowers reserves the absolute right to refer orders for fulfillment to other fulfillers and other third parties at any time. No exclusivity is granted under this Agreement or otherwise.

(b) 1-800-Flowers shall handle all customer inquiries with reference to the orders. Fulfiller shall timely render to 1-800-Flowers any and all assistance requested with reference to any such inquiries.

(c) Fulfiller shall bear full responsibility for the fulfillment of all orders referred to Fulfiller by 1-800-Flowers, including, without limitation: (i) the making, packaging and fulfillment of the orders; (ii) the fulfillment of the orders on a timely basis and in a professional manner; (iii) compliance with all applicable federal, state, and local laws, rules and ordinances in the performance of all its duties hereunder, including without limitation, any food safety and license laws, rules or regulations, and such laws and rules pertaining to the handling, storage, spoilage, labeling and disposal of all Products and Products' ingredients ("Applicable Laws"), as well as, the fulfillment of the orders; and (iv) the carrying out of all of Fulfiller's obligations under this Agreement, including without limitation, compliance with the order fulfillment requirements and performance standards set forth in Exhibit A attached hereto.

### 2. Grant of Rights

(a) Subject to the terms and conditions of this Agreement, 1-800-Flowers licenses to Fulfiller a limited, non-exclusive, non-transferable, non-sublicensable, and revocable license to use,

reproduce, and display the trademarks "Fruit Bouquets by 1-800-Flowers", "Fruit Bouquets.com", "Shari's Berries" and select other trademarks or service marks of 1-800-Flowers as determined within the sole discretion of 1-800-Flowers and the recipes, photos and descriptions of the Products (collectively the "Licensed Property") as needed solely for the purpose of fulfillment of the Products in the USA (the "Territory"), and for no other purpose whatsoever. No right, property or interest in the Licensed Property is intended to be given to, or acquired by, the Fulfiller by the execution or performance of this Agreement, except for the limited license granted to Fulfiller under this Section 2.

(b) Except for the express limited license rights granted herein, all right, title and interest in the Licensed Property, including all copyright, trademark, service mark, patent and other rights therein (and all renewals and extensions thereof) and all goodwill associated therewith shall be owned exclusively by 1-800-Flowers. Fulfiller shall use the Licensed Property only to the extent permitted under this Agreement. Fulfiller acknowledges the strength and validity of the Licensed Property and agrees not to (i) alter, modify, amend or change the Licensed Property in any way, (ii) dilute, contest, challenge, or seek to register anywhere the Licensed Property as a trademark, service mark, copyright or the like or any trademark, service mark, copyright or the like confusingly similar to the Licensed Property and any other mark or design, (iii) create a unitary composite mark involving any of the Licensed Property, or (iv) use or seek to register any word, trademark, service mark, trade name, domain name, URL, vanity telephone number, symbol, design or the like that is similar to or that is likely to be confused with any of the Licensed Property. This Section 2(b) shall expressly survive the termination or expiration of this Agreement.

(c) Upon expiration of this Agreement, or earlier termination pursuant to the terms hereof, all rights granted hereunder in the Licensed Property shall automatically revert to 1-800-Flowers for its sole use and disposition with no further obligation whatsoever to Fulfiller or any third party. Upon any such expiration or termination, Fulfiller shall immediately cease all use of the Licensed Property.

### 3. Quality Control

(a) Fulfiller agrees to maintain a standard of high quality for the Products sold under the Licensed Property and to perform the fulfillment of the Products to the satisfaction of 1-800-Flowers and in accordance with the conditions in Exhibit A attached hereto. In addition, Fulfiller agrees that the fulfillment of the Products shall be performed in a manner appropriate for the highest quality products of the type included in the categories of the Products. To monitor Fulfiller's maintenance of the aforementioned standard of quality, Fulfiller shall deliver to 1-800-Flowers, upon request, a reasonable number of samples of the Products for its review. If 1-800-Flowers has any objection to the quality of any of the Products, or any packaging or other materials used in relation thereto, then Fulfiller shall promptly comply with any changes requested by 1-800-Flowers. 1-800-Flowers has the right to approve all Products provided and all related materials used under or in connection with the Licensed Property.

(b) Fulfiller will maintain on-site all documentation, licenses, and certifications (collectively "Documentation") that may be needed or otherwise requested by 1-800-Flowers to demonstrate compliance with all Applicable Laws, as well as

compliance with the terms of this Agreement, and all such Documentation will be made available upon the request of 1-800-Flowers or its designated agent. Fulfiller shall also promptly deliver to 1-800-Flowers any and all reports as 1-800-Flowers may request from time to time in connection with Fulfiller's performance hereunder. Fulfiller authorizes 1-800-Flowers and its designated agents to engage in monitoring activities to confirm Fulfiller's compliance with Applicable Laws and this Agreement including, without limitation, (a) announced and unannounced on-site inspections of shops, and (b) review of any and all such reports, Documentation, books and records relating to the fulfillment of the Products by Fulfiller. In the event the results of such monitoring are unsatisfactory to 1-800-Flowers (and without limiting any other available rights and remedies): a) 1-800-Flowers reserves the right, in its sole discretion, to terminate this Agreement and its relationship with Fulfiller; or b) (if the Agreement is not terminated by 1-800-Flowers pursuant to the foregoing), Fulfiller shall promptly comply with any changes or corrective action requested by 1-800-Flowers.

(c) In the event the Products fulfilled by Fulfiller hereunder are subject to a recall (which includes, without limitation, safety or quality or similar notices), withdrawal or other action to bring the Products (including, without limitation, ingredients and product packaging) into compliance with Applicable Laws or this Agreement (whether initiated by 1-800-Flowers, a government or consumer agency, or Fulfiller) ("Recall"), Fulfiller shall be responsible for all associated costs and expenses; provided that, Fulfiller shall not initiate a Recall without 1-800-Flowers' express prior written consent. In the event 1-800-Flowers grants such consent, and/or in the event a Recall is initiated by 1-800-Flowers or by a government agency, Fulfiller shall comply with any and all instructions provided by 1-800-Flowers with respect to such Recall. Fulfiller shall immediately notify 1-800-Flowers if it believes, or has reason to believe, that the Products may be subject to a Recall. Fulfiller will promptly indemnify, defend, and hold 1-800-Flowers harmless from and against any and all Claims incurred as a result of a Recall, as further set forth in Section 9 ("Indemnification") below.

#### 4. Term.

(a) This Agreement shall become effective on the Effective Date and shall expire on the first anniversary of the Effective Date, unless sooner terminated pursuant to Section 4(b) below (the "Initial Term"). This Agreement shall be automatically renewed for successive one (1) year terms ("Additional Terms"), unless either party sends written notice to the other at least thirty (30) days prior to the end of the then current term notifying the other party of its intent not to renew. The Initial Term and any Additional Terms are hereafter referred to as the "Term".

(b) Either party shall have the right to terminate this Agreement, without waiving any other rights or remedies, and without any liability for such termination, upon thirty (30) days prior written notice (but in the case of non-payment, upon ten (10) days prior written notice), if the other party breaches or otherwise fails to perform any of its obligations hereunder, unless the breaching party remedies same within such thirty (30) day period (or in the case of non-payment, such ten (10) day period) and notifies the non-breaching party of such remedy in writing within such period. 1-800-Flowers reserves the right to immediately terminate this Agreement, without waiving any other rights or remedies, and without any liability whatsoever, should Fulfiller (i) damage, in the sole opinion of 1-800-Flowers, the brand or

reputation of 1-800-Flowers or any of its affiliates, (ii) use the Licensed Property in violation of this Agreement or otherwise misuse the Licensed Property, (iii) fail to comply with the requirements and standards set forth in Exhibit A, as such exhibit may be amended from time to time, (iv) upon the sale or transfer by Fulfiller of all or substantially all of Fulfiller's assets, or a majority of Fulfiller's capital stock or voting securities, or (v) upon any assignment or attempted assignment of this Agreement or any of the rights or obligations hereunder by Fulfiller. In any and all events, either party has the right to terminate this Agreement at any time, with or without cause, and without liability for any such termination, upon thirty (30) days prior written notice.

#### 5. Fulfillment Commission

(a) For the satisfactory performance of Fulfiller's services hereunder, 1-800-Flowers shall pay Fulfiller a fulfillment commission as set forth in Exhibit B attached hereto (the "Fulfillment Commission"). The Fruit Bouquets Pricing Guide, which guide may be amended from time to time in the Company's sole discretion (the "Pricing Guide") also includes certain pricing information for Shari's Berries, which can be found at <http://www.fruitbouquets.com/pricing-guide> or such other location as 1-800-Flowers shall designate in writing. To facilitate payment to the Fulfiller, Fulfiller authorizes BloomNet, Inc. ("BloomNet") to handle the payment of this Fulfillment Commission consistent with BloomNet's then current procedures.

(b) Fulfiller shall not be paid any Fulfillment Commission for any orders delivered to a consumer in replacement of a prior order, if it is determined, in the sole judgment of 1-800-Flowers, that the prior order was not timely and/or satisfactorily fulfilled by Fulfiller. In addition, Fulfiller shall be solely responsible for the cost of any such replacement order and for any other costs, claims, damages, expenses (including reasonable attorneys' fees) and losses resulting directly or indirectly from, or pertaining to, the original order and the replacement order.

#### 6. Protection of the Licensed Property.

(a) Fulfiller agrees to assist 1-800-Flowers in the procurement and maintenance of 1-800-Flowers' rights in the Licensed Property and, without limitation, in connection therewith, Fulfiller agrees to provide samples to 1-800-Flowers as reasonably requested at no charge and to execute and deliver to 1-800-Flowers in such form as may reasonably be requested all instruments (including appropriate applications for registration and assignment) necessary to effectuate copyright, trademark and/or other intellectual property protection for 1-800-Flowers. Fulfiller hereby appoints 1-800-Flowers its attorney-in-fact to execute such instruments on Fulfiller's behalf. The power granted 1-800-Flowers in the preceding sentence is acknowledged by Fulfiller to be coupled with an interest and shall be irrevocable.

(b) Fulfiller agrees to inform 1-800-Flowers promptly of any encroachment or infringement of the Licensed Property in the Territory that comes to the attention of Fulfiller. Any litigation or other action to police the Licensed Property and to abate infringement shall be under the complete control of 1-800-Flowers. 1-800-Flowers may retain any money judgment or settlement in such action. Fulfiller agrees to cooperate fully in any such litigation or action, to the extent necessary in the vigorous prosecution of the matter. 1-800-Flowers shall have the sole right to determine what, if any, actions shall be taken on account of any

such infringement or encroachment. 1-800-Flowers has the absolute right to prosecute any such claim in its own name and/or shall have the right to cause Fulfiller to join as a party thereto. Fulfiller shall not have any rights against 1-800-Flowers for damages or for any other remedy by reason of 1-800-Flowers' decision not to prosecute any alleged infringement or encroachment.

#### 7. Fulfiller's Experience.

(a) Fulfiller shall conduct its business in accordance with its own systems and standards. Fulfiller represents and warrants it already has an established business operation confecting and selling products, including, floral, fresh food and/or fruit products, and acknowledges that the fulfillment of 1-800-Flowers' Products would merely be an addition to Fulfiller's preexisting business. Fulfiller acknowledges that 1-800-Flowers has imposed upon Fulfiller only those controls necessary for the proper fulfillment of the orders and to protect the Licensed Property and the 1-800-Flowers, Fruit Bouquets by 1-800-Flowers, Fruitbouquets.com and Shari's Berries brands. Consistent with the foregoing, Fulfiller shall comply with all controls and guidelines relating to the protection of the Licensed Property and the 1-800-Flowers, Fruit Bouquets by 1-800-Flowers, Fruitbouquets.com and Shari's Berries brands, including, without limitation, those pertaining to quality, service, delivery, communications and other standards established by 1-800-Flowers from time to time for the fulfillment of its orders, as further set forth in Exhibit A, which may be amended from time to time.

(b) All employees hired by or working for Fulfiller are and shall remain Fulfiller's employees, and Fulfiller's alone, and shall not, for any purpose, be deemed to be employees of 1-800-Flowers or be subject to 1-800-Flowers' direct or indirect control. Fulfiller acknowledges and agrees that 1-800-Flowers will not have the power to hire or fire Fulfiller's employees. Fulfiller expressly agrees, and will never contend otherwise, that 1-800-Flowers does not directly or indirectly have the power to hire, fire or control any of Fulfiller's personnel. Fulfiller alone shall be solely responsible for all hiring and employment decisions and functions relating to the Fulfiller's business, including, without limitation, those related to hiring, firing, training, establishing and paying remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision and discipline of employees. Fulfiller shall indemnify, defend, reimburse and hold 1-800-Flowers and its Affiliates harmless from any direct and indirect losses, costs and expenses, including reasonable attorneys' fees, arising out of any claim made by or for the benefit of any employee of Fulfiller against 1-800-Flowers and its Affiliates regarding employment decisions and employee functions of the Fulfiller's business, including, without limitation, those relating to hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees.

#### 8. Representations and Warranties.

(a) Fulfiller further hereby represents and warrants to 1-800-Flowers that (i) it is an entity in good standing in the jurisdiction of its formation and each other jurisdiction in which it conducts business, and has the full right, power and authority to enter into this Agreement and the relationship contemplated herein and to perform its obligations hereunder, (ii) the fulfillment by Fulfiller of the Products shall not violate or infringe upon any rights whatsoever of any third party or any applicable laws or regulations, (iii) the Products (including any storage of all Products and Products' ingredients, but excluding any codified hard goods that are provided to Fulfiller by 1-800-Flowers), the making,

fulfillment, packaging, labeling, or other information provided therewith, and all marketing and other materials generated by Fulfiller, if any, will conform in all respects with, and satisfy, applicable national, Federal, State and local laws, orders and regulations and applicable industry guidelines, (iv) Fulfiller has obtained, or will obtain prior to conducting any activities in a particular state or locale of the Territory, all permits, licenses, approvals and certifications necessary to perform its activities hereunder in such state or locale; (v) the Products shall be free from defects in material and workmanship and, with respect to all food Products, are free from contaminants and spoilage and are safe for human consumption; (vi) the Products are and shall be merchantable and fit for the purpose for which they are intended, and shall conform to their applicable specifications; and (vii) it is an independent contractor and not an agent, employee, partner, franchisee or joint venturer of 1-800-Flowers.

#### 9. Indemnification.

(a) Fulfiller, and the Principals as defined in Section 13 below, each agree, jointly and severally, to defend, indemnify and hold harmless 1-800-Flowers and its Affiliates, and their respective officers, directors, shareholders, employees and representatives from, in respect of and against any and all claims, costs, losses, liabilities, expenses (including, without limitation, reasonable attorneys' fees and disbursements), judgments, damages, demands, lawsuits or similar actions or proceedings (each, a "Claim") arising out of a Claim based on (i) the breach or alleged breach of any of Fulfiller's representations, warranties or covenants hereunder, (ii) the performance of Fulfiller hereunder, including, without limitation, the storage of all Products and Products' ingredients, the manufacture, packaging, fulfillment, use or sale of the Products, including, without limitation, all Claims for product liability or product defects, and/or (iii) any claim that Fulfiller is anything other than an independent contractor.

#### 10. Insurance.

(a) Fulfiller shall maintain in full force and effect comprehensive general liability insurance (the "Fulfiller Insurance"), including, without limitation, product liability insurance, covering all Products sold by it as well as any liability on its part in the amount of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate. The Fulfiller Insurance shall be placed with an insurer or insurers that is rated A or better by A.M. Best rating service or at a comparable rating level by a comparable rating service, duly licensed to carry on the business of insurance in all parts of the Territory and shall name 1-800-Flowers, its Affiliates and their respective officers, directors, employees, representatives or agents as additional insureds, for coverage, including, without limitation, against all forms of liability for death or injury to any individual, and for loss or damage to property. The Fulfiller Insurance shall provide for primary coverage and not contributory coverage, notwithstanding any other insurance that 1-800-Flowers may obtain or maintain. The Fulfiller Insurance shall provide for at least thirty (30) days prior written notice to 1-800-Flowers of cancellation, lapse or material change in the Fulfiller Insurance and Fulfiller shall provide 1-800-Flowers with a certificate of insurance as evidence of the Fulfiller Insurance prior to, or as soon as practicable after, the execution hereof. The Fulfiller Insurance, however, shall be effective as of the Effective Date of this Agreement.

11. Reports.

(a) Fulfiller shall promptly deliver to 1-800-Flowers any reports requested by 1-800-Flowers from time to time.

12. Confidentiality.

(a) Confidential Information. For purposes of this Agreement, "Confidential Information" means all information relating to 1-800-Flowers and its Affiliates and their respective customers and recipients of products, including, without limitation, the Products, recipes, pricing, the terms of this Agreement and the fact that Fulfiller is entering into this Agreement, operations, finances and business, including, without limitation, technical and non-technical data, programs, sales and marketing methods, pricing, processes and financial data, all Customer Data, whether or not reduced to writing.

For purposes of this Agreement, "Customer Data" includes, without limitation, any and all information by, from, or about a "Customer", including, without limitation, a Customer's name, address, email address, telephone number, credit card information and account number(s), order information, purchasing preferences or history, and all other personally identifiable information.

For purposes of this Agreement, "Customer" means all customers of 1-800-Flowers and its Affiliates, including, without limitation, all senders and recipients of products, including, without limitation, the Products from 1-800-Flowers and its Affiliates, visitors and registered users of the 1-800-Flowers Website (as defined below) and the websites of its Affiliates, and any individuals or entities listed in the customer databases of 1-800-Flowers or its Affiliates.

No right, title or interest in the Customer Data is conveyed, transferred, or otherwise licensed to Fulfiller hereunder or otherwise. Accordingly, Fulfiller shall not, during the term or thereafter (x) disclose, sell, lease, share or rent any Customer Data; (y) send any written or verbal communications, including, without limitation, any emails or promotional or marketing materials, to any Customers, or otherwise solicit or market to any Customers; and/or (z) make any use of the Customer Data, either individually or in an aggregate form without the express prior written approval of 1-800-Flowers, signed by a duly authorized executive officer of 1-800-Flowers. Furthermore, Fulfiller shall abide by all applicable laws in connection with any use of the Customer Data that 1-800-Flowers may permit in writing as provided above. Fulfiller represents and warrants that Fulfiller has read and shall, at all times, comply with all applicable federal, state and local laws, rules and regulations related to privacy and use of Customer Data and with the Privacy Notice posted on the 1-800-FLOWERS.COM website, as the same may be amended from time to time (URL of 1800flowers.com, the "Website").

(b) Fulfiller shall protect the Confidential Information. Fulfiller will not disclose, use or copy any such Confidential Information, except solely as needed in connection with the fulfillment of the Products for 1-800-Flowers, and will not otherwise disclose such Confidential Information. Upon termination or expiration of this Agreement, Fulfiller will promptly deliver to 1-800-Flowers all materials, documents and records in Fulfiller's possession or control, including all copies thereof, related in any way to the Confidential Information, which at all times shall be and remain 1-800-Flowers' sole property.

13. General Release.

(a) In consideration of the promises and the covenants herein, Fulfiller, and the individuals identified below ("Principals"), for themselves and for each of their heirs, successors and permitted assigns, and each of them, hereby releases and forever discharges 1-800-Flowers, its Affiliates, and their respective directors, officers, shareholders, employees, attorneys and agents, and each of them, from any and all obligations, liabilities, demands, costs, expenses, damages, claims, actions and causes of action, of whatever nature, character or description, known or unknown, based on or arising out of any fact, matter, event, act or failure to act that occurred prior to the Effective Date of this Agreement. For the avoidance of doubt, this release does not release any claims for breach of this Agreement.

(b) In the event that Fulfiller and/or the Principals operate and/or reside in the state of California, it is further understood and agreed that any and all rights previously granted to Fulfiller and the Principals under California Civil Code Section 1542 are hereby expressly waived. California Civil Code Section 1542 reads as follows:

"Section 1542. Certain claims not affected by general release. A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing this release, which if known by him must have materially affected his settlement with the debtor."

(c) Fulfiller and the Principals waive and release any right or benefit that they had or may have had under California Civil Code Section 1542, or any other federal, state or local laws or regulations to the fullest extent that Fulfiller and the Principals may lawfully waive all such rights and benefits. In connection with such waiver and relinquishment, Fulfiller and the Principals acknowledge that they are aware that they may hereafter discover claims or facts in addition to or different from those that they now know or believe to be true with respect to the released items, and the claims relative thereto, which do now exist, may exist, or heretofore have existed between 1-800-Flowers, its Affiliates, and their respective officers, directors, shareholders, employees, agents, attorneys, and each of them, on the one hand, and the Fulfiller and the Principals, on the other hand, with respect to such released items. In furtherance of such intention, the releases given in this Section 13 shall be and remain in effect as full and complete releases of such released items, notwithstanding the discovery or existence of any such additional or different claims or facts relating thereto.

14. Miscellaneous.

(a) Entire Agreement; Waiver. This Agreement represents the entire understanding between the parties and supersedes all other agreements, representations and covenants related to the subject matter hereof. This Agreement may not be modified except by written instrument signed by both parties. This Agreement may be signed in counterparts, including facsimile counterparts. All counterparts shall be construed together and shall constitute one instrument. No failure or delay by either party to exercise, and no course of dealing with respect to, any right of such party regarding an obligation of the other party, shall operate as a waiver thereof, unless agreed to in a writing signed by both parties. Any single or partial waiver of any such obligation of the other party shall not constitute a waiver of any other obligation.

(b) Notices. All notices and demands shall be in writing and shall be served by private overnight delivery, by Express Mail, by Certified Mail - Return Receipt Requested, by email with proof of transmission, or by facsimile transmission with a confirmed delivery or receipt of transmission, to the parties at the respective addresses first listed above or to the email address or facsimile numbers listed below, or such other address, email address, or facsimile number, as a party shall specify to the other in writing and such notice or demand shall be deemed given and received when delivered by courier, email or facsimile, or, if mailed, five (5) business days after the date of mailing.

1-800-Flowers:

Fax No.: 1-516-237-7797;  
Email address: fruitbouquets@1800flowers.com

Fulfiller:

Fax No.: \_\_\_\_\_;  
Email address: \_\_\_\_\_

In addition, an additional copy of any notice or demand from Fulfiller shall also be served upon 1-800-Flowers' General Counsel at the address listed for 1-800-Flowers and also by facsimile to 516-433-2184 or email to mmanley@1800flowers.com.

(c) No Representations/Limitation of Liability. **FULLFILLER ACKNOWLEDGES AND AGREES THAT NEITHER 1-800-FLOWERS NOR ANY OF ITS AFFILIATES HAVE MADE ANY PROMISES, REPRESENTATIONS OR WARRANTIES TO FULLFILLER CONCERNING THE EXTENT TO WHICH FULLFILLER MAY BENEFIT FROM THE ORDERS THAT MAY BE REFERRED HEREUNDER FOR FULFILLMENT OR OTHERWISE MAY BENEFIT UNDER THIS AGREEMENT. NO GUARANTEE OR ASSURANCE IS MADE TO FULLFILLER REGARDING THE NUMBER OF ORDERS, IF ANY, OR DOLLAR AMOUNT OF THE ORDERS REFERRED TO FULLFILLER FOR FULFILLMENT UNDER THIS AGREEMENT, OR AS TO THE AMOUNT OF THE FULLFILLER COMMISSIONS THAT MAY BE PAID, OR ANY OTHER BENEFIT FULLFILLER MAY RECEIVE, HEREUNDER. FURTHERMORE, IN NO EVENT SHALL 1-800-FLOWERS OR ANY OF ITS AFFILIATES BE LIABLE TO FULLFILLER UNDER THIS AGREEMENT OR ANY CIRCUMSTANCES, OR UNDER CONTRACT, NEGLIGENCE, STRICT LIABILITY, OR OTHER LEGAL OR EQUITABLE THEORY OR REMEDY WHATSOEVER, FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR EXEMPLARY DAMAGES, INCLUDING, WITHOUT LIMITATION, LOSS OF REVENUE OR PROFITS OR LOST BUSINESS (EVEN IF 1-800-FLOWERS OR ITS AFFILIATES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES), WHETHER ARISING FROM A BREACH OF THIS AGREEMENT, OR FOR ANY OTHER REASON WHATSOEVER.**

(d) Injunctive Relief. Fulfiller recognizes the unique value and reputation attached to the Licensed Property and the 1-800-Flowers, Fruit Bouquets by 1-800-Flowers, Fruitbouquets.com and Shari's Berries brands and agrees that any non-compliance with the terms of this Agreement will cause irreparable harm and damage to 1-800-Flowers. Fulfiller therefore agrees that in the event of such non-compliance, 1-800-Flowers shall be entitled to

both temporary and permanent injunctive relief (without any requirement to post a bond or undertaking) and reasonable attorneys' fees and costs, in addition to any other legal and equitable remedies available to it.

(e) Validity. In the event that a court of competent jurisdiction determines any provision of this Agreement to be invalid, then the invalidity of any such provision shall not affect the validity of the remaining provisions and unless substantial performance of this Agreement is frustrated by any such invalidity, this Agreement shall continue in full force and effect pursuant to the terms hereof.

(f) Governing Law and Venue. This Agreement shall be governed by, interpreted, and enforced in accordance with the laws of the State of New York. Any claim directly or indirectly arising out of or relating to this Agreement, or any breach thereof, shall be resolved by the Supreme Court of the State of New York, County of Nassau or the United States District Court in and for the Eastern District of New York. The parties hereby consent that venue for purposes of any action brought in connection with or arising out of this Agreement shall be placed only in such courts, and the parties hereby submit to the exclusive jurisdiction of said courts. For the expedited resolution of disputes, the Parties agree that all disputes shall be heard by the Court sitting without a jury and the Parties HEREBY WAIVE ANY AND ALL RIGHTS TO A JURY TRIAL.

(g) No Assignment. Fulfiller's rights and obligations hereunder are personal to Fulfiller and shall not be assigned, mortgaged, transferred or otherwise encumbered by Fulfiller or by operation of law, without the prior written consent of 1-800-Flowers. Any change in the ownership or change in the legal structure of Fulfiller shall be deemed an assignment. Any assignment or transfer in contravention of the foregoing shall be null and void and of no force and effect. In the event 1-800-Flowers should permit any such assignment or transfer, it may, in addition to any and all other conditions it may deem necessary or desirable, require the assignee or transferee to execute a new and then current Order Fulfillment Agreement, and any other related agreements. 1-800-Flowers may freely assign this Agreement and/or the benefits hereof, without the consent of the Fulfiller.

(h) Affiliate. "Affiliate" of any person or entity means any other person or entity, directly or indirectly, controlling, controlled by, or under common control with such person or entity.

(i) Relationship. Neither party shall be or be deemed to be an agent, employee, partner, franchisee, franchisor, or joint venturer of or for the other party. Fulfiller is and shall be an independent contractor. Fulfiller shall have no right to bind 1-800-Flowers, transact business in 1-800-Flowers' name or in any manner make any promises or representations on behalf of 1-800-Flowers, except as otherwise specifically provided in this Agreement.

(j) Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, including facsimile counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

(k) Survival. The following Sections of this Agreement shall survive any termination or expiration: Sections: 2(b), 2(c), 5(b), and 6 through 15.

(l) Headings. The headings used in this Agreement are for convenience of reference only and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

(m) Construction. The construction and interpretation of this Agreement shall not be strictly construed against either party.

(n) Agent for Service of Process. 1-800-Flowers' agent in the State of New York authorized to receive service of process is:

New York Department of State  
One Commerce Plaza  
99 Washington Avenue  
Albany, New York 12231

(o) Prior Agreements. This Agreement supersedes any and all prior agreements the Fulfiller has entered into as it relates to the fulfillment of 1-800-Flowers orders for fruit arrangements and any such prior agreement is understood by the Fulfiller to be terminated. The fulfillment of such orders is now covered solely by the terms of this Agreement.

15. Non-compete.

(a) As a material inducement to 1-800-Flowers to enter into this Agreement, Fulfiller agrees that, during the Term of this Agreement, it shall not, directly or indirectly, make, design, create, market, fulfill, distribute or sell any fruit arrangements for or to any third party, except (i) orders Fulfiller receives directly from consumers through one of its normal channels of sale, such as, walk-in, by phone or via the internet, or (ii) for a Fruit Bouquet Franchisee of 1-800-Flowers.com Franchise Co., Inc., or a Fulfiller who has itself executed an Order Fulfillment Agreement with 1-800-Flowers and which Agreement is in full force and effect at the time of Fulfiller receiving the order for fulfillment.

(b) As a material inducement to 1-800-Flowers to enter into this Agreement, Fulfiller agrees that for a period of two (2) years following the expiration or termination of this Agreement, it shall not, directly or indirectly, make, design, create, market, fulfill, distribute or sell any fruit arrangements for any third party at the business location(s) from which Fulfiller fulfills fruit arrangements or within a radius of twenty-five (25) miles of such business location(s). The restrictions contained in this subsection 15(b) shall no longer apply in the event that 1-800-Flowers terminates this Agreement with Fulfiller although Fulfiller has at all times been in full compliance with all the provisions of this Agreement.

*[BALANCE OF PAGE INTENTIONALLY LEFT BLANK;  
SIGNATURE PAGE FOLLOWS]*

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

**800-FLOWERS, INC.**

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

Name:

Title:

**FULFILLER**

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

Name:

Title:

**PRINCIPALS(s)** as to Sections 2(b), 7, 8, 9, 12, 13, 14 and 15 of this Agreement:

(1) \_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

(2) \_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

## **EXHIBIT A**

### **ORDER FULFILLMENT AGREEMENT REQUIREMENTS AND PERFORMANCE STANDARDS**

#### **Fulfiller Agrees To:**

#### **Orders**

1. Bear sole responsibility for fulfilling all orders, including, without limitation: (i) the storage of the Products and the Products' ingredients, the manufacture, packaging and fulfillment of the orders; and (ii) the fulfillment of the orders on a timely basis and in a professional manner.
2. Have capacity to receive and fulfill up to 25 times average daily order volume on the peak day of all major holidays, and up to 10 times average weekly order volume on the peak week of all major holidays.

#### **Performance Standards**

3. Provide a product and service experience that ensures less than 1.5% of orders have customer complaints.
4. Fill every order to value and according to recipe without requiring a price change.
5. Abstain from rejecting any orders for any reason, unless Fulfiller is not a florist and is referred a floral order in error. If Fulfiller is not a florist and is referred a floral order in error, Fulfiller will reject the order no more than 60 minutes after receiving it, within Fulfiller's specified hours of operation.
6. Adhere to the 1-800-Flowers.com Substitution guidelines.
7. Be open to receive and deliver orders on:
  - All major holidays (Thanksgiving, Christmas Eve Day, Valentine's Day, Administrative Professionals'/Secretaries' Week, Mother's Day).
  - Monday to Friday: 9:00 am with at least a 1:00 pm cut-off time for same-day deliveries in all servicing zip codes.
  - Saturdays: 9:00 am with at least a 12:00 pm cut-off time for same-day deliveries in all servicing zip codes.
  - Sundays (optional): 9:00 am with at least a 12:00 pm cut-off time for same-day deliveries in all servicing zip codes.

#### **Fruit Arrangements**

8. Maintain an adequate inventory of fresh fruit, gourmet, fruit, strawberries, chocolate, hard goods and all other necessary food products and other items needed to fulfill any 1-800-FLOWERS orders in accordance with the products listed in the 1-800-Flowers Design Resource Guide (DRG), Design Resource Guide (DRG) Supplements, and the Recipe Update.
9. Guarantee the freshness of fruit arrangements for 24 hours from order delivery.
10. Purchase codified products at bona fide wholesale prices, including fresh fruit, strawberries, chocolate, hard goods, and other products in sufficient quantities to meet order projections for 1-800-FLOWERS orders (Holidays/Seasonal and Core Everyday).
11. Accept automatic shipment of these codified products at bona fide wholesale prices in sufficient quantities to meet order projections.
12. Maintain all fruit and fruit arrangements, including the ingredients comprising each fruit arrangement, in appropriate temperature-controlled environment right up to and including the actual delivery of the Products.
13. Participate in BloomNet's greeting card program and fulfill 1-800-Flowers orders with the appropriate greeting card when such a card is specified in the applicable order.
14. Participate in such other programs as BloomNet may launch from time to time.

#### **Delivery**

15. For orders without a specified Delivery Time Window, deliver every order on the scheduled date, prior to 5:00 pm for businesses and 7:00 pm for residences in all servicing zip codes.
16. For orders with a specified Delivery Time Window, deliver every order on the scheduled date and within the start and end time of the specified Delivery Time Window.
17. Use approved 1-800-Flowers packaging for all Products.
18. Submit a Delivery Notification electronically for every order (100% of the time) immediately after the delivery is completed, or as soon as possible thereafter and no later than one (1) hour after delivery is completed or attempted, and never later than 7:00 pm on the scheduled delivery date, including notifications on deliveries that could not be made by 7:00 pm on the scheduled delivery date or if the order is left anywhere or with anyone other than with the intended recipient. "Delivery Notification" means both delivery confirmations and delivery attempt notifications.
19. Capture proof of delivery on all completed deliveries in the form of delivery signature from the recipient and/or product photo at the time and place of delivery.
20. Capture proof of attempted delivery on all attempted deliveries in the form of a product photo at the time and place of delivery.
21. Utilize the technology available and provided to you by 1-800-Flowers to support real-time delivery confirmation and recipient product photos directly from 1-800-Flowers or its vendor(s) and provide Delivery Notifications and recipient product photos immediately upon delivery to the customer.



22. Utilize clean and clearly identifiable vehicles for delivery of 1-800-Flowers products.
23. Ensure that delivery drivers or any other customer-facing or recipient-facing personnel are suitably attired in a manner acceptable to 1-800-Flowers.

#### **Customer Service**

24. Provide 1-800-FLOWERS any and all assistance requested with reference to any order inquiries.
25. Be responsible for tracking all orders by BloomLink sequence numbers.

#### **Promotions**

26. Participate in any 1-800-FLOWERS consumer promotions designed to drive additional order volume to Fulfillers (e.g., percentage off or reduced cost promotions for certain products at certain price points) by accepting a to-be-determined lower payout percentage for these orders.

## **EXHIBIT B**

### **FULFILLMENT COMMISSIONS**

#### **Fulfillment Commissions**

For the satisfactory performance of Fulfiller's services hereunder and, unless an alternate fixed commission payment has been established by 1-800-FLOWERS for a specific Product or Products, Fulfiller shall receive an amount equal to 80% of the "*gross sales price*" of the orders referred by 1-800-Flowers to Fulfiller and which are directly fulfilled by Fulfiller, less the applicable Settlement Processing Fee as set forth on the BloomNet Order Referral Program Schedule, which is posted on Bloomlink, as such schedule may be amended from time to time (the "BloomNet Order Referral Schedule"). The BloomNet Order Referral Schedule is applicable to Fulfiller and orders referred under this Agreement. The term "gross sales price" of the orders shall mean the dollar amount of the merchandise of the orders transmitted to Fulfiller during the preceding calendar month and shall not include money refunded to customers or the amount of any sales taxes or other taxes collected from customers and paid over to governmental authorities or the amount of any service, shipping or handling charges.

Any applicable fixed commission shall be set forth in the 1-800-FLOWERS' Payment Schedule, or other writing designated by 1-800-FLOWERS, as such schedule may be amended from time to time in 1-800-FLOWERS' sole discretion (the "Payment Schedule"). The Payment Schedule, or its equivalent, can be found at <http://bloomlink.net>, or such other location as 1-800-FLOWERS shall designate. Acceptance of orders from 1-800-FLOWERS constitutes Fulfiller's acceptance of the conditions under which the orders were referred, including the designated commission payment.

Any commission payable pursuant to this **Exhibit B** is defined as the "*Fulfillment Commission*".

Fulfiller shall not be paid any Fulfillment Commission for any order if it is determined, in the sole discretion of 1-800-FLOWERS, that the order was not timely and/or satisfactorily fulfilled by Fulfiller. In addition, Fulfiller shall be solely responsible for the cost of any replacement order delivered to the customer and for any other costs, claims, damages, expenses (including attorneys' fees) and losses resulting directly or indirectly from or pertaining to the original order and the replacement order.

Fulfiller hereby authorizes BloomNet to handle the payment of the Fulfillment Commissions and any other charges or fees consistent with the BloomNet Order Referral Schedule, as such schedule may be amended from time to time.

CONROY'S, INC.  
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT L-1  
BLOOMNET MEMBERSHIP AGREEMENT



FOR INTERNAL USE ONLY:

New Application [ ]  
Change of Ownership [ ]  
Branch [ ]  
Reinstatement [ ]  
National Account [ ]  
Mass Market [ ]

BloomNet Only [ ]  
Florist to Florist [ ]  
Send Only [ ]

[ ]  
[ ]  
[ ]

Amount Paid \_\_\_\_\_  
Credit Line \_\_\_\_\_  
FICO \_\_\_\_\_  
Other \_\_\_\_\_  
Diversity: \_\_\_\_\_  
Ethnicity: \_\_\_\_\_

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

MAC Signature: \_\_\_\_\_  
BloomNet Code: \_\_\_\_\_

Special Instructions:

## APPLICATION FOR MEMBERSHIP

Official Shop Name Shop Address (No P.O. Boxes)

City State/Province Zip/Postal Code County Country

Business Phone Number Mobile Number Toll Free Number

Fax Phone Number Fax on dedicated line?

Email Website (FTD, Teleflora or other hosted)

Mailing Address (if different) City State/Province Zip/Postal Code County Country

### OWNERSHIP INFORMATION

Type: Proprietorship [ ] Joint Ownership [ ] Partnership [ ] Corporation [ ] LLC [ ]

Federal Tax ID State Sales Tax ID

Owner Name Owner's Social Security Number Length of Ownership

Manager Designer Years of Design Experience

Corporate Information (If you checked Corp. or LLC, please provide the following information)

Corporation Legal Name State of Incorporation

Estimated Annual Gross Retail Volume (\$) Estimated Wire Outs (\$)

### NAMES OF OFFICERS, PARTNERS, & OWNERS

Mr. [ ] Mrs. [ ] Miss. [ ] Ms. [ ] Full Legal Name Title

Social Security Number Spouse's First Name Alternate Phone Number

Home Address City State /Province Zip/Postal Code

Mr. [ ] Mrs. [ ] Miss. [ ] Ms. [ ] Full Legal Name Title

Social Security Number Spouse's First Name Alternate Phone Number

Home Address City State Zip/Postal Code

### BANK INFORMATION & TRADE INFORMATION [FOR EFT PLEASE PROVIDE VOIDED CHECK & ROUTING NUMBER]

Bank Name Phone Number Checking Account Number Routing Number (9 digits)

Account Title Branch Address City State Zip/Postal Code

### REFERENCES

1. Trade Name Address City State Zip/Postal Code Phone Number

2. Trade Name Address City State Zip/Postal Code Phone Number

3. Trade Name Address City State Zip/Postal Code Phone Number

### COMPUTER SYSTEM

Computer Yes [ ] No [ ] (If yes, please give details below.)

Processor (e.g., 486 Pentium, etc.) RAM Hard Drive Size Free Space Printer Type: (Inkjet, Laser, Other)

Windows Version (e.g., XP, 98, etc.) What is your internet connection?

Dedicated Phone Line How Many Modems ISP

### PAYMENT INFORMATION

Check # Credit Card Type Credit Card Number Exp. Date

Name on Card Amount (\$)



New Application:  
Change of Ownership:  
Branch:  
Reinstatement:  
National Account:  
Mass Media:

BloomNet Preferred:  
BloomNet Select:  
BloomNet Only:  
Florist to Florist:  
Send Only:  
BloomLink:

Amount Paid: \_\_\_\_\_

Other: \_\_\_\_\_

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Special Instructions

[illegible]

## BloomNet Membership Agreement

This BloomNet Membership Agreement ("*Agreement*") is entered into between BloomNet, Inc. and BloomNet Florist (as defined below). BloomNet Inc. (hereinafter referred to as BloomNet" or "BN") and BloomNet Florist, which term also includes those entities that opt in to send or fulfill fruit arrangements (hereinafter referred to as "*BloomNet Florist*," "*BloomNet Member*," or "*Florist*") agree as follows:

### BLOOMNET FLORISTS

BloomNet Florists must meet and maintain the following standards and/or criteria to qualify to be members. The determination as to whether a florist has met and is maintaining these standards is within the sole discretion of BloomNet.

### APPEARANCE

1. Have a clean, attractive and inviting retail storefront.
2. Have design and display areas that are attractively and adequately decorated and merchandised, and that portray a professional image and provide a pleasant shopping experience for the customer.
3. Have a clean and clearly identifiable delivery vehicle.
4. Have neat and courteous personnel.

### CAPABILITIES

1. Have a monitored in-house flower freshness care system to ensure optimum post-harvest life of flowers.
2. Open to receive and deliver floral orders on:
  - All major floral holidays (including without limitation, Thanksgiving, Christmas Eve Day, Valentine's Day, Administrative Professionals'/Professionals' Week, and Mother's Day).
  - Monday to Friday: 9:00 am with at least a 3:00 pm cut-off time for same-day deliveries in the time zone where the BloomNet Florist is located.
  - Saturdays: 9:00 am with at least a 2:00 pm cut-off time for same-day deliveries in the time zone where the BloomNet Florist is located.
  - Sundays (Optional): 9:00 am with at least a 12 Noon cut-off time for same-day deliveries in the time zone where the BloomNet Florist is located.
3. Confirm every delivery electronically via BloomLink by 7:00 pm on the scheduled delivery date. In addition, provide delivery information when phone or text (e.g., SMS) inquiries are made.
4. Have a design staff that is knowledgeable of current trends and design techniques and capable of incorporating the principles of design in all arrangements.
5. Be a member of BloomLink system and be responsible for tracking all orders by BloomLink sequence numbers.
6. Have a dedicated business line and an operating facsimile machine as a backup method of order referrals.
7. If fulfilling fruit arrangement orders, have a separate health certified preparation area (which complies with all federal, state and local food safety laws, rules and regulations) and all required licenses, permits and/or certificates for the sale or fulfillment of such products.
8. Maintain an adequate inventory of fresh flowers, greens, plants, fresh fruit, hard goods and other necessary items to fill any 800-FLOWERS, INC. ("*1-800-FLOWERS*") order or the order of one of its affiliates or any other BloomNet Florist.
9. Use protective and attractive packaging for all floral and fruit arrangements.
10. Deliver every order on the scheduled date and time (if time is applicable).

11. Have commercial floral refrigeration and, if delivering or fulfilling fruit arrangements, refrigeration for the fruit products.
12. Credit worthiness.

#### ATTITUDE

1. Be cooperative and willing to participate in services, sales and marketing promotions.
2. Contact BloomNet Customer Service prior to any changes of ownership, sale of assets, or assignment or other transfer of assets, receivables, payments or fees.
3. Provide and guarantee the freshest flowers and fruit and superior customer service that exceed the customer's expectations.
4. Guarantee the freshness of floral arrangements for one week and fruit arrangements for 24 hours from order delivery.
5. Fill every order to value, according to product description, recipe and price.
6. Staff with qualified design, retail and delivery personnel who are friendly, professional and able to provide assistance and understand the nature of the floral business.

The above standards under "*Appearance*", "*Capabilities*" and "*Attitude*" do not apply to "Refer Only" florists and numbers 1 & 2 under "*Appearance*" do not apply to "Affiliate Florists", which are florists that do not have a retail storefront.

#### GENERAL

1. Each BloomNet Florist is expected to refer as many orders received as possible to other BloomNet Florists. Referring orders to an acceptable level of referral is a requirement to be a member of BloomNet.
2. BN membership is not transferable. A Change of Ownership (described below) is the only exception to this rule for which BloomNet Member must submit a written request for the transfer to BN, which is dependent upon the new owner (i) receiving approval from the BN Credit Department after submission of all required financial information and documentation, (ii) maintaining the then current standards criteria, (iii) executing the then current BloomNet Membership Agreement and the BloomNet Technologies Systems (BloomNet Technologies is also referred to as "*BloomLink*") Agreements, and (iv) complying with any and all other conditions that BloomNet may require from time-to-time.
3. Any and all debits and credits sustained against a BloomNet Florist's identification number will be the sole responsibility, obligation and liability of the owner of record for that membership account number.
4. BloomNet Florist agrees and consents that BloomNet Florist's application and membership shall be effective only upon acceptance by BloomNet. BloomNet Florist consents to communication by BloomNet via BloomLink, e-mail, text or regular mail.
5. The current BloomNet Directory is the official record of notice and supersedes all previous publications.
6. BloomNet reserves the right to amend or change the rules, rates, fees, commissions, terms of this and any other agreements with BloomNet Florists, and charges now existing, or as may exist from time to time, at any time. Any amendments or changes shall be effective on the first day of the month following publication or mailing, which includes regular mail, by email or text, unless otherwise indicated. Continued acceptance of orders after such publication or mailing constitutes acceptance of such amendment or changes.
7. It is a requirement that all BloomNet Florists (excluding any non-florist entities that opted in to refer or fulfill fruit arrangements only) purchase and openly display the current Floral Selection Guide. BloomNet authorizes and encourages use of the images that are available on the BloomNet Floral Selection Guide CD or online at the BloomNet FTP website.
8. All BloomNet Florists must display the current BloomNet window decal on their shop window or door.

9. BloomNet fees and charges are provided for on the BloomNet Order Referral Program Fee Schedule, as such schedule may be amended from time to time, which schedule is published on BloomLink.
10. BloomNet Florist shall comply with all applicable federal, state and local laws, rules and regulations. BloomNet Florist will not discriminate on the basis of race, color, creed, religion, national origin, age, sex, gender or any other characteristic protected by applicable federal, state, or local laws and ordinances.

#### CONFIDENTIAL INFORMATION

*"Confidential Information"* means all information relating to BloomNet, BloomLink, BloomNet Florists, 1-800-FLOWERS.COM, Inc. and its affiliates, and all of their respective customers, recipients or orders, operations, finances and business, including, without limitation, technical and non-technical data, manuals, programs, sales, marketing methods, pricing, customer and recipient names and addresses, phone numbers and any other information whether or not reduced to writing.

BloomNet Florist shall protect all Confidential Information from unauthorized disclosure. BloomNet Florist shall not use or copy the Confidential Information, except in connection with the acceptance, referring, and/or fulfillment of BN orders, and for no other purpose. Upon termination of this Agreement, BloomNet Florist shall promptly return to BN all materials, documents and records in any way related to the Confidential Information.

#### REFERRING FLORISTS RESPONSIBILITIES

1. BloomNet Florists will earn a twenty percent (20%) commission on the "gross sales price" of all orders referred to, and fulfilled by, other BloomNet Florists.
2. The referring BloomNet Florist will be responsible for any and all state or local taxes required in connection with an order and for the payment of the same to the appropriate governmental authority.
3. When referring an order, the referring BloomNet Florist will transfer the full dollar amount of the merchandise, including delivery allowance. On 1-800-FLOWERS orders, the full dollar amount of the merchandise, as defined on the product recipe, which includes the delivery allowance, will be referred to the fulfilling florist.
4. It is recommended that the referring BloomNet Florist will communicate to customer that conditions where the order is to be delivered may differ and will influence the quantity and quality of orders. It is also recommended to obtain second and third choices and explain substitutions may be necessary.
5. Should BN determine that the referring BloomNet Florist has violated any of the terms of this Agreement, or the rules, regulations and procedures of BloomNet, the referring BloomNet Florist shall, upon the request of BloomNet, immediately cease referring orders.

#### RECEIPT OF ORDERS

1. All BloomNet Florists, as a condition of membership, agree to fill all orders at one hundred percent (100%) of full value in accordance with the applicable product recipe.
2. All BloomNet Florists are required to notify the referring BloomNet Florists immediately if substitutions are required.
3. Except as otherwise set forth in item "4" immediately following below, fulfilling florists are entitled to receive a commission equal to eighty percent (80%) of the "gross sales price" of referred BloomNet orders they fulfill, less the applicable Settlement Processing Fee as set forth on the BloomNet Order Referral Program Fee Schedule, as such schedule may be amended from time to time. The term "gross sales price" shall mean the dollar amount of the merchandise of the orders referred to the BloomNet Florist during the preceding calendar month, which shall not include money refunded to customers or the amount of any sales taxes or other taxes collected from customers and paid to governmental authorities or the amount of any service,



shipping or handling charges. In addition, the BloomNet Order Referral Program Fee Schedule is also applicable to BloomNet Florists.

4. The commissions payable to BloomNet Florists on referred 1-800-FLOWERS orders or those of its affiliates, that are timely and satisfactorily fulfilled, are as set forth in item "3" immediately above, except in those cases where (i) a written order fulfillment agreement between such BloomNet Florist and 1-800-FLOWERS, or its applicable affiliate, is in effect; or (ii) a fixed commission for specific product(s) has been established by 1-800-FLOWERS, which commission will be set forth in the 1-800-FLOWERS Payment Schedule or other writing designated by 1-800-FLOWERS (the "*Payment Schedule*"), as such schedule may be amended from time to time in 1-800-FLOWERS' sole discretion. The Payment Schedule can be found at <http://bloomlink.net>, or such other location as 1-800-FLOWERS shall designate. The commission for products that are timely and satisfactorily fulfilled shall be the commission set forth in the Payment Schedule on the date such product is fulfilled by the BloomNet Florist. In the event there is a written order fulfillment agreement between such BloomNet Florist and 1-800-FLOWERS, then the terms of the order fulfillment agreement shall control. Acceptance of 1-800-FLOWERS orders constitutes BloomNet Florists' acceptance of the conditions under which the orders are referred, including without limitation, the designated commission payment. In addition, the BloomNet Order Referral Program Fee Schedule also is applicable to BloomNet Florists for 1-800-FLOWERS' orders.
5. All use of 1-800-FLOWERS images must be approved in writing by 1-800-FLOWERS before being published in print or online and the BloomNet Florist must enter into the appropriate images license agreement(s) governing such uses. 1-800-FLOWERS and its affiliates reserve the right, each in its sole discretion, to decide which agreement or agreements, if any, it will enter into with any BloomNet Florist.
6. BloomNet cannot guarantee payment of any order reported in excess of ninety (90) days from the delivery date.
7. Duplicate orders reported to BN will be charged back to the reporting BloomNet Florist. A duplicate charge may be assessed by BloomNet.
8. It is a requirement of all BloomNet Florists to accept and deliver orders received through BloomLink, by fax, text or over the phone if, in the case of non-1-800-FLOWERS' orders, the order meets your delivery charge specifications.

#### SETTLEMENT PROCESSING STATEMENT

1. BloomNet guarantees payment of the applicable fees and/or commissions for successfully delivered floral and fruit arrangement orders if they are properly reported by any BloomNet Florist listed in the current BN Directory within ninety (90) days from the time the order was delivered.
2. BloomNet statements are posted on BloomLink on or about the 15th day of each month.
3. BloomNet Florist agrees to pay BN on or before the 25th day of each month for all monies (less commission) collected as a referring Florist or any other monies any BloomNet Florist currently owes BloomNet.
4. A monthly membership fee is charged to all BN Florists, plus any additional services, if applicable.
5. Disputes and requests for credits on an order received from 1-800-FLOWERS, or one of its affiliates, or an order received from another BloomNet Florist must be submitted to [customerservice@bloomnet.net](mailto:customerservice@bloomnet.net) within thirty (30) days of receipt of the statement in question.
6. In the event that any BloomNet Florist does not pay in full the current statement by the 25th day of the month, a late fee will be applied once a month until the account becomes current. There will also be an interest rate charge of eight percent (8%) per annum on any past due balance on the following month's statement.
7. Checks returned by the bank will incur a \$35.00 service charge on each item and BN membership may be subject to cancellation.

## AUTHORIZATION

BloomNet Florist hereby expressly authorizes BloomNet, 1-800-FLOWERS.COM, Inc. and/or its affiliates to, at the option of any of them, deduct and retain from any fees or commissions due BloomNet Florist, any and all fees, charges, interest or penalties due to BloomNet, 1-800-FLOWERS.COM, Inc. and/or their affiliates, including, but not limited to: (i) franchise fees (if applicable), (ii) marketing fees and co-op advertising fees, (iii) rent payments on shop location(s), (iv) all fees due under the BloomNet Technologies Systems Agreement, (v) all fees due for BloomNet and Napco Products purchased, and (vi) any fees or other charges due 1-800-FLOWERS.COM, Inc. and/or its affiliates under any other agreement that exists between 1-800-FLOWERS.COM, Inc. and/or its affiliates and BloomNet Florist.

## DIRECTORY

The current published directory is to be considered the system of record and all information should be reviewed and kept up-to-date with BloomNet. All BloomNet Florists (excluding any non-florist entities who opted in to refer or fulfill fruit arrangements only) shall be listed in the city/town or area where their shop is physically located in accordance with the BloomNet Order Referral Program Fee Schedule. A BloomNet Florist may choose to advertise their shop in additional cities/towns or areas they service. These listings are referred to as "*Extra Listings*" for which the BloomNet Florist shall be charged. BloomNet Florists will be codified with their basic shop information, such as address and phone number. BloomNet Florists also have the option to purchase additional advertising, such as display ads, expanded listings and color ads.

## ERRORS, OMISSIONS, AND DISPUTES

Except for disputes and requests for credit as noted in item 5 of the "*Settlement Processing Statement*" section above, any errors or omissions in the BloomNet Settlement Processing statements must be reported to BloomNet in writing within sixty (60) days of the statement date. After sixty (60) days, the statement shall be deemed correct and BloomNet is not liable for errors or omissions. BloomNet Florists may send any such written notifications to: BloomNet Florist Services Department, 7800 Bayberry Road, Jacksonville, FL 32256.

It is requested that all BloomNet Florists attempt to settle any differences regarding the dissatisfaction of the delivery, quality and value of any order between the two BloomNet Florists involved. In the event that the BloomNet Florists fail to agree on a settlement and the BloomNet Florists turn over disposition to BloomNet, the decision made by the BloomNet Customer Service Department shall be binding and final upon all parties. Any request for adjustments must be made within sixty (60) days of receipt of the statement on which the order appears.

## TERMINATION

A BloomNet Florist may terminate their membership at any time; provided that, the account is current and the cancellation letter is received in writing by BloomNet. The letter should be signed and dated on company letterhead and sent registered mail to the BloomNet Florist Services Department. Termination by e-mails and fax are not an acceptable format for cancellations and will not be processed. Termination shall become effective only when the Florist's listing is removed from the BloomNet Directory. BloomNet Florist shall be responsible for all applicable membership dues and fees during this time period. BloomNet Florist is expected to fulfill orders from BloomNet and other BloomNet Florists until cancellation becomes effective. BloomNet Florists are subject to a \$99.00 final statement preparation charge and the account will go into an automatic hold status for 120 days to allow reporting of any orders by referring and receiving BloomNet Florists.

BloomNet reserves the right to cancel and terminate a membership at any time for any reason, including, but not limited to, delinquency of payment and/or non-compliance with terms and conditions of this Agreement and the then current rules, regulations and procedures of BloomNet, as same may be modified from time-to-time, or for no reason. Any such termination by BloomNet shall be effective upon the date of notification to the BloomNet Florist.

#### CHANGE OF OWNERSHIP

It is the responsibility of all BloomNet Florists to notify BloomNet prior to any change regarding ownership of the BloomNet Florist's business, including without limitation, any sale of assets, assignment, grant of a security interest in or other transfer of assets, receivables, payments or fees, and, if seeking approval of the transfer of the membership, then to follow the provisions herein listed under item 2 of the "General" section of this Agreement. It is expressly understood that the membership, along with all rights and privileges thereto, shall not be assigned and are non-transferable, unless expressly approved in writing by BloomNet. In any event, both the BloomNet Florist and the owner of record are and shall remain responsible for any and all fees, charges, or other liabilities related to BloomNet Florist, including without limitation, the code number assigned to the BloomNet Florist, until the change of ownership is approved by BloomNet.

#### INDEMNIFICATION

BloomNet Florist shall defend, indemnify and hold harmless BloomNet, 1-800-FLOWERS.COM, Inc. and their affiliates, and their respective officers, directors, agents and employees, from and against any and all loss, cost, expense (including reasonable attorney's fees), claims, damages, and liabilities, however caused, resulting directly or indirectly, from or pertaining to, any acts or omissions of BloomNet Florist, BloomNet, 1-800-FLOWERS.COM, Inc. and their respective affiliates' acts, omissions, and/or performance hereunder. Whenever used in this Agreement, an "affiliate" of 1-800-FLOWERS.COM or 1-800-FLOWERS.COM, Inc., means any entity that is, directly or indirectly, controlling, controlled by, or under common control with 1-800-FLOWERS.COM, Inc.

#### RELATIONSHIP OF THE PARTIES

BloomNet Florist is and shall remain an independent contractor and shall have no right to bind BloomNet or 1-800-FLOWERS.COM, Inc., or any of its affiliates. BloomNet Florist shall not transact business in the name of BloomNet, 1-800-FLOWERS.COM, Inc., or any of its affiliates, unless expressly permitted to do so as evidenced in writing signed by an officer of BloomNet and 1-800-FLOWERS.COM, Inc.

#### TRADEMARKS

Except as expressly pre-approved in writing signed by an officer of BloomNet and 1-800-FLOWERS.COM, Inc., BloomNet Florist shall not use the trade names, service marks, trademarks, copyrights or other identifying marks of BN and 1-800-FLOWERS.COM, Inc., or its affiliates (collectively, the "Marks") in any manner whatsoever. At all times, the Marks are and shall remain the sole property of 1-800-FLOWERS.COM, Inc., and its affiliates and BloomNet Florist shall not use any trade names, service marks, trademarks, copyrights, telephone numbers or internet domain names similar to the Marks or take any action to interfere with the Marks. In addition, BloomNet Florist acknowledges the strength and validity of the Marks and agrees not to dilute, contest, challenge, or seek to register anywhere as a trademark, service mark, copyright or the like the Marks or any term confusingly similar to any of the Marks.

#### NO REPRESENTATIONS

BLOOMNET FLORIST ACKNOWLEDGES AND AGREES THAT NEITHER BLOOMNET, 1-800-FLOWERS.COM, INC., NOR ITS AFFILIATES HAVE MADE ANY PROMISES, REPRESENTATIONS OR WARRANTIES TO BLOOMNET FLORIST CONCERNING THE EXTENT TO WHICH BLOOMNET FLORIST MAY BENEFIT FROM THIS AGREEMENT OR THE ORDERS THAT IT MAY RECEIVE HEREUNDER. NO GUARANTEES OR ASSURANCES ARE MADE TO BLOOMNET FLORIST WHATSOEVER. BLOOMNET FLORIST ACKNOWLEDGES THAT IT IS AND HAS BEEN ENGAGED IN THE RETAIL FLOWER AND FRUIT

ARRANGEMENT BUSINESS PRIOR TO ENTERING INTO THIS AGREEMENT AND THAT IT WILL RECEIVE NO MARKETING, TRAINING OR OTHER SUBSTANTIAL ASSISTANCE FROM BLOOMNET, 1-800-FLOWERS.COM, INC., OR ITS AFFILIATES WITH REGARD TO THE OPERATION OF ITS BUSINESS OR ITS OBLIGATIONS HEREUNDER.

#### INJUNCTIVE RELIEF

BloomNet Member recognizes the unique value and reputation attached to the Marks and agrees that any non-compliance with the terms of this Agreement will cause irreparable harm and damage to BloomNet, 1-800-FLOWERS.COM, Inc. and/or their affiliates. BloomNet Florist therefore agrees that in the event of such non-compliance, BloomNet, 1-800-FLOWERS.COM, Inc., and their affiliates shall be entitled to both temporary and permanent, equitable or injunctive relief in addition to any other legal and equitable remedies available to them, including reasonable attorneys' fees.

#### GOVERNING LAW & VENUE

This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflict of laws principals. Venue for the purposes of any action brought in connection with or arising out of this Agreement shall be placed in the applicable New York State or Federal courts sitting in Nassau or Suffolk Counties, New York, and the parties hereby submit to the exclusive jurisdiction of said courts. For the expedited resolution of disputes, the BloomNet Florist agrees that all disputes shall be heard by the Court sitting without a jury and BloomNet Florist HEREBY WAIVES ANY AND ALL RIGHTS TO A JURY TRIAL.

#### PERSONAL GUARANTEE

The undersigned, individually, and if the undersigned are more than one, each of them, jointly and severally, absolutely and unconditionally guarantee to BloomNet, the prompt payment, when due, of the principal and interest owing on the BloomNet Florist account in question and any and all other obligations or indebtedness owed to BloomNet now existing or hereinafter arising in favor of BloomNet against the BloomNet Florist, or assigned by BloomNet Florist to BloomNet. The undersigned hereby waives all defenses that might constitute a legal or equitable discharge of a guarantor or surety and agrees such guaranty is valid and binding regardless of the reorganization or bankruptcy of the BloomNet Florist. The undersigned hereby waives notice of any default, nonpayment or nonperformance on the part of the BloomNet Florist, as well as any other notice, demand, presentment or protest of any kind. This is an irrevocable continuing guarantee and shall remain in full force and effect irrespective of any interruption or discontinuance of business relations between BloomNet and the BloomNet Florist. This guarantee shall cover the renewal of any obligations or indebtedness guaranteed by this instrument or extension of time for the payment thereof, and shall not be affected by any surrender or release of any security or obligation owed by the BloomNet Florist. The failure of BloomNet to insist on the strict performance on any one or more occasions shall not be deemed to be a waiver. This guarantee shall be governed, construed and enforced in accordance with the laws of the State of New York. By signing below, the undersigned authorizes BloomNet to obtain credit bureau reports from time-to-time on any and all of the undersigned for credit and collections purposes in connection with establishing, maintaining and enforcing BloomNet's credit relationship with the BloomNet Florist.

BLOOMNET FLORIST BY:

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

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

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

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

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

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

#### EFT AUTHORIZATION

I authorize 1-800-FLOWERS.COM, Inc. and/or its affiliates to deposit and/or debit automatically to or from my bank account(s) by initiating deposit and/or debit entries to my bank account(s) electronically or by any other commercially accepted method, and I authorize my financial institution(s) to credit the same to my bank account(s) for the deposit of funds for monies due to BloomNet Florist and the debit of funds due to BloomNet, 1-800-FLOWERS.COM., Inc. and/or its affiliates for receivables and other monies due them. This authority will remain in effect until you have received written notice from me of its cancellation in such time and manner as to afford you and the financial institution(s) a reasonable opportunity to act on it.

BLOOMNET FLORIST BY:

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

CONROY'S, INC.  
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT L-2  
BLOOMNET TECHNOLOGIES SYSTEMS AGREEMENT



## **BloomNet Technologies System Agreement**

This Agreement (the "Agreement"), dated as of \_\_\_\_\_, 2022 is between BloomNet, Inc., a New York corporation with offices at 7800 Bayberry Road, Jacksonville, FL 32256 ("BloomNet Technologies"), and \_\_\_\_\_, with offices at \_\_\_\_\_ ("Customer").

BloomNet Technologies and Customer agree that the following terms and conditions apply to the provision and use of the BloomNet Technologies System, which currently includes Bloomlink, as well as additional available services and systems, including Directory Online, Hosted Websites, BloomNet Business Management System, BloomNet Products and Napco Imports (collectively for the purpose of this Agreement the "System") referenced in this Agreement.

1. **FEES.** The fees for the System can be found on the BloomNet Order Referral Fee Schedule available from BloomNet Technologies, which Schedule can be amended from time to time by BloomNet Technologies.

2. **TERM.** This Agreement is effective when signed by Customer and accepted in writing by BloomNet Technologies ("Agreement Effective Date") and shall continue in effect until terminated in accordance with the provisions of this Agreement (the "Term").

3. **LICENSES.** BloomNet Technologies hereby grants to Customer a personal, non-exclusive, non-transferable, limited license during the term of this Agreement to use all software, documentation and copyrighted content provided in or in connection with the System or Services ("Licensed Material"), if any, which may be furnished to Customer under this Agreement. Customer agrees to ensure that Customer and any Users of all Licensed Material hereunder comply with the terms and conditions set forth in this Agreement. A "User" is defined as any person or entity that accesses or attempts to access the System. BY ACCESSING THE SYSTEM OR ANY PORTION THEREOF, THE CUSTOMER AND USER AGREE TO BE BOUND BY, AND ARE BOUND BY, THE TERMS OF THIS AGREEMENT AND THE USER AGREEMENT AS ATTACHED AS **EXHIBIT A**, WHICH MAY BE AMENDED FROM TIME TO TIME. BloomNet Technologies reserves the right from time to time to modify, substitute for or add additional software, documentation and content, which shall be deemed to be Licensed Material for the purposes of this Agreement and subject to the terms of this Agreement. Customer also agrees to refrain from taking any steps, such as reverse assembly or reverse compilation, to derive source code from the System or any related software. Customer shall take all steps reasonably necessary to preserve or protect the confidentiality of the Licensed Materials and the proprietary interest of BloomNet Technologies and its Licensors therein. The Licensed Material shall not be reproduced or copied in whole or in part, shall not be removed from the United States, and shall be returned to BloomNet Technologies at Customer's expense at the conclusion of the Term of this Agreement. In addition, to the extent Licensed Material includes software or documentation provided by any third party pursuant to a license ("Third Party Material"), Customer agrees, as a condition to the right to use such Third Party Material, to abide by the terms and conditions of said licenses (including such additional User terms and conditions that shall be required by such license), to ensure that any Users abide by same and Customer shall be bound by such terms and conditions by virtue of its execution of this Agreement. Customer hereby acknowledges that it has acquired no rights in or to the System, Services, or Licensed Material, except for the limited license specifically set forth in this Agreement. Without in any way limiting the foregoing, Customer agrees to use any and all software and hardware that may be required, from time to time, to properly operate the System and shall accept and promptly use all updates received from BloomNet Technologies. Customer agrees that the System will be configured pursuant to the requirements of BloomNet Technologies, without any non-operating system software. In addition, the System must be configured to print to a physical printer only and any configuration that intercepts and/or redirects the printout into a third-party program is strictly prohibited.

## **4. CUSTOMER'S RESPONSIBILITIES.**

(a) Customer shall obtain and maintain the necessary hardware to interface with the System and shall connect Customer's Computer System to the internet via an internet service provider upon the execution of this Agreement. Once Customer has connected Customer's Computer System to the System via the internet, Customer shall maintain Customer's Computer System online with the System during normal business hours (minimum of 9:00 a.m. - 5:00 p.m., local time, on each business day, with extended hours during holiday periods) and to immediately advise BloomNet Technologies if the connection is discontinued. The Computer System minimum requirements may change from time to time and Customer shall modify its Computer System to meet the then current minimum requirements within thirty (30) days of notification by BloomNet Technologies.

(b) Customer will ensure that its employees who use the System, or any portion thereof, comply with the terms of this Agreement, the User Agreement and any other rules or provisions governing the use of the System. In addition, Customer shall be responsible for, and shall defend, hold harmless and indemnify BloomNet Technologies and its Affiliates and their respective officers, directors, employees and agents from and against any and all claims, losses, and expenses (including attorneys' fees and expenses) arising from, or related to, the use of the System by Customer and any of its employees who use the System.

(c) Customer will timely pay all fees and charges due hereunder.

(d) Customer shall limit access to the System and use of the Services only for Customer's legal business purposes. Customer is entirely liable for all activities conducted through Customer's Computer System and for the content of any communications using the System, or for any use of the Services, by Customer or any User. Customer agrees that it and any User will use the System and the Services in compliance with any applicable user manual and shall not use the foregoing for illegal purposes, to violate the rights of any third party or BloomNet Technologies, or its Affiliates, or to interfere with or disrupt the System, other Users, Services or equipment. Violations of the foregoing by Customer or any User may result in removal of access to the System and/or Services and termination of this Agreement.

(e) Customer shall limit access to the System and the use of the Services to its authorized employees who will have agreed to the restrictions contained herein for Customer's own legal business purposes. Customer shall not provide access to or sell the Services or access to the System to any third party. Customer is not authorized to act as an agent of BloomNet Technologies in any way.

(f) Customer shall implement security procedures necessary to limit access to the System to Customer's authorized employees and, to the extent deemed necessary by Customer, to maintain a procedure external to the System for reconstruction or retrieval of lost or altered files, data or programs.

(g) Subject to Customer's compliance with this Agreement, BloomNet Technologies will provide the Services in such a manner as to interface with Customer's Computer System. However, BloomNet Technologies may from time to time modify, remove or supplement features of the System and the Services as provided to Customer under this Agreement. BloomNet Technologies may, and reserves the right to, from time to time, change, modify or update this Agreement and the User Agreement and any such changes shall take effect thirty (30) days after notice to Customer and Customer's continued use thereafter shall constitute Customer's acceptance of all such changes, modifications or updates.

(h) The pricing, terms and conditions of this Agreement are proprietary information of BloomNet Technologies. Customer shall use a reasonable



degree of care (in no event less than the same degree of care as it uses for its own proprietary information) to prevent the unauthorized disclosure or use of such proprietary information.

(i) Customer shall, at all times, maintain in good working order, Customer's Computer System in compliance with the terms of this Agreement. Without limiting the foregoing, Customer shall keep Customer's Computer System in a suitable operating environment consistent with the manufacturers' environmental requirements and will not install the same in any area in which it may be susceptible to accidental spills or other damage.

(j) Except for hardware purchased by Customer, for which Customer has paid in full, Customer shall not take or fail to take any action that may result in a lien being placed against any Licensed Material or against any software or hardware components supplied by BloomNet Technologies or supplied by any third party pursuant to this Agreement.

(k) Some or all of the software or hardware components may be owned by a third party from whom BloomNet Technologies leases ("Lessor") or licenses ("Licensor") same in order to rent or license same to Customer. In such event, Customer's rights under this Agreement to use and possess any such software or hardware components owned or licensed by any third party is specifically and expressly subject to and subordinate to BloomNet Technologies' lease or license with such third party.

(l) Customer will comply with all applicable federal, state, local and other laws, regulations, rules, and ordinances applicable to the provision and use of the System and the Services under this Agreement, including, but not limited to, laws regarding transmission of technical data that is exported from the United States using the System.

(m) Customer shall defend, indemnify and hold harmless BloomNet Technologies, BloomNet Technologies' Affiliates, and their respective officers, directors, shareholders and employees, Lessors, Lessors, telecommunications providers, content providers, and third party providers, from and against all claims, losses, liabilities, costs, expenses (including reasonable attorneys fees) and damages whatsoever, whether or not arising out of third party claims and regardless of the form of action, whether in contract, tort, strict liability or otherwise, concerning or relating to: (i) any noncompliance by Customer or Users with any provisions of this Agreement, including, without limitation, the schedules and exhibits attached hereto and the User Manual; (ii) negligent acts or omissions by Customer or Users; (iii) the content of any communications of Customer or Users. BloomNet Technologies reserves the right, at its option, and at Customer's expense, to assume the exclusive defense and control of any matter otherwise subject to indemnification by Customer hereunder.

#### **5. BILLING PAYMENT**

(a) Customer shall pay BloomNet Technologies, or its designee, all charges and fees due under this Agreement, without deduction or set-off. The fees due under this Agreement are provided for in Section 1 above. Invoices will be issued monthly by mail or electronically via the System and shall be payable by Customer within thirty (30) days of the invoice date, or as otherwise provided pursuant to BloomNet Technologies then current process. All payments shall be mailed to the address stated on the invoice or as otherwise designated by BloomNet Technologies. In addition to the fees provided for in Section 1 hereof, Customer agrees to pay any sales, use, value-added, personal property or other governmental tax or levy imposed on goods or services billed to Customer. In addition to any other remedies available to BloomNet Technologies, in the event any payment is not made within said thirty (30) day period, then interest shall accrue on the unpaid balance at the rate of one and one-half percent (1.5%)(or the highest rate permitted by law, whichever is lower), per month until fully paid.

(b) Notwithstanding anything to the contrary in this Section 5, the Service shall not be activated and billing shall not begin until the completion by BloomNet Technologies to its satisfaction of a credit check of Customer, which Customer hereby authorizes be conducted. Customer agrees to defend, indemnify and hold BloomNet Technologies harmless from and

against any and all interest, penalties and other liabilities of any nature arising out of or in connection with Customer's failure to timely pay any and all taxes or file returns with respect thereto.

(c) BloomNet Technologies may, at any time and from time to time, increase any fees provided for hereunder upon not less than thirty (30) days prior written or electronic notice to Customer.

(d) Customer is solely responsible for all telecommunication/internet access charges and any other charges from Customer's telephone and telecommunications providers; including, without limitation, usage charges and any charges incurred for installing and maintaining any telephone or communications lines.

#### **6. OWNERSHIP**

(a) Ownership of the System, the Services and the Licensed Material shall at all times remain with BloomNet Technologies and its Lessors. This Agreement conveys to Customer the limited right to access and use the System, the Services and the Licensed Material in accordance with the terms of this Agreement only and no other rights in the System, the Services and the Licensed Material are conveyed to Customer by this Agreement. The Customer shall not remove from the System, the Services and any Licensed Material any markings or proprietary notices placed thereon by BloomNet Technologies, its Affiliates, or its Lessors. User passwords are the property of BloomNet Technologies and may be deleted or replaced by BloomNet Technologies.

(b) Customer shall promptly supply to the satisfaction of BloomNet Technologies such Uniform Commercial Code Financing Statements and other documents that BloomNet Technologies may request to evidence and protect the title to and ownership interest of BloomNet Technologies, its Lessors and Lessors and assigns in any hardware sold to Customer by BloomNet Technologies for which Customer has not paid in full.

#### **7. WARRANTY AND LIMITATION OF LIABILITY**

(A) FOR PURPOSES OF THIS SECTION 7, BLOOMNET TECHNOLOGIES, INCLUDES BLOOMNET TECHNOLOGIES, ANY AFFILIATED, PARENT AND SUBSIDIARY ENTITIES OF BLOOMNET TECHNOLOGIES, ANY SUB-CONTRACTORS AND SUPPLIERS OF THE FOREGOING, ANY THIRD PARTY LESSORS AND LESSORS, AND THE DIRECTORS, EMPLOYEES, OFFICERS, AGENTS, SUB-CONTRACTORS AND SUPPLIERS OF ALL OF THEM.

(B) BLOOMNET TECHNOLOGIES MAKES NO WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, WITH RESPECT TO THE SYSTEM, ANY SERVICES UNDER THE SYSTEM, ANY SOFTWARE, HARDWARE, OR OTHER EQUIPMENT PROVIDED UNDER THIS AGREEMENT AND BLOOMNET TECHNOLOGIES EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT.

(C) FOR HARDWARE AND EQUIPMENT SOLD BY BLOOMNET TECHNOLOGIES TO CUSTOMER HEREUNDER, BLOOMNET TECHNOLOGIES MAKES NO WARRANTY OR GUARANTEE AS TO SAME, EXPRESS OR IMPLIED, AND CUSTOMER SHALL LOOK SOLELY TO THE MANUFACTURER OF ANY SUCH HARDWARE AND EQUIPMENT FOR ANY CLAIMS CUSTOMER MAY HAVE REGARDING SAME.

(D) CUSTOMER ASSUMES TOTAL RESPONSIBILITY AND RISK FOR USE OF THE SYSTEM AND THE SERVICES, AND BLOOMNET TECHNOLOGIES AND ANY THIRD PARTIES WHO CONTRIBUTE TO THE SYSTEM SHALL NOT BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, RELIANCE OR SPECIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR HARM TO BUSINESS, LOST PROFITS, LOST SAVINGS, OR LOST REVENUES, EVEN IF



BLOOMNET TECHNOLOGIES HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND EVEN IF A REMEDY SET FORTH HEREIN IS FOUND TO HAVE FAILED OF ITS ESSENTIAL PURPOSE. BLOOMNET TECHNOLOGIES ALSO SHALL NOT BE LIABLE FOR ANY DAMAGE A CUSTOMER MAY SUFFER ARISING OUT OF OR RELATING TO: SERVICE INTERRUPTIONS, INTEROPERABILITY, INTERACTION OR INTERCONNECTION OF THE SERVICES WITH APPLICATIONS, EQUIPMENT, SERVICES OR SYSTEMS PROVIDED BY CUSTOMER OR THIRD PARTIES, OR, UNAUTHORIZED ACCESS TO OR THEFT, ALTERATION, LOSS OR DESTRUCTION OF CUSTOMER'S OR USERS' APPLICATION, DATA PROGRAMS, INFORMATION (TRANSACTIONAL AND OTHERWISE), SYSTEM, COMPUTER SYSTEM OR SYSTEMS TO OR THROUGH ACCIDENT, FRAUDULENT MEANS OR ANY OTHER METHOD, BY CUSTOMER, USERS OR THIRD PARTIES. BLOOMNET TECHNOLOGIES DOES NOT GUARANTEE THAT CUSTOMER OR USERS WILL BE ABLE TO ACCESS THE SERVICE AT A TIME OR LOCATION OF THEIR CHOOSING, OR THAT IT WILL HAVE ADEQUATE CAPACITY FOR THE SERVICE AS A WHOLE OR FOR PARTICULAR PRODUCTS. IN ANY INSTANCE INVOLVING PERFORMANCE OR NONPERFORMANCE BY BLOOMNET TECHNOLOGIES WITH RESPECT TO SERVICES PROVIDED HEREUNDER, CUSTOMER'S AND USERS' SOLE REMEDY (IN THE AGGREGATE) SHALL BE THE RECOVERY OF AMOUNTS PAID BY CUSTOMER TO BLOOMNET TECHNOLOGIES UNDER THIS AGREEMENT DURING THE PREVIOUS THREE (3) MONTHS (NOT INCLUDING ORDER PROCESSING OR TRANSACTION FEES). BECAUSE SOME STATES OR JURISDICTIONS DO NOT ALLOW THE EXCLUSION OR THE LIMITATION OF LIABILITY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES, IN SUCH STATES OR JURISDICTIONS, BLOOMNET TECHNOLOGIES' LIABILITY SHALL BE LIMITED TO THE EXTENT PERMITTED BY LAW. BLOOMNET TECHNOLOGIES DOES NOT ENDORSE, WARRANT OR GUARANTEE ANY PRODUCT OR SERVICE OFFERED THROUGH THE SYSTEM, EXCEPT AS MAY BE EXPRESSEDLY PROVIDED FOR HEREIN.

(E) THE LIMITATIONS OF LIABILITY CONTAINED IN THIS SECTION 7 SHALL APPLY REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, WARRANTY, STRICT LIABILITY OR TORT, AND SHALL SURVIVE FAILURE OF AN EXCLUSIVE REMEDY.

(F) THE SYSTEM IS PROVIDED ON AN "AS IS, AS AVAILABLE" BASIS AND BLOOMNET TECHNOLOGIES DOES NOT WARRANT THAT IT WILL BE UNINTERRUPTED OR ERROR FREE, OR THAT DEFECTS WILL BE CORRECTED. BLOOMNET TECHNOLOGIES SHALL NOT BE RESPONSIBLE FOR: (i) SERVICE IMPAIRMENTS CAUSED BY ACTS WITHIN THE CONTROL OF CUSTOMER, ITS EMPLOYEES, AGENTS, USERS, SUBCONTRACTORS, OR SUPPLIERS; (ii) INTEROPERABILITY OF SPECIFIC CUSTOMER APPLICATIONS; (iii) INABILITY OF CUSTOMER TO ACCESS OR INTERACT WITH ANY OTHER SERVICE PROVIDER THROUGH THE INTERNET OR OTHER COMMUNICATIONS NETWORKS, OTHER SYSTEMS OR USERS THAT ARE ACCESSIBLE THROUGH THE INTERNET OR OTHER COMMUNICATIONS NETWORKS, OR THE INFORMATIONAL OR COMPUTING RESOURCES AVAILABLE THROUGH THE INTERNET OR OTHER COMMUNICATIONS NETWORKS; (iv) INTERACTION WITH OTHER SERVICE PROVIDERS, SYSTEMS, USERS OR INFORMATIONAL OR COMPUTING RESOURCES THROUGH THE INTERNET OR OTHER COMMUNICATIONS NETWORKS; (v) SERVICES PROVIDED BY OTHER SERVICE PROVIDERS; (vi) USE OF ANY THIRD PARTY SOFTWARE OR HARDWARE COMPONENTS AND/OR SYSTEM; (vii) CUSTOMER'S FAILURE TO USE THE SYSTEM OR ANY SERVICES PROVIDED UNDER THE SYSTEM IN ACCORDANCE

WITH ANY MANUALS OR INSTRUCTIONS PROVIDED BY BLOOMNET TECHNOLOGIES; (viii) PERFORMANCE IMPAIRMENTS CAUSED ELSEWHERE ON THE INTERNET OR OTHER COMMUNICATIONS NETWORKS; OR (ix) USE OF THE SYSTEM OR ANY SERVICES AVAILABLE UNDER THE SYSTEM, INCLUDING, WITHOUT LIMITATION, ANY SOFTWARE OR HARDWARE COMPONENT THEREOF, IN A MANNER CONTRARY TO THE TERMS OF THIS AGREEMENT OR THE USER AGREEMENT.

(G) WITHOUT LIMITING ANY OTHER PROVISION OF THIS SECTION 7, BLOOMNET TECHNOLOGIES DOES NOT SUPPORT OR ASSUME, AND HEREBY DISCLAIMS, ANY RESPONSIBILITY WHATSOEVER FOR THE SELECTION, USE, AND CONSEQUENCES, INCLUDING, BUT NOT LIMITED TO, LOSS OF DATA (TRANSACTIONAL OR OTHERWISE), OF ANY THIRD PARTY COMPONENTS AND/OR A THIRD PARTY SYSTEM AND THEIR COMPATIBILITY WITH THE SYSTEM. CUSTOMER HEREBY ACKNOWLEDGES AND AGREES THAT CUSTOMER ASSUMES FULL AND TOTAL RESPONSIBILITY FOR SELECTION, USE AND CONSEQUENCES OF ANY THIRD-PARTY COMPONENTS AND/OR SYSTEM AND FOR ANY IMPACT ON SUCH COMPONENTS OR SYSTEM ON CUSTOMER'S COMPUTER SYSTEM, THE SYSTEM AND/OR ANY OTHER SYSTEM OR FACILITY OF CUSTOMER.

(H) WITHOUT LIMITING ANY OTHER PROVISION OF THIS SECTION 7, CUSTOMER SHALL BE RESPONSIBLE FOR AND BLOOMNET TECHNOLOGIES SHALL NOT HAVE ANY RESPONSIBILITY FOR INCOMPATIBILITY BETWEEN SOFTWARE, MODIFICATIONS OR UPDATES PROVIDED BY BLOOMNET TECHNOLOGIES FOR CUSTOMER'S COMPUTER SYSTEM OR CHANGES IN THE SYSTEM PROVING INCOMPATIBLE WITH CUSTOMER'S COMPUTER SYSTEM OR WITH ANY THIRD PARTY COMPONENTS AND/OR SYSTEM, NOR SHALL BLOOMNET TECHNOLOGIES BE LIABLE IF SUCH UPDATES CORRUPT ANY THIRD PARTY COMPONENTS AND/OR SYSTEM OR DATA GENERATED OR USED IN ANY THIRD PARTY COMPONENTS AND/OR SYSTEM OR TO RENDER ANY THIRD PARTY COMPONENTS AND/OR SYSTEM INOPERABLE.

(I) BLOOMNET TECHNOLOGIES DISCLAIMS ALL LIABILITY FOR AND CUSTOMER AGREES THAT BLOOMNET TECHNOLOGIES SHALL NOT BE LIABLE FOR FAILURE OF OR DELAY IN TRANSMISSION OF ORDERS OR LOSS OF ORDERS OR ANY TRANSACTIONAL INFORMATION RESULTING FROM SYSTEM MALFUNCTION, DISRUPTION OF CARRIER LINES, LOSS OF POWER, NATURAL DISASTERS OR ANY AND ALL CAUSES REASONABLY BEYOND BLOOMNET TECHNOLOGIES' CONTROL.

(J) YOU ACKNOWLEDGE THAT BLOOMNET TECHNOLOGIES CANNOT, AND DOES NOT INTEND TO, SCREEN COMMUNICATIONS IN ADVANCE FOR ACCURACY OR CONFORMANCE TO THIS AGREEMENT OR ANY LAWS. HOWEVER, BLOOMNET TECHNOLOGIES MAY ELECT, AT ITS OWN DISCRETION, TO MONITOR SOME, ALL, OR NONE OF THE SYSTEM'S AREAS FOR ADHERENCE TO THE AGREEMENT. ACCORDINGLY, YOU ACKNOWLEDGE THAT NEITHER BLOOMNET TECHNOLOGIES, ANY OF ITS AFFILIATES, NOR ANY THIRD PARTIES WHO CONTRIBUTE TO THE SYSTEM SHALL ASSUME OR HAVE ANY LIABILITY FOR ANY ACTION OR INACTION BY BLOOMNET TECHNOLOGIES, OR ITS AFFILIATES, WITH RESPECT TO ANY CONTENT ON THE SYSTEM. ANY CONDUCT BY A CUSTOMER OR USER THAT IN BLOOMNET TECHNOLOGIES' SOLE DISCRETION RESTRICTS OR INHIBITS ANY OTHER CUSTOMER, USER, PERSON OR ENTITY FROM USING OR ENJOYING THE SYSTEM SHALL ENTITLE BLOOMNET TECHNOLOGIES TO IMMEDIATELY TERMINATE THIS



**AGREEMENT WITHOUT NOTICE. YOU AGREE TO USE THE SYSTEM ONLY FOR LAWFUL PURPOSES, AND TO ENSURE THAT USERS USE THE SYSTEM IN COMPLIANCE WITH THIS AGREEMENT AND THE USER AGREEMENT.**

**(K) BLOOMNET TECHNOLOGIES RESERVES THE RIGHT TO PROTECT ITS CUSTOMERS AND BLOOMNET TECHNOLOGIES FROM OFFENSIVE E-MAIL COMMUNICATION, INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO BLOCK MASS E-MAIL SOLICITATIONS, OR "JUNK E-MAIL".**

**(L) YOU ALSO AGREE AND ACCEPT THAT AS NEW PRODUCTS AND SERVICES BECOME AVAILABLE ON OR THROUGH THE SYSTEM, YOUR USE OF THESE PRODUCTS OR SERVICES IS SUBJECT TO THIS AGREEMENT. FAILURE TO ABIDE BY THESE TERMS AND CONDITIONS MAY RESULT IN TERMINATION OF THIS AGREEMENT.**

#### **8. TERMINATION.**

(a) Each of BloomNet Technologies and Customer shall have the absolute right to terminate this Agreement for any reason upon thirty (30) days prior notice to the other party.

(b) BloomNet Technologies may terminate this Agreement at any time immediately upon giving notice if Customer (i) fails to pay any outstanding charges within ten (10) days of when due, (ii) fails to perform or observe any material term or condition of this Agreement relating to the content of any communications by Customer or any User, or interferes with, disrupts, or otherwise improperly utilizes the System, or violates any provision of this Agreement concerning the intellectual property rights of BloomNet Technologies or others, (iii) fails to perform or observe any other material term or condition of this Agreement within fifteen (15) days after BloomNet Technologies sends written notice, including electronic notice, to Customer of such failure, or (iv) if Customer ceases doing business as a going concern or files or has filed against it any petition in bankruptcy or any state insolvency law, has a receiver appointed for it or its property, or commits an act of bankruptcy, becomes insolvent, makes a consignment for the benefit of creditors or offers a composition or extension of any of its indebtedness. If Customer repeats a violation with respect to which it has been notified by BloomNet Technologies pursuant to subpart (iii) above, BloomNet Technologies may terminate this Agreement without advance notice. Upon any termination, Customer shall be liable for all charges incurred as of the date of termination.

(c) If BloomNet Technologies fails to perform or observe any material term and condition of this Agreement, Customer may terminate this Agreement provided Customer gives to BloomNet Technologies written notice specifying the nature and extent of any such alleged breach by BloomNet Technologies and BloomNet Technologies fails to cure said alleged default within thirty (30) days after receipt of written notice from Customer.

(d) Upon termination or expiration of this Agreement for any reason, Customer shall (i) immediately cease using the System and all Licensed Material; (ii) within five (5) days of such termination or expiration, return to BloomNet Technologies, at Customer's sole cost and expense, all Licensed Material and software, manuals and other written materials therefore and shall delete and destroy all copies of the Licensed Material installed on the Computer System or otherwise in its or any User's possession; and (iii) within seven (7) days, return to BloomNet Technologies, at Customer's sole cost and expense, all BloomNet Technologies supplied hardware properly packaged in accordance with shipping instructions received from BloomNet Technologies, unless Customer has paid the purchase price in full for same. If BloomNet Technologies determines upon receipt of any hardware returned by Customer to BloomNet Technologies that such hardware has been damaged by abuse, misuse, improper packing or use in a manner other than permitted by this Agreement, BloomNet Technologies shall be entitled to the then reasonable costs of repair and replacement of such hardware, as determined by BloomNet Technologies, and Customer shall be liable for and shall promptly pay to BloomNet Technologies all such costs and charges related to same.

(e) Termination or expiration of this Agreement shall not extinguish any right or obligation of either party accruing prior to the termination or expiration of this Agreement, including, without limitation, the obligation to pay any charges accruing under this Agreement. Moreover, the provisions of paragraphs 4(h), 4(j), 4(l), 4(m), 5(a), 5(b), 5(d), 6, 7, 8(d), 8(e), 9(a), 9(b), 9(c), 9(d), 9(e), 9(f), 9(i), and 9(k), and the parties' rights and obligations thereunder, together with all other limitations of liability contained herein shall survive the expiration or termination of this Agreement.

#### **9. MISCELLANEOUS PROVISIONS.**

(a) This Agreement shall be construed and governed by the laws of the State of New York without regard to its choice of law rules.

(b) BloomNet Technologies and Customer agree to submit to binding arbitration for resolution of any dispute arising out of or in connection with this Agreement. Arbitration shall be held in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect, and the dispute will be heard by a sole arbitrator selected by the parties or by the American Arbitration Association. Arbitration shall be held at the office of the American Arbitration Association located in Nassau County, New York, or, in the event no such office exists in Nassau County, New York, then the arbitration shall be held in an office of the American Arbitration Association in New York, New York. Judgment upon any arbitration award rendered may be entered in any Court having jurisdiction thereof. The arbitrator shall not limit, expand or modify the terms of this Agreement nor award damages in excess of compensatory damages permitted under this Agreement, and each party waives any claim to such excess damages. The arbitrator shall not have any ability to award any equitable remedies and shall be limited to remedies available at law. Each party shall bear its own expenses (including attorneys' fees) and share equally all costs and fees of the arbitration. The content and result of the arbitration shall be held in confidence by all participants.

(c) Notwithstanding anything to the contrary contained in Section (b) above, the Parties agree that irreparable harm and damage would occur if there is any breach, or threatened or attempted breach by Customer or any User of this Agreement and that in addition to any other remedies that may be available (all remedies being cumulative) to BloomNet Technologies, BloomNet Technologies will be entitled to obtain equitable relief, including specific performance and injunctive relief, restraining any such breach or any further, attempted or threatened breaches, of such obligations without the necessity of posting any bond or showing any damages, and the Parties hereby irrevocably consent to the exclusive jurisdiction of the Supreme Court of the State of New York, County of Nassau, for any such action or proceeding.

(d) Customer shall not publish or use any advertising, sales promotions, press releases or other publicity that use the name, logo, trademarks or service marks of BloomNet Technologies, its Affiliates or any third parties who contribute to the System without the prior written approval of BloomNet Technologies, its Affiliates or any such third party provider.

(e) Nothing in this Agreement shall create or vest in Customer any right, title, or interest in the System and/or Licensed Materials, other than the right to use the System and/or Licensed Materials under the terms and conditions of this Agreement. This is the entire Agreement between the parties with respect to the System and Services provided hereunder and supersedes all prior agreements, proposals, representations, statements or understandings, whether written or oral, concerning the System and Services. No change, modification, or waiver of any of the terms of this Agreement shall be binding unless included in a written agreement and signed by both parties.

(f) If any portion of this Agreement is found to be invalid or unenforceable, the remaining portions shall remain in effect and each such portions of this Agreement shall be valid and shall be enforced to the full extent permitted by law.



(g) CUSTOMER MAY NOT ASSIGN ANY OF CUSTOMER'S RIGHTS, DUTIES OR OBLIGATIONS UNDER THIS AGREEMENT WITHOUT THE PRIOR EXPRESS WRITTEN CONSENT OF BLOOMNET TECHNOLOGIES, AND ANY ATTEMPTED ASSIGNMENT NOT EXPRESSLY CONSENTED TO IN WRITING BY AN OFFICER OF BLOOMNET TECHNOLOGIES SHALL BE NULL AND VOID. ANY ATTEMPT BY CUSTOMER TO SUBLICENSE, ASSIGN OR TRANSFER ANY OF THE CUSTOMER'S RIGHTS, DUTIES OR OBLIGATIONS UNDER THIS AGREEMENT SHALL BE NULL AND VOID.

(h) BLOOMNET TECHNOLOGIES SHALL HAVE THE RIGHT TO ASSIGN THIS AGREEMENT AND ANY OF ITS RIGHTS AND OBLIGATIONS HEREUNDER, EITHER IN WHOLE OR IN PART, WITHOUT THE CONSENT OF CUSTOMER.

(i) BloomNet Technologies' performance obligations under this Agreement shall be solely to Customer and not to any third party. Other than as may be expressly set forth herein, this Agreement shall not be deemed to provide third parties with any remedy, claim, right or action or other right.

(j) All formal notices, requests, demands and other communications required or permitted under this Agreement shall be sent electronically through the System or in writing and shall be deemed to have been duly made and received when sent, if sent electronically or personally served, or three (3) days after mailed by first class mail, certified mail, postage prepaid, to the addresses indicated on page one of this Agreement as to Customer and as to BloomNet to 7800 Bayberry Road, Jacksonville, Florida 32256, or to any such other address as a party shall specify to the other in writing. Customer agrees to regularly check for such notices and to bear the risk of failing to do so. If sent electronically to Customer, the notice will be sent to Customer's account. If sent electronically to BloomNet Technologies, the notice will be sent to:

**customerservice@bloomnet.net**

(k) No failure or delay by a party in exercising any right, power or remedy hereunder will operate as a waiver. No waiver will be effective unless it is in writing and signed by the waiving party. A waiver by either party of any term or condition of this Agreement in any instance shall not be deemed or construed as a waiver of a subsequent breach thereof. All remedies, rights, undertakings, obligations, and agreements contained in this Agreement shall be cumulative and none of them shall be a limitation of any other remedy, right, undertaking, obligation or agreement by either party.

(l) For purposes of this Agreement, the term "Affiliate" means with respect to any party, any person or entity controlling, controlled by or under common control with such party. "Control" (including the term "Controlling", "Controlled By" and "Under Common Control With") shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities or otherwise.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

BloomNet, Inc.

By: \_\_\_\_\_  
Name:  
Title:

CUSTOMER

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT A**

**USER AGREEMENT**

See attached.

## EXHIBIT A

### **BLOOMNET TECHNOLOGIES SYSTEM USER AGREEMENT**

IMPORTANT! Your use of the BloomNet Technologies System (as defined below) is permitted only pursuant to a license granted to your employer ("Customer") and you on the condition that you comply with the terms and conditions set forth below.

PLEASE CAREFULLY REVIEW THIS BLOOMNET TECHNOLOGIES SYSTEM USER AGREEMENT BETWEEN YOU, AS USER, AND BLOOMNET, INC. ("BLOOMNET TECHNOLOGIES") ("USER AGREEMENT"). BY ACCESSING THE BLOOMNET TECHNOLOGIES SYSTEM, OR ANY PORTION THEREOF, YOU AGREE TO BE BOUND BY, AND ARE BOUND BY, THE TERMS OF THIS AGREEMENT. AT SUCH TIME OF ACCESS, YOU SHALL HAVE ENTERED INTO THIS AGREEMENT WITH BLOOMNET TECHNOLOGIES. IF YOU DO NOT AGREE TO THE TERMS OF THIS AGREEMENT, THEN DO NOT ACCESS THE SYSTEM, OR ANY PORTION THEREOF, AND RETURN TO BLOOMNET TECHNOLOGIES ANY SOFTWARE AND/OR MATERIALS PROVIDED TO YOU.

#### **1. TERMS OF SERVICE; CHARGES AND BILLING PRACTICES**

A. BloomNet Technologies provides its BloomNet Technologies System, which currently includes Bloomlink, as well as additional available services and systems, including Directory Online, Hosted Websites, BloomNet Management System, BloomNet Products and Napco Imports (collectively for the purpose of this Agreement referred to as "BloomNet Technologies System" or the "System") to you as a registered user ("User" or "you"), subject to the terms of this User Agreement and the BloomNet Technologies System Agreement between Customer and BloomNet Technologies (the "Master Agreement"). This User Agreement and the Master Agreement comprise the entire agreement between BloomNet Technologies and you, superseding any prior agreements between you and BloomNet Technologies with respect to its subject matter. You acknowledge and agree that you are permitted to use the BloomNet Technologies System only due to and in connection with your employment by Customer and are subject to the terms of the Master Agreement. You agree to use the System as specified from time to time by BloomNet Technologies. Additionally, you may be subject to additional terms and conditions that may apply when you use affiliate services, third-party content, software, or services. This User Agreement and the limited rights granted to you hereunder shall terminate upon the termination of the Master Agreement or earlier as provided in this Agreement.

B. BloomNet Technologies may change the User Agreement at any time, and such change shall take effect thirty (30) days after notice to the Customer and you ("Effective Date"). The then current User Agreement will be posted on BloomNet Essential (formerly Bloomlink). You agree to review the User Agreement periodically to be aware of such changes. If any change is unacceptable to you, you may terminate your registration by giving notice to BloomNet Technologies at customerservice@bloomnet.net. YOUR CONTINUED USE OF THE SYSTEM, OR ANY PORTION THEREOF, FOLLOWING THE EFFECTIVE DATE OF ANY SUCH CHANGES TO THE USER AGREEMENT CONSTITUTES ACCEPTANCE OF ALL SUCH CHANGES.

C. Rates and fees for using the System are set forth in and governed by the Master Agreement.

#### **2. USER INFORMATION**

You certify that YOU ARE AT LEAST EIGHTEEN (18) YEARS OLD. You agree to provide BloomNet Technologies with accurate, complete, and current registration information.

Unauthorized access to the System could result in immediate termination of your and the Customer's account and subject you to civil and criminal liability. By registering as a User, you will receive a password. BloomNet Technologies owns all passwords, may delete the same, and licenses them to you. You may not use your password name in violation of this User Agreement. You are entirely liable for all activities conducted using your password. A User may not permit another individual to use your password. Because BloomNet Technologies sends important notices about your registration to the Customer and/or you, you agree to check the System regularly and bear the risk of failing to do so. Users who have had their BloomNet Technologies registration terminated may not access the



System without BloomNet Technologies' prior express written (including e-mail) permission. Users may not allow a former User or other agent whose registration has been terminated to use their account.

### 3. RIGHTS AND RESPONSIBILITIES

You acknowledge that:

(i) The System contains information (transactional and otherwise), communications, and software, and may contain photos, video, graphics, music, sounds, and other material and services (collectively "Content"); (ii) certain Content is the property of BloomNet Technologies and its affiliates and other Content may be provided under license by independent providers of Content ("ICPs") and other Users; and (iii) at a minimum, BloomNet Technologies owns a copyright in the selection, coordination, arrangement, and enhancement of such Content.

Each Customer and any User must evaluate, and bear the risk associated with any reliance on the accuracy, completeness or usefulness of, any Content.

BloomNet Technologies does not pre-screen Content as a matter of policy; however, BloomNet Technologies, its affiliates, and ICPs shall have the right, but not the responsibility, to remove Content that they deem harmful, offensive or otherwise in violation of this User Agreement or the Master Agreement. Accordingly, you acknowledge that neither BloomNet Technologies, its affiliates, nor any ICP shall assume or have any liability for any action or inaction by BloomNet Technologies or its affiliates, or any ICP, with respect to Content on, or Content changes within, the System or otherwise.

You acknowledge the following: (i) BloomNet Technologies permits access to Content that is protected by copyrights, trademarks, and other intellectual and proprietary rights ("Rights"); (ii) these Rights are valid and protected in all media and technologies existing now or later developed; and (iii) except as explicitly provided otherwise, the User Agreement, applicable copyright and other laws govern your use of Content.

You agree that you may upload to the System, or otherwise transmit on or through the System only Content that (1) is not subject to any Rights or (2) any holder of Rights has given express authorization for distribution on the System. You represent that if you upload any files or Content, you have the legal authorization to do so. You agree that BloomNet Technologies may employ virus-checking technology to protect the System and its Customers and users from viruses. By submitting Content to any "public area" of the System (e.g., any Chat Rooms, message boards, or forums, messages, and orders), you grant BloomNet Technologies and its affiliates the royalty-free, perpetual, irrevocable, non-exclusive right (including any moral rights) and license to use, reproduce, modify, adapt, publish, translate, create derivative works from, distribute, communicate to the public, perform and display the Content (in whole or in part) worldwide and/or to incorporate it in other works in any form, media or technology now known or later developed, for the full term of any rights that may exist in such Content.

You also warrant that the holder of any Rights, including moral rights in such Content, has completely and effectively waived all such Rights and validly and irrevocably granted to you the right to grant the license stated above. You also permit any User and authorized user to access, display, view, store and reproduce the Content for personal use. Subject to the foregoing, the owner of Content placed on the System retains any and all Rights that may exist in such Content.

You recognize that communication over the System often occurs in real time. You acknowledge that BloomNet Technologies cannot, and does not intend to, screen communication in advance for accuracy or conformance to the User Agreement or any laws. However, BloomNet Technologies may elect, at its sole discretion, to monitor some, all, or none of the public areas for adherence to the User Agreement. Accordingly, you acknowledge that neither BloomNet Technologies, its affiliates, nor any ICP shall assume or have any liability for any action or inaction by BloomNet Technologies, its affiliates, or any ICP with respect to Content on the System. Any conduct by a User that in BloomNet Technologies' sole discretion restricts or inhibits any other user, person or entity from using or enjoying the System or another service shall entitle BloomNet Technologies to immediately terminate registration without notice. You agree to use the System only for lawful purposes. **YOU MAY NOT USE, OR ALLOW OTHERS TO USE, YOUR SYSTEM ACCOUNT, EITHER DIRECTLY OR INDIRECTLY, TO:**



- (1) post, transmit, or promote any unlawful, harmful, threatening, abusive, harassing, defamatory, vulgar, obscene, hateful, racially, ethnically or otherwise objectionable Content;
- (2) harass, threaten, embarrass, or cause distress, unwanted attention or discomfort upon another user of the System or other person or entity;
- (3) post, transmit, promote, link, or facilitate the distribution of sexually explicit or other Content that is deemed by BloomNet Technologies to be offensive;
- (4) disrupt the normal flow of orders or messages or the dialogue in a chat room or on a message board, if any, or otherwise act in a manner that negatively affects other Users, users, individuals or entities, such as causing the screen to "scroll" faster than other Users or users are able to type to it or any action to a similar disruptive effect;
- (5) impersonate any person or entity, including, but not limited to, a BloomNet Technologies official, or an ICP, or communicate under a false name or a name that you are not entitled or authorized to use, or impersonate a minor;
- (6) post or transmit, or cause to be posted or transmitted, chain letters or pyramid schemes;
- (7) post or transmit or cause to be posted or transmitted, any unsolicited advertising, promotional materials, or other forms of solicitation to other Users, individuals or entities, except in those areas, if any, that are expressly designated for such a purpose, or collect or harvest screen names or other users, without permission;
- (8) post or transmit, or cause to be posted or transmitted, any communication or solicitation designed or intended to obtain password, account, or private financial information from any user;
- (9) violate any operating rule, policy or guideline of any other interactive service;
- (10) intentionally or unintentionally violate any applicable local, state, national, international or foreign law, including, but not limited to, any rules or regulations having force of law, or
- (11) violate any terms of this Agreement or the Master Agreement, or any other rules, directives or policies of BloomNet Technologies. BloomNet Technologies reserves the right to protect its customers, users, BloomNet Technologies and others from offensive email communication, including, but not limited to, the right to block mass e-mail solicitations, or "junk e-mail."

You also agree and accept that as new products or services become available on or through the System, your use of these products is subject to this User Agreement and the Master Agreement. In addition to Content and services provided by ICPs, BloomNet Technologies, and its affiliates, others may offer Content, software or other services to Users with their own terms and conditions relating to your use. Failure to abide by these terms and conditions may result in termination of your registration.

#### 4. NAVIGATIONAL AND TRANSACTIONAL INFORMATION.

BloomNet Technologies may collect and store certain navigational and transactional information, such as data on the choices you make from the range of available services or merchandise and the times and ways you use the System, or information on the orders sent through the System.

BloomNet Technologies may use navigational and transactional information to personalize the System, for programming and editorial research and to otherwise facilitate the transmission of orders and otherwise for the operation of the System. For example, and without limiting the foregoing, BloomNet Technologies may use this information to understand User's reaction to menu items, Content, services and merchandise offered through the System and to customize the System based on User's interest. BloomNet Technologies may disclose to third parties navigational or transactional information and you hereby authorize such disclosure.



## 5. BLOOMNET TECHNOLOGIES SOFTWARE LICENSES

To the extent BloomNet Technologies delivers any software to you, BloomNet Technologies grants to you a non-exclusive, limited, revocable, limited license to use such software to connect to the System via the Customer's computer system. This license is subject to the restriction that, except where expressly permitted by law, you may not, or permit others to, translate, reverse-engineer or reverse-compile or decompile, disassemble or make derivative works from, any such software. You may not, or permit others to, modify such software or use it in any way not expressly authorized in this Agreement. This license will terminate upon the termination of this Agreement.

## 6. WARRANTY AND LIMITATION OF LIABILITY

FOR PURPOSES OF THIS SECTION 6, BLOOMNET TECHNOLOGIES INCLUDES BLOOMNET TECHNOLOGIES, AND ANY AFFILIATED, PARENT AND SUBSIDIARY ENTITIES OF BLOOMNET TECHNOLOGIES, ANY SUBCONTRACTORS AND SUPPLIERS OF THE FOREGOING, ANY THIRD-PARTY LICENSORS AND LESSORS, AND THE DIRECTORS, EMPLOYEES, OFFICERS, AGENTS, SUBCONTRACTORS AND SUPPLIERS OF ALL OF THEM.

USER EXPRESSLY AGREES THAT THE SYSTEM, THE USE OF THE SYSTEM, ANY SERVICES UNDER THE SYSTEM, ANY SOFTWARE, HARDWARE OR OTHER EQUIPMENT PROVIDED UNDER THIS AGREEMENT ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS, WITHOUT WARRANTIES OR GUARANTEES OF ANY KIND, EITHER EXPRESS OR IMPLIED, UNLESS SUCH WARRANTIES ARE LEGALLY INCAPABLE OF EXCLUSION. FURTHERMORE, BLOOMNET TECHNOLOGIES EXPRESSELY DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT. CUSTOMER AND USER ASSUME TOTAL RESPONSIBILITY AND RISK FOR USE OF THE SYSTEM AND THE SERVICES, AND BLOOMNET TECHNOLOGIES AND ANY THIRD PARTIES WHO CONTRIBUTE TO THE SYSTEM SHALL NOT BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, RELIANCE OR SPECIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR HARM TO BUSINESS, LOST PROFITS, LOST SAVINGS, OR LOST REVENUES, EVEN IF BLOOMLINK HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND EVEN IF A REMEDY SET FORTH HEREIN IS FOUND TO HAVE FAILED OF ITS ESSENTIAL PURPOSE. BLOOMNET TECHNOLOGIES ALSO SHALL NOT BE LIABLE FOR ANY DAMAGE CUSTOMER OR USER MAY SUFFER ARISING OUT OF OR RELATING TO: SERVICE INTERRUPTIONS; INTEROPERABILITY, INTERACTION OR INTERCONNECTION OF THE SERVICES WITH APPLICATIONS, EQUIPMENT, SERVICES OR SYSTEMS PROVIDED BY CUSTOMER OR THIRD PARTIES; OR, UNAUTHORIZED ACCESS TO OR THEFT, ALTERATION, LOSS OR DESTRUCTION OF CUSTOMER'S OR USERS' APPLICATION, DATA PROGRAMS, INFORMATION, SYSTEM, COMPUTER SYSTEM OR SYSTEMS TO OR THROUGH ACCIDENT, FRAUDULENT MEANS OR ANY OTHER METHOD, BY CUSTOMER, USERS OR THIRD PARTIES. BLOOMNET TECHNOLOGIES DOES NOT GUARANTEE THAT USERS WILL BE ABLE TO ACCESS THE SERVICE AT A TIME OR LOCATION OF THEIR CHOOSING, OR THAT IT WILL HAVE ADEQUATE CAPACITY FOR THE SERVICE AS A WHOLE OR FOR PARTICULAR PRODUCTS. BLOOMNET TECHNOLOGIES' ENTIRE AGGREGATE LIABILITY UNDER THIS AGREEMENT AND THE MASTER AGREEMENT AND THE SOLE REMEDY WITH RESPECT TO USE OF SYSTEM, ANY SERVICES UNDER THE SYSTEM, AND ANY SOFTWARE, HARDWARE OR OTHER EQUIPMENT PROVIDED UNDER THIS AGREEMENT, SHALL BE RECOVERY BY CUSTOMER OF AMOUNTS PAID BY CUSTOMER TO BLOOMNET TECHNOLOGIES UNDER THE MASTER AGREEMENT DURING THE PREVIOUS THREE (3) MONTHS, (NOT INCLUDING ORDER PROCESSING OR TRANSACTION FEES). BECAUSE SOME STATES OR JURISDICTIONS DO NOT ALLOW THE EXCLUSION OR THE LIMITATION OF LIABILITY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES, IN SUCH STATES OR JURISDICTIONS, BLOOMNET TECHNOLOGIES' LIABILITY SHALL BE LIMITED TO THE EXTENT PERMITTED BY LAW. BLOOMNET TECHNOLOGIES DOES NOT ENDORSE, WARRANT OR GUARANTEE ANY PRODUCT OR SERVICE OFFERED THROUGH THE SYSTEM, EXCEPT AS EXPRESSLY PROVIDED ELSEWHERE.



THE LIMITATIONS OF LIABILITY CONTAINED IN THIS SECTION 6 SHALL APPLY REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, WARRANTY, STRICT LIABILITY OR TORT, AND SHALL SURVIVE FAILURE OF AN EXCLUSIVE REMEDY.

BLOOMNET TECHNOLOGIES SHALL NOT BE RESPONSIBLE FOR: (i) SERVICE IMPAIRMENTS CAUSED BY ACTS WITHIN THE CONTROL OF CUSTOMER, ITS EMPLOYEES, AGENTS, USERS, SUBCONTRACTORS, OR SUPPLIERS; (ii) INTEROPERABILITY OF SPECIFIC CUSTOMER OR USER APPLICATIONS; (iii) INABILITY OF CUSTOMER OR USER TO ACCESS OR INTERACT WITH ANY OTHER SERVICE PROVIDER THROUGH THE INTERNET OR OTHER COMMUNICATIONS NETWORKS OR THE INFORMATIONAL OR COMPUTING RESOURCES AVAILABLE THROUGH THE INTERNET OR OTHER COMMUNICATIONS NETWORKS; (iv) INTERACTION WITH OTHER SERVICE PROVIDERS, SYSTEMS, USERS OR INFORMATIONAL OR COMPUTING RESOURCES THROUGH THE INTERNET OR OTHER COMMUNICATIONS NETWORKS; (v) SERVICES PROVIDED BY OTHER SERVICE PROVIDERS; (vi) USE OF ANY THIRD PARTY SOFTWARE OR HARDWARE COMPONENTS AND/OR SYSTEMS; (vii) CUSTOMER'S OR USER'S FAILURE TO USE THE SYSTEM OR ANY SERVICES PROVIDED UNDER THE SYSTEM IN ACCORDANCE WITH ANY MANUALS OR INSTRUCTIONS PROVIDED BY BLOOMNET TECHNOLOGIES; (viii) PERFORMANCE IMPAIRMENTS CAUSED ELSEWHERE ON THE INTERNET OR OTHER COMMUNICATIONS NETWORKS; OR (ix) USE OF THE SYSTEM OR ANY SERVICES AVAILABLE UNDER THE SYSTEM, INCLUDING, WITHOUT LIMITATION, ANY SOFTWARE OR HARDWARE COMPONENT THEREOF, IN A MANNER CONTRARY TO THE TERMS OF THIS AGREEMENT OR THE MASTER AGREEMENT.

WITHOUT LIMITING ANY OTHER PROVISION OF THIS SECTION 6, BLOOMNET TECHNOLOGIES DOES NOT SUPPORT OR ASSUME, AND HEREBY DISCLAIMS, ANY RESPONSIBILITY WHATSOEVER FOR THE SELECTION, USE, AND CONSEQUENCES, INCLUDING, BUT NOT LIMITED TO, LOSS OF DATA, OF ANY THIRD PARTY COMPONENTS AND/OR A THIRD PARTY SYSTEM AND THEIR COMPATIBILITY WITH THE SYSTEM. USER HEREBY ACKNOWLEDGES AND AGREES THAT USER ASSUMES FULL AND TOTAL RESPONSIBILITY FOR SELECTION, USE AND CONSEQUENCES OF ANY THIRD PARTY COMPONENTS AND/OR SYSTEM AND FOR ANY IMPACT ON SUCH COMPONENTS OR SYSTEM ON USER OR CUSTOMER'S COMPUTER SYSTEM, THE SYSTEM AND/OR ANY OTHER SYSTEM OR FACILITY OF CUSTOMER OR USER.

WITHOUT LIMITING ANY OTHER PROVISION OF THIS SECTION 6, CUSTOMER AND USER SHALL BE RESPONSIBLE FOR AND BLOOMNET TECHNOLOGIES SHALL NOT HAVE ANY RESPONSIBILITY FOR INCOMPATIBILITY BETWEEN SOFTWARE, MODIFICATIONS OR UPDATES PROVIDED BY BLOOMNET TECHNOLOGIES FOR CUSTOMER'S COMPUTER SYSTEM OR CHANGES IN THE SYSTEM PROVING INCOMPATIBLE WITH CUSTOMER'S COMPUTER SYSTEM OR WITH ANY THIRD PARTY COMPONENTS AND/OR SYSTEM, NOR SHALL BLOOMNET TECHNOLOGIES BE LIABLE IF SUCH UPDATES CORRUPT ANY THIRD PARTY COMPONENTS AND/OR SYSTEM OR DATA GENERATED OR USED IN ANY THIRD PARTY COMPONENTS AND/OR SYSTEM OR RENDER ANY THIRD PARTY COMPONENTS AND/OR SYSTEM OR RENDER ANY THIRD PARTY COMPONENTS AND/OR SYSTEM INOPERABLE.

BLOOMNET TECHNOLOGIES DISCLAIMS ALL LIABILITY FOR AND USER AGREES THAT BLOOMNET TECHNOLOGIES SHALL NOT BE LIABLE FOR FAILURE OF OR DELAY IN TRANSMISSION OF ORDERS OR LOSS OF ORDERS OR TRANSACTIONAL INFORMATION RESULTING FROM SYSTEM MALFUNCTION, DISRUPTION OF CARRIER LINES, LOSS OF POWER, NATURAL DISASTERS OR ANY AND ALL CAUSES REASONABLY BEYOND BLOOMNET TECHNOLOGIES' CONTROL.

YOU ACKNOWLEDGE THAT BLOOMNET TECHNOLOGIES CANNOT AND DOES NOT INTEND TO SCREEN COMMUNICATIONS IN ADVANCE FOR ACCURACY OR CONFORMANCE TO THIS AGREEMENT OR ANY LAWS. HOWEVER, BLOOMNET TECHNOLOGIES MAY ELECT, AT ITS OWN DISCRETION, TO MONITOR SOME, ALL, OR NONE OF THE SYSTEM'S AREAS FOR ADHERENCE TO THIS USER AGREEMENT. ACCORDINGLY, YOU ACKNOWLEDGE THAT NEITHER BLOOMNET TECHNOLOGIES, ANY OF ITS AFFILIATES, NOR ANY THIRD PARTIES WHO CONTRIBUTE TO

**THE SYSTEM SHALL ASSUME OR HAVE ANY LIABILITY FOR ANY ACTION OR INACTION BY BLOOMNET TECHNOLOGIES, OR ITS AFFILIATES, WITH RESPECT TO ANY CONTENT ON THE SYSTEM. ANY CONDUCT BY A CUSTOMER OR USER THAT IN BLOOMNET TECHNOLOGIES' SOLE DISCRETION RESTRICTS OR INHIBITS ANY OTHER CUSTOMER, USER, PERSON OR ENTITY FROM USING OR ENJOYING THE SYSTEM SHALL ENTITLE BLOOMNET TECHNOLOGIES TO IMMEDIATELY TERMINATE THIS AGREEMENT WITHOUT NOTICE. YOU AGREE TO USE THE SYSTEM ONLY FOR LAWFUL PURPOSES, AND TO ENSURE THAT USERS USE THE SYSTEM IN COMPLIANCE WITH THIS USER AGREEMENT AND THE MASTER AGREEMENT.**

#### **7. INDEMNIFICATION**

User agrees to defend, indemnify and hold harmless BloomNet Technologies, its affiliated companies, and their respective employees, contractors, officers, directors, telecommunications providers, and ICPs from all liabilities, claims and expenses, including attorneys' fees, that arise from breach of this User Agreement, by use of, or in connection with, the transmission of any Content on the System or the Internet by or through User's account. BloomNet Technologies reserves the right to assume the exclusive defense and control of any matter otherwise subject to indemnification by User hereunder.

#### **8. GOVERNING LAW AND VENUE; REMEDIES; NOTICES**

If any portion of this User Agreement shall be found invalid or unenforceable, the remaining portions shall remain in effect and shall be enforced to the full extent permitted by law. This Agreement shall be construed and governed by the laws of the State of New York, without regard to its choice of law rules. Any dispute arising out of this Agreement shall be submitted to binding arbitration as provided in the Master Agreement. User also has read and agrees to the provisions concerning equitable relief and exclusive jurisdiction and venue (in the Supreme Court of the State of New York, County of Nassau) in the Master Agreement.

Notices required or permitted under this Agreement shall be sent electronically to the Customer at its account on the System or to BloomNet Technologies at [customerservice@bloomnet.net](mailto:customerservice@bloomnet.net) and shall be deemed duly made and received when sent.



CONROY'S, INC.  
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT L-3  
BLOOMNET ORDER REFERRAL PROGRAM RATE SCHEDULE

## Order Referral Program

\$6.00 per order for 20+ orders successfully referred per month from order #1

\$4.00 per order for 1-19 orders successfully referred per month



NOTE: No minimum order dollar value or minimum monthly order referral requirement.

Earned rebates are paid on the last day of the month for those accounts that are current on the statement due date.

MEMBERSHIP RATES (Based on Total Orders Fulfilled)		
Monthly Orders Fulfilled	Monthly Rate	
0-10	\$0.00	
11-29	\$49.99	
30-59	\$129.99	
60-99	\$199.99	
100-199	\$349.99	
200-299	\$649.99	
300-499	\$849.99	
500-749	\$999.99	
750-999	\$1,249.99	
1000+	\$1,499.99	
Payment Processing Fee	Standard Rate	
1-800-FLOWERS.com to Florist	9%	
Florist to Florist	9%	
Optional Low Referral Rate	Monthly Rate	
Less than 20 orders per month referred	\$19.99	
Optional Reciprocity Surcharge	Monthly Rate	Ratio of Orders
5% of order gross merchandise fulfilled		Successfully referred to fulfilled 3:1
Marketing & Education Surcharges	Monthly Rate	Ratio of Orders
BloomNet's Floral Selection Guide	\$14.99	
Education: Floriology Magazine & Floriology Now	\$19.99	

BLOOMNET TECHNOLOGIES (BloomLink Access Rate)	
BloomLink Access	Monthly Rate
1 - 10 monthly orders fulfilled	\$0.00
11 - 29 monthly orders fulfilled	\$49.99
30 - 59 monthly orders fulfilled	\$79.99
60 - 99 monthly orders fulfilled	\$119.99
100 - 199 monthly orders fulfilled	\$179.99
200 - 299 monthly orders fulfilled	\$229.99
300 - 499 monthly orders fulfilled	\$269.99
500+ monthly orders fulfilled	\$314.99
BloomLink Software	Monthly Rate
Licensing Fee	\$5.00
Third Party POS	Monthly Rate
Integration Fee	\$10.00
Florist Hosted Website Program	Rates
Initial Setup (one time fee)	\$159.00 (one time)
Web Hosting Basic with SSL/SA	\$99.99/month
Web Hosting Advanced (SSL/Ratings/SEO)	\$149.99/month
URL Registration Fee	\$19.99/year
Additional Domain Name Fee	\$19.99/year
Domain Name Change Fee (one time fee)	19.99 (one time)
Order Capture Rate	\$4.99/order
Web Marketing Program	\$24.99/month
Order Fulfillment	Rates
Fulfillment Rate	\$3.50/order
Delivery Confirmation Credit	\$1.00/order
All other messages	NO CHARGE
International	Rates
BloomLink messages	NO CHARGE

**BloomNet Rate Schedule (Effective July 2023)**

<b>DIRECTORY ADVERTISING</b>		<b>Monthly Rate</b>	
Directory Online   Consumer Directory (locatemyflorist.com)		\$24.99	
Printed Directory (shipping & handling)		\$12.99/mailling	
<b>Listings</b>	<b>Rates/Listing</b>	<b>ONLINE</b>	<b>PRINT</b>
Resident Listing	\$19.99		
Extra Listings	\$19.99		
Facility Listing	\$4.99	X	
Open Sunday Listing (includes all listings)	\$10.99	X	
<b>Display Advertising</b>	<b>Monthly Rate/Ad</b>	<b>ONLINE</b>	<b>PRINT</b>
6" ad	\$89.99	X	X
9" ad	\$119.99	X	X
Half Page ad	\$199.99	X	X
Full Page ad	\$299.99	X	X
Set Up Charge (one time fee)	\$9.99	X	X

**TIMELY REPLY PROGRAM**

<b>Conditions</b>	<b>Assessment</b>
Order Rejected more than 2 standard business hours	\$10.00
Order Rejected more than 24 hours	\$20.00
Order Rejected more than 72 hours	Full Order Value
Order Rejected more than 2 standard business hours and after cutoff time on the day of delivery	2x Full Value of Order
<b>Conditions, Delivery Notifications</b>	<b>Assessment</b>
Delvery notification missing on order	\$2.25
Delivery notifications sent after cutoff time	\$2.25

**QUALITY ASSURANCE PROGRAM****\$19.99 /monthly Assessment****TERMINATION**

*Florists are subject to a \$99.00 final statement preparation charge and the account will go into an automatic hold status for 120 days to allow reporting of any orders by sending and receiving Florists. Proprietary and confidential information. In compliance with individual state laws, please note certain products and services are subject to taxation.*

CONROY'S, INC.  
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT M  
LIST OF CURRENT FRANCHISEES AS OF JUNE 30, 2024

1-800-FLOWERS | CONROY'S  
LIST OF CURRENT FRANCHISEES AS OF  
JUNE 30, 2024

SITE #	OWNER(S) or OPERATOR(S)	STREET ADDRESS	CITY	ST	ZIP	TELEPHONE
F-73	Jaime C. Castellanos	3310 Truxtun Ave., Ste. 100	Bakersfield	CA	93301	661-325-8565
F-37	USA SUNSHINE GARDENING, INC. (Guangyu (Gary) Shen	7201 S. Atlantic Blvd.	Bell	CA	90201	323-562-9117
F-36	Juzer & Tasneem Saifee	22065 Sherman Way	Canoga Park	CA	91303	818-999-6922
F-120	Juzer & Tasneem Saifee / Yunus Siraj Daginawala & Zainab Firoz Koita	18980 Soledad Canyon Road	Canyon Country	CA	91351	661-360-2939
F-27	SOFTCONCEPTS, INC. (Mir Mahmood Ali)	2983 Harbor Blvd.	Costa Mesa	CA	92626	714-540-3135
F-107	LENO, INC. (Chul Han Lee, Hwa Soon Lee, & Calvin H. Lee)	101 S. Azusa Avenue	Covina	CA	91722	626-967-5381
F-39	Yogesh & Jalpa Patel	4362 Lincoln Avenue	Cypress	CA	90630	714-947-0294
F-57	Se Min Lee & Jieun Shim	12565 Lakewood Blvd.	Downey	CA	90242	562-861-5371
F-47	AYODA, LLC (Vishweshwar Ghanakota & Shubhangi Nandan Dongre)	450 Fletcher Parkway, Unit 107	El Cajon	CA	92020	619-444-3131
F-41	AL-BURHAN, LLC (Juzer & Tasneem Saifee / Yunus Siraj Daginawala)	17401 Ventura Blvd., Unit A5	Encino	CA	91316	818-981-4772
F-119	CALEEB, INC. (Calvin H. Lee & Bomin Kwon) (Transfer)	3377 West Shaw Avenue	Fresno	CA	93711	559-490-4242
F-26	Yogesh & Jalpa Patel	11312 Crenshaw Blvd.	Inglewood	CA	90303	323-455-1528
F-15	JIN'S FLOWER CORPORATION (Jin Sung Kim)	5690 E. Seventh St.	Long Beach	CA	90804	562-498-6681

SITE #	OWNER(S) or OPERATOR(S)	STREET ADDRESS	CITY	ST	ZIP	TELEPHONE
F-30	Seung Bum Kim & Eun Hye Lee	4104 Lakewood Blvd.	Long Beach	CA	90808	562-421-9401
F-1	GREENROSE, INC. (Woo Yong Chang & Vivian Eunmi Chang)	374 S. La Cienega Blvd.	Los Angeles	CA	90048	310-855-0102
F-66	SD KAPADIA, INC. (Dhirendra K. & Sonal D. Kapadia)	28442 Marguerite Parkway	Mission Viejo	CA	92692	949-364-9005
F-95	JCSK International, Inc. (Jung Woo Choi & Seung Yeon Kim)	3601 Jamboree Rd., Ste. 25	Newport Beach	CA	92660	949-418-9339
F-14	Jaime C. Castellanos	12901 Victory Blvd.	No. Hollywood	CA	91606	818-769-5312
F-24	CMS FLORIST, INC. (Yu C. & Bu Ok Kim)	7957 Haven Avenue	Rancho Cucamonga	CA	91730	909-980-6614
F-4	BLUE MAPLE TREE, LLC (Jaime C. Castellanos & Cesar H. Hernandez)	2709 Artesia Blvd.	Redondo Beach	CA	90278	310-370-6243
F-78	Young Ho Kim & Kil Sook Kim	4310 Genesee Ave., Ste. 107	San Diego	CA	92117	858-707-0000
F-12	SAM'S FLOWER ENTERPRISES, INC. (Jin Sung Kim)	1702 Sepulveda Blvd.	Torrance	CA	90501	310-539-0624
F-77	JCSK INTERNATIONAL, INC. (Jung {John} Woo Choi & Seung {Sunny} Yeon Kim)	13791 Newport Ave., #1	Tustin	CA	92780	714-730-9120
F-104	CMS FLORIST, INC. (Yu C. & Bu Ok Kim)	12420 Amargosa Rd., Unit B	Victorville	CA	92392	760-955-1100

IF YOU BUY THIS FRANCHISE, YOUR CONTACT INFORMATION MAY BE DISCLOSED TO OTHER BUYERS WHEN YOU LEAVE THE FRANCHISE SYSTEM.



CONROY'S, INC.  
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT N  
LIST OF FORMER FRANCHISEES AS OF JUNE 30, 2024

1-800-FLOWERS | CONROY'S

LIST OF OUTLETS TRANSFERRED FROM FRANCHISEES TO NEW OWNERS

AS OF JUNE 30, 2024

None.

FRANCHISEES WHO HAD AN OUTLET TERMINATED, CANCELLED, NOT RENEWED OR OTHERWISE VOLUNTARILY OR INVOLUNTARILY CEASED TO DO BUSINESS AS OF JUNE 30, 2024

SITE #	OWNER(S) or OPERATOR(S)	CITY	ST	TELEPHONE
F-87	NIKA, INC. (Morteza K. Nistanaki)	Irvine	CA	949-252-1116
F-95	BEHTAR INCORPORATED (Morteza K. Nistanaki)	Newport Beach	CA	949-252-0222

IF YOU BUY THIS FRANCHISE, YOUR CONTACT INFORMATION MAY BE DISCLOSED TO OTHER BUYERS WHEN YOU LEAVE THE FRANCHISE SYSTEM.

CONROY'S, INC.  
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT O  
FINANCIAL STATEMENTS



# CONROY'S, INC.

FINANCIAL STATEMENTS

JUNE 30, 2024 and JULY 2, 2023

**CONROY’S, INC.**

**Contents**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors and Shareholder of  
Conroy's, Inc.

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Conroy's, Inc. (the "Company"), which comprise the balance sheets as of June 30, 2024 and July 2, 2023, and the related statements of operations and retained earnings, and cash flows for each of the fiscal years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Conroy's, Inc. as of June 30, 2024 and July 2, 2023, and the results of its operations and its cash flows for each of the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

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

Management is responsible for the preparation and fair presentation of these 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 the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### ***Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 the Company'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.

*EisnerAmper LLP*

EISNERAMPER LLP  
New York, New York  
October 8, 2024



**CONROY'S, INC.****Balance Sheets**

	<b>June 30, 2024</b>	<b>July 2, 2023</b>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 481,196	\$ 314,411
Accounts receivable	131,941	154,465
Note receivable	11,348	-
	<u>624,485</u>	<u>468,876</u>
Total current assets	624,485	468,876
Operating lease right-of-use assets	685,282	566,415
Due from affiliates, net	9,336,911	9,339,958
Security deposits	10,200	10,200
Deferred tax assets	-	15,363
	<u>10,656,878</u>	<u>10,400,812</u>
Total assets	\$ 10,656,878	\$ 10,400,812
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>		
Current liabilities:		
Accrued professional fees	\$ 74,430	\$ 100,738
Deferred sublease rental income	24,195	24,195
Current portion of deferred franchise fee revenue	53,932	67,503
Other accrued expenses	16,893	16,232
Assignment of sublease obligation, current portion	47,441	45,680
Current portion of operating lease liabilities	167,117	211,939
	<u>384,008</u>	<u>466,287</u>
Total current liabilities	384,008	466,287
Deferred franchise fee revenue, net of current portion	127,010	147,687
Security deposits	71,041	71,041
Assignment of sublease obligation, net of current portion	78,646	126,088
Deferred tax liabilities	6,093	-
Operating lease liabilities, net of current portion	497,220	330,497
	<u>1,164,018</u>	<u>1,141,600</u>
Total liabilities	1,164,018	1,141,600
Shareholder's equity:		
Common stock, no par value, 7,500 shares authorized, 2,000 shares issued and outstanding	110,000	110,000
Additional paid-in capital	2,940,000	2,940,000
Retained earnings	6,442,860	6,209,212
	<u>9,492,860</u>	<u>9,259,212</u>
Total shareholder's equity	9,492,860	9,259,212
Total liabilities and shareholder's equity	\$ 10,656,878	\$ 10,400,812

See notes to financial statements



**CONROY'S, INC.****Statements of Operations and Retained Earnings**

	<b>Years Ended</b>	
	<b>June 30, 2024</b>	<b>July 2, 2023</b>
<b>Revenues:</b>		
Continuing license fees	\$ 433,816	\$ 564,353
Initial franchise fees	79,248	73,011
Sublease rent	489,615	461,631
Other income	241	211
Total revenues	<u>1,002,920</u>	<u>1,099,206</u>
<b>Costs and expenses:</b>		
Selling, general and administrative	313,569	314,596
Rent	332,157	303,532
Interest expense	24,772	24,772
Bad debt expense	7,489	-
Total costs and expenses	<u>677,987</u>	<u>642,900</u>
Income before income taxes	324,933	456,306
Provision for income taxes	<u>91,285</u>	<u>129,777</u>
<b>Net income</b>	<b>233,648</b>	<b>326,529</b>
<b>Retained earnings:</b>		
Beginning of year	<u>6,209,212</u>	<u>5,882,683</u>
<b>End of year</b>	<b><u>\$ 6,442,860</u></b>	<b><u>\$ 6,209,212</u></b>

**CONROY'S, INC.****Statements of Cash Flows**

	<b>Years Ended</b>	
	<b>June 30, 2024</b>	<b>July 2, 2023</b>
<b>Operating activities:</b>		
Net income	<b>\$ 233,648</b>	<b>\$ 326,529</b>
Reconciliation of net income to net cash provided by (used in) operating activities:		
Deferred income taxes	<b>21,456</b>	27,814
Provision for doubtful accounts	<b>7,489</b>	-
Amortization of sublease obligation assignment	<b>(45,681)</b>	(43,961)
Changes in operating assets and liabilities:		
Accounts receivable	<b>15,035</b>	(1,517)
Notes receivable	<b>(11,348)</b>	-
Due from affiliates, net	<b>3,047</b>	(582,365)
Deferred franchise fee revenue	<b>(34,248)</b>	(36,386)
Accrued professional fees and other accrued expenses	<b>(25,647)</b>	(540)
Other assets and other liabilities	<b>3,034</b>	(778)
Net cash provided by (used in) operating activities	<b>166,785</b>	(311,204)
<b>Net increase (decrease) in cash</b>	<b>166,785</b>	(311,204)
Cash at beginning of year	<b>314,411</b>	625,615
<b>Cash at end of year</b>	<b>\$ 481,196</b>	<b>\$ 314,411</b>

## CONROY'S, INC.

### Notes to Financial Statements June 30, 2024 and July 2, 2023

#### NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

##### [1] Organization:

Conroy's, Inc. (the "Company") is a franchisor of retail flower shops located in California. The Company is a wholly-owned subsidiary of 1-800-FLOWERS Retail, Inc. (the retail subsidiary of 1-800-FLOWERS.COM, Inc., a public company). As of June 30, 2024 and July 2, 2023, the Company had 24 and 25 franchise locations in operation, respectively.

The Company's fiscal year is a 52- or 53-week period ending on the Sunday nearest to June 30. Fiscal year 2024, which ended on June 30, 2024, and fiscal year 2023, which ended on July 2, 2023, each consisted of 52 weeks.

##### [2] Revenue recognition:

Revenue is derived from initial franchise fees, continuing license fees, and sublease rental income.

A description of the Company's principal revenue generating activities is as follows:

- Continuing license fees – are royalties calculated based on a percentage of the franchisees' gross sales, related to the Company's performance obligation to its franchisees to maintain the Marks, the System, and the Trade Practices being licensed. These variable royalties are recognized in the period in which the related floral sales are made by the franchisee. Continuing license fees are billed and collected monthly.
- Initial franchise fees – are primarily fees paid by the franchisees for the license to use the Company's Marks, System, and Trade Practices on initial store opening or transfer. Recognition of these fees is deferred until the commencement date of the agreement and occurs over time on a straight-line basis, based on the term of the underlying franchise agreement (typically 10 years). In the event a franchise agreement is terminated, any remaining deferred fees are recognized in the period of termination. Initial franchise fees are billed and received upon the signing of the franchise agreement.
- Sublease rent – the Company leases certain property from third parties for use by franchisees and records rent expense related to those leases. The Company then subleases those properties to franchisees and other third parties, and records sublease rental revenue (see Note C and Note E). Sublease rental revenue is recognized in the period incurred and is billed and collected monthly.

Current accounting standards require that companies disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. The revenue disaggregation included within the Company's Statements of Operations and Retained Earnings satisfies this requirement.

##### [3] Deferred franchise fee revenue:

Deferred franchise fees are recorded when the Company has received consideration (i.e. advance payment) before satisfying its performance obligations. Deferred franchise fees consist primarily of the unamortized portion of initial franchise fees and represent the Company's remaining performance obligations to the franchisees – see Note A[2] for details.

## CONROY'S, INC.

### Notes to Financial Statements June 30, 2024 and July 2, 2023

#### NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### [3] Deferred franchise fee revenue: (continued)

The components of the change in deferred franchise fee revenue are as follows:

Balance – July 3, 2022	\$ 251,576
Franchise fees collected	36,625
Current year revenue recognized	<u>(73,011)</u>
Balance – July 2, 2023	\$ 215,190
Franchise fees collected	45,000
Current year revenue recognized	<u>(79,248)</u>
Balance – June 30, 2024	<u>\$ 180,942</u>

##### [4] Concentration of credit risk:

The Company's accounts and notes receivable balances are from its franchisees who operate primarily in California, and collateral is generally not required. Notes receivable are principally related to short-term loans for initial franchise fees and store rebranding and renovation costs and, to a lesser extent, the result of converting certain past due franchise receivable balances into promissory notes. Allowances, if any, relating to accounts and notes receivable balances have been recorded based upon previous experience and other relevant factors, in addition to management's periodic evaluation. At July 3, 2022, accounts receivable were \$152,948.

As of June 30, 2024, the Company had accounts receivable balances due from two franchisees totaling 32% of total accounts receivable. As of July 2, 2023, the Company had accounts receivable balances due from two franchisees totaling 28% of total accounts receivable.

##### [5] Fair values of financial instruments:

The recorded amounts of the Company's cash, notes and accounts receivable, accounts payable and accrued liabilities approximate their fair values principally because of the short-term nature of these items.

##### [6] Comprehensive income:

For the fiscal years ended June 30, 2024 and July 2, 2023, the Company has no items of other comprehensive income (loss) and therefore the comprehensive income equals the Company's net income.

##### [7] Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

## CONROY'S, INC.

### Notes to Financial Statements June 30, 2024 and July 2, 2023

#### NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### [8] Recently Issued Accounting Pronouncements - Adopted:

**Financial Instruments – Measurement of Credit Losses.** In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 introduces a new forward-looking "expected loss" approach, to estimate credit losses on most financial assets and certain other instruments, including trade receivables. The estimate of expected credit losses requires entities to incorporate considerations of historical information, current information and reasonable and supportable forecasts. This ASU also expands the disclosure requirements to enable users of financial statements to understand the entity's assumptions, models and methods for estimating expected credit losses. The Company adopted ASU 2016-13 for its fiscal year 2024, using the modified-retrospective approach. There was no material impact of adopting this guidance on its financial statements.

#### NOTE B - INCOME TAXES

The Company is included in the consolidated federal and certain combined state income tax returns of 1-800-FLOWERS.COM, Inc. Income taxes are provided as though the Company filed separate tax returns using the current statutory federal tax rate and the applicable state tax rate.

Income tax expense is comprised of the following:

	Years Ended	
	June 30, 2024	July 2, 2023
Current:		
Federal	\$ 47,748	\$ 68,636
State	22,081	33,327
	<u>69,829</u>	<u>101,963</u>
Deferred:		
Federal	14,604	18,255
State	6,852	9,559
	<u>21,456</u>	<u>27,814</u>
	<u>\$ 91,285</u>	<u>\$ 129,777</u>

The Company accounts for income taxes under the liability method of accounting for income taxes. Under the liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. At June 30, 2024 and July 2, 2023, the Company's deferred tax assets (liabilities) were (\$6,093) and \$15,363, respectively, principally related to deferred revenue and the lease obligation resulting from the Sublease Agreement Assignment (see Note E).

## CONROY'S, INC.

### Notes to Financial Statements June 30, 2024 and July 2, 2023

#### NOTE B - INCOME TAXES (CONTINUED)

The Company evaluates the realizability of its deferred tax assets on a regular basis and establishes valuation allowances when it is more likely than not that all or a portion of a deferred tax asset may not be realized. The Company has determined that no valuation allowance is necessary at this time.

It is the Company's policy to provide for uncertain tax positions and the related interest and penalties based upon management's assessment of whether a tax benefit is more-likely-than-not to be sustained upon examination by taxing authorities. To the extent that the Company prevails in matters for which a liability for an unrecognized tax benefit is established or is required to pay amounts in excess of the liability, the Company's effective tax rate in a given financial statement period may be affected. Accrued interest and penalties, where appropriate, are recorded in income tax expense. As of June 30, 2024 and July 2, 2023, no interest and penalties were required to be recorded. Assumptions, judgment, and the use of estimates are required in determining if the "more likely than not" standard has been met when developing the provision for income taxes. As of June 30, 2024 and July 2, 2023, the Company did not have any uncertain tax positions. By statute, tax years starting from 2019 remain open to examination by certain taxing authorities to which the Company is subject.

Pursuant to an informal tax sharing arrangement between the Company and 1-800-FLOWERS.COM, Inc., the income tax accrual recorded for the fiscal years ended June 30, 2024 and July 2, 2023 has been offset against amounts due from affiliates, net.

As of June 30, 2024 and July 2, 2023, the difference between the Company's effective tax rates of 28.1% and 28.4%, respectively, and the U.S. federal statutory tax rate of 21%, is principally related to state income taxes.

#### NOTE C - LEASES

##### *Lessee*

The Company leases certain property from third parties for use by franchisees and records rent expense related to those leases. The Company then subleases those properties to the franchisees and records sublease rental revenue. Lease agreements may contain renewal options and rent escalation clauses and require the Company to pay real estate taxes, insurance, common area maintenance, and operating expenses applicable to the leased properties. At contract inception, the Company determines whether a contract is, or contains, a lease by determining whether it conveys the right to control the use of the identified asset for a period of time, by assessing whether the Company has the right to obtain substantially all of the economic benefits from the use of the identified asset, and the right to direct the use of the identified asset.

At the lease commencement date, the Company determines if a lease should be classified as an operating or a finance lease (the Company currently has no finance leases) and recognizes a corresponding lease liability and a right-of-use asset on its Balance Sheet. The lease liability is initially and subsequently measured as the present value of the remaining fixed minimum rental payments (including base rent and fixed common area maintenance) using discount rates as of the commencement date. Variable payments (including most utilities, real estate taxes, insurance and variable common area maintenance) are expensed as incurred. Further, the Company elected a short-term lease exception policy, permitting it to not apply the recognition requirements of this standard to short-term leases (i.e. leases with terms of 12 months or less) and an accounting policy to account for lease and non-lease components as a single component for certain classes of assets. The right-of-use asset is initially and subsequently measured at the carrying amount of the lease liability adjusted for any prepaid or accrued lease payments, remaining balance of lease incentives received, unamortized initial direct costs, or impairment charges relating to the right-of-use asset. Right-of-use assets are assessed for impairment using the long-lived assets impairment guidance. The discount rate used to determine the present value of lease payments is the Company's estimated collateralized incremental borrowing rate, based on the yield curve for the respective lease terms, as the Company generally cannot determine the interest rate implicit in the lease.

# CONROY'S, INC.

## Notes to Financial Statements June 30, 2024 and July 2, 2023

### NOTE C - LEASES (CONTINUED)

#### *Lessee (continued)*

The Company recognizes expense for its operating leases on a straight-line basis over the lease term. As these leases expire, it can be expected that they will be renewed or replaced in the normal course of business. Renewal option periods are included in the measurement of lease liability, where the exercise is reasonably certain to occur. Key estimates and judgments in accounting for leases include how the Company determines: (1) lease payments, (2) lease term, and (3) the discount rate used in calculating the lease liability.

Additional information related to the Company's leases is as follows:

	Years Ended	
	June 30, 2024	July 2, 2023
<b>Lease costs:</b>		
Operating lease costs	\$ 298,954	\$ 274,878
Variable lease costs	33,203	28,654
Sublease income	(327,047)	(303,464)
<b>Total lease costs</b>	<b>\$ 5,110</b>	<b>\$ 68</b>
Cash paid for amounts included in measurement of operating lease liabilities	\$ 295,921	\$ 274,878
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 365,358	\$ (11,520)
Weighted-average remaining lease term - operating leases (in years)	3.7	3.0
Weighted-discount rate - operating leases	8.1%	6.9%

Maturities of lease liabilities as of June 30, 2024 and reconciliation to the balance sheet are as follows:

2025	\$ 214,010
2026	223,635
2027	168,954
2028	90,000
2029	75,000
Total future minimum lease payments	771,599
Less: imputed remaining interest	107,262
Total operating lease liabilities	664,337
Less: current portion of operating lease liabilities	167,117
Operating lease liabilities, net of current portion	\$ 497,220

#### *Lessor*

The Company leases or subleases certain properties to its franchisees and occasionally to third parties. The lease descriptions, terms, variable lease payments, and renewal options are the same as the lessee leases described above. In addition, the Company recognizes sublease rental income from its sublease agreement assignment (see Note E).

## CONROY'S, INC.

### Notes to Financial Statements June 30, 2024 and July 2, 2023

#### NOTE C - LEASES (CONTINUED)

##### *Lessor (continued)*

The components of lease income are as follows:

	Years Ended	
	June 30, 2024	July 2, 2023
Sublease income from franchisees	\$ 327,047	\$ 303,464
Sublease income from sublease assignment (see Note E) and others	<u>162,568</u>	<u>158,167</u>
Total lease income	<u>\$ 489,615</u>	<u>\$ 461,631</u>

Future minimum lease receipts as of June 30, 2024 are as follows:

2025	\$ 407,032
2026	395,379
2027	270,670
2028	90,000
2029	<u>75,000</u>
Total future minimum lease receipts	<u>\$ 1,238,081</u>

#### NOTE D - RELATED PARTY TRANSACTIONS

##### **Due from Affiliates**

At June 30, 2024 and July 2, 2023, the Company had \$9,336,911 and \$9,339,958 due from affiliates, net, respectively. This balance arose principally through the Company's participation in 1-800-FLOWERS.COM, Inc.'s cash management program, whereby the Company's excess cash is swept into a consolidated investment account, and the Company advances money to affiliated entities to enable the affiliates to pay various operating expenses and debt service. Terms have not been established for collection of the amounts due from the affiliated entities. In addition, these advances do not bear interest.

#### NOTE E - SUBLEASE AGREEMENT ASSIGNMENT

On March 31, 2017, the Company entered into an agreement with an unrelated third party ("purchaser"), where, in exchange for a cash payment of \$420,000, received during fiscal 2017, the Company assigned its interest in one of its sublease agreements. The Company recorded the transaction as a borrowing. As a result, the Company recorded a \$420,000 lease obligation which it will amortize for the duration of the assignment agreement (April 2017 – January 2027). The Company records the payments made by the lessee as sublease rental income, even though such rentals are paid directly to the purchaser. A portion of each rental is recognized as interest expense, using the straight-line method, with the remainder recorded as an amortization of the lease obligation.



## **CONROY'S, INC.**

### **Notes to Financial Statements June 30, 2024 and July 2, 2023**

#### **NOTE F - COMMITMENTS AND CONTINGENCIES**

##### **Litigation:**

There are various claims, lawsuits, and pending actions against the Company incident to the operations of its business. It is the opinion of management, after consultation with counsel, that the ultimate resolution of such claims, lawsuits, and pending actions will not have a material adverse effect on the Company's financial position, results of operations, or liquidity.

#### **NOTE G - SUBSEQUENT EVENTS**

The Company evaluated subsequent events through October 8, 2024, the date these financial statements were available to be issued. The Company is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

CONROY'S, INC.

FINANCIAL STATEMENTS

JULY 2, 2023 and JULY 3, 2022

# CONROY'S, INC.

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholder of  
Conroy's, Inc.

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Conroy's, Inc. (the "Company"), which comprise the balance sheets as of July 2, 2023 and July 3, 2022, and the related statements of operations and retained earnings, and cash flows for each of the fiscal years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Conroy's, Inc. as of July 2, 2023 and July 3, 2022, and the results of its operations and its cash flows for each of the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

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

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

Management is responsible for the preparation and fair presentation of these 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 the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.



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### ***Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 the Company'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.

*EisnerAmper LLP*

EISNERAMPER LLP  
New York, New York  
October 2, 2023



**CONROY'S, INC.****Balance Sheets**

	<b>July 2, 2023</b>	<b>July 3, 2022</b>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 314,411	\$ 625,615
Accounts receivable	<u>154,465</u>	<u>152,948</u>
Total current assets	<b>468,876</b>	778,563
Operating lease right-of-use assets	<b>566,415</b>	820,605
Due from affiliates, net	<b>9,339,958</b>	8,757,593
Security deposits	<b>10,200</b>	10,200
Deferred tax assets	<u><b>15,363</b></u>	<u>43,177</u>
Total assets	<u><b>\$ 10,400,812</b></u>	<u><b>\$ 10,410,138</b></u>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>		
Current liabilities:		
Accrued professional fees	\$ 100,738	\$ 96,604
Deferred sublease rental income	<b>24,195</b>	23,418
Deferred franchise fee revenue	<b>67,503</b>	61,760
Other accrued expenses	<b>16,232</b>	17,229
Assignment of sublease obligation, current portion	<b>45,680</b>	43,961
Current portion of operating lease liabilities	<u><b>211,939</b></u>	<u>225,648</u>
Total current liabilities	<b>466,287</b>	468,620
Deferred franchise fee revenue	<b>147,687</b>	189,816
Security deposits	<b>71,041</b>	75,495
Assignment of sublease obligation, net of current portion	<b>126,088</b>	171,768
Operating lease liabilities, net of current portion	<u><b>330,497</b></u>	<u>571,756</u>
Total liabilities	<u><b>1,141,600</b></u>	<u>1,477,455</u>
Shareholder's equity:		
Common stock, no par value, 7,500 shares authorized, 2,000 shares issued and outstanding	<b>110,000</b>	110,000
Additional paid-in capital	<b>2,940,000</b>	2,940,000
Retained earnings	<u><b>6,209,212</b></u>	<u>5,882,683</u>
Total shareholder's equity	<u><b>9,259,212</b></u>	<u>8,932,683</u>
Total liabilities and shareholder's equity	<u><b>\$ 10,400,812</b></u>	<u><b>\$ 10,410,138</b></u>

**CONROY'S, INC.****Statements of Operations and Retained Earnings**

	<b>Year Ended</b>	
	<b>July 2, 2023</b>	<b>July 3, 2022</b>
<b>Revenues:</b>		
Continuing license fees	\$ 564,353	\$ 578,683
Initial franchise fees	73,011	69,062
Sublease rent	461,631	526,546
Other income	211	547
Total revenues	<u>1,099,206</u>	<u>1,174,838</u>
<b>Costs and expenses:</b>		
Selling, general and administrative	314,596	310,734
Rent	303,532	386,607
Interest expense	<u>24,772</u>	<u>24,772</u>
Total costs and expenses	<u>642,900</u>	<u>722,113</u>
Income before income taxes	456,306	452,725
Provision for income taxes	<u>129,777</u>	<u>129,827</u>
<b>Net income</b>	<b>326,529</b>	<b>322,898</b>
<b>Retained earnings:</b>		
Beginning of year	<u>5,882,683</u>	<u>5,559,785</u>
<b>End of year</b>	<u><b>\$ 6,209,212</b></u>	<u><b>\$ 5,882,683</b></u>

**CONROY'S, INC.****Statements of Cash Flows**

	<b>Year Ended</b>	
	<b>July 2, 2023</b>	<b>July 3, 2022</b>
<b>Operating activities:</b>		
Net income	\$ 326,529	\$ 322,898
Reconciliation of net income to net cash (used in) operating activities:		
Deferred income taxes	27,814	14,449
Amortization of sublease obligation assignment	(43,961)	(42,284)
Changes in operating assets and liabilities:		
Accounts receivable	(1,517)	44,944
Due from affiliates, net	(582,365)	(332,267)
Prepaid rent	-	2,115
Deferred franchise fee revenue	(36,386)	(24,062)
Accrued professional fees and other accrued expenses	(540)	(5,103)
Other assets and other liabilities	(778)	3,970
Net cash used in operating activities	(311,204)	(15,340)
<b>Investing activities:</b>		
Notes receivable	-	21,758
Net cash provided by investing activities	-	21,758
<b>Net (decrease) increase in cash</b>	<b>(311,204)</b>	<b>6,418</b>
Cash at beginning of year	<b>625,615</b>	<b>619,197</b>
<b>Cash at end of year</b>	<b>\$ 314,411</b>	<b>\$ 625,615</b>



## CONROY'S, INC.

### Notes to Financial Statements July 2, 2023 and July 3, 2022

#### NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

##### [1] Organization:

Conroy's, Inc. (the "Company") is a franchisor of retail flower shops located in California. The Company is a wholly-owned subsidiary of 1-800-FLOWERS Retail, Inc. (the retail subsidiary of 1-800-FLOWERS.COM, Inc., a public company). As of both July 2, 2023 and July 3, 2022, the Company had 25 franchise locations in operation.

The Company's fiscal year is a 52- or 53-week period ending on the Sunday nearest to June 30. Fiscal year 2023, which ended on July 2, 2023, consisted of 52 weeks. Fiscal year 2022, which ended on July 3, 2022, consisted of 53 weeks.

##### [2] Revenue recognition:

Revenue is derived from initial franchise fees, continuing license fees, and sublease rental income.

A description of the Company's principal revenue generating activities is as follows:

- Continuing license fees – are royalties calculated based on a percentage of the franchisees' gross sales, related to the Company's performance obligation to our franchisees to maintain the Marks, the System, and the Trade Practices being licensed. These variable royalties are recognized in the period in which the related floral sales are made by the franchisee. Continuing license fees are billed and collected monthly.
- Initial franchise fees – are primarily fees paid by the franchisees for the license to use the Company's Marks, System, and Trade Practices on initial store opening or transfer. Recognition of these fees is deferred until the commencement date of the agreement and occurs over time on a straight-line basis, based on the term of the underlying franchise agreement (typically 10 years). In the event a franchise agreement is terminated, any remaining deferred fees are recognized in the period of termination. Initial franchise fees are billed and received upon the signing of the franchise agreement.
- Sublease rent – the Company leases certain property from third parties for use by franchisees and records rent expense related to those leases. The Company then subleases those properties to franchisees and other third parties, and records sublease rental revenue (see Note C and Note E). Sublease rental revenue is recognized in the period incurred and is billed and collected monthly.

Current accounting standards require that companies disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. The revenue disaggregation included within the Company's Statements of Operations and Retained Earnings satisfies this requirement.

##### [3] Deferred franchise fee revenue:

Deferred franchise fees are recorded when the Company has received consideration (i.e. advance payment) before satisfying its performance obligations. Deferred franchise fees consist primarily of the unamortized portion of initial franchise fees and represent the Company's remaining performance obligations to the franchisees – see Note A[2] for details.

## CONROY'S, INC.

### Notes to Financial Statements July 2, 2023 and July 3, 2022

#### NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### [3] Deferred franchise fee revenue: (continued)

The components of the change in deferred franchise fee revenue are as follows:

Balance – June 27, 2021	\$ 275,638
Franchise fees collected	45,000
Current year revenue recognized	<u>(69,062)</u>
Balance – July 3, 2022	\$ 251,576
Franchise fees collected	36,625
Current year revenue recognized	<u>(73,011)</u>
Balance – July 2, 2023	<u>\$ 215,190</u>

##### [4] Concentration of credit risk:

The Company's accounts and notes receivable balances are from its franchisees who operate primarily in California, and collateral is generally not required. Notes receivable are principally related to short-term loans for initial franchise fees and store rebranding and renovation costs and, to a lesser extent, the result of converting certain past due franchise receivable balances into promissory notes. Allowances, if any, relating to accounts and notes receivable balances have been recorded based upon previous experience and other relevant factors, in addition to management's periodic evaluation. At June 27, 2021, accounts receivable was \$197,892.

##### [5] Fair values of financial instruments:

The recorded amounts of the Company's cash, notes and accounts receivable, accounts payable and accrued liabilities approximate their fair values principally because of the short-term nature of these items.

##### [6] Comprehensive income:

For the fiscal years ended July 2, 2023 and July 3, 2022, the Company has no items of other comprehensive income (loss) and therefore the comprehensive income equals the Company's net income.

##### [7] Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S GAAP") requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### NOTE B - INCOME TAXES

The Company is included in the consolidated federal and certain combined state income tax returns of 1-800-FLOWERS.COM, Inc. Income taxes are provided as though the Company filed separate tax returns using the current statutory federal tax rate and the applicable state tax rate.

# CONROY'S, INC.

## Notes to Financial Statements July 2, 2023 and July 3, 2022

### NOTE B - INCOME TAXES (CONTINUED)

Income tax expense is comprised of the following:

	Fiscal Year Ended	
	July 2, 2023	July 3, 2022
Current:		
Federal	\$ 68,636	\$ 76,501
State	33,327	38,877
	<u>101,963</u>	<u>115,378</u>
Deferred:		
Federal	18,255	9,333
State	9,559	5,116
	<u>27,814</u>	<u>14,449</u>
	<u>\$ 129,777</u>	<u>\$ 129,827</u>

The Company accounts for income taxes under the liability method of accounting for income taxes. Under the liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets of \$15,363 and \$43,177 as of July 2, 2023 and July 3, 2022, respectively, principally relate to the lease obligation resulting from the Sublease Agreement Assignment (see Note E).

It is the Company's policy to provide for uncertain tax positions and the related interest and penalties based upon management's assessment of whether a tax benefit is more-likely-than-not to be sustained upon examination by taxing authorities. To the extent that the Company prevails in matters for which a liability for an unrecognized tax benefit is established or is required to pay amounts in excess of the liability, the Company's effective tax rate in a given financial statement period may be affected. Accrued interest and penalties, where appropriate, are recorded in income tax expense. As of July 2, 2023 and July 3, 2022, no interest and penalties were required to be recorded. Assumptions, judgment, and the use of estimates are required in determining if the "more likely than not" standard has been met when developing the provision for income taxes. As of July 2, 2023 and July 3, 2022, the Company did not have any uncertain tax positions. By statute, tax years starting from 2018 remain open to examination by certain taxing authorities to which the Company is subject.

Pursuant to an informal tax sharing arrangement between the Company and 1-800-FLOWERS.COM, Inc., the income tax accrual recorded for the fiscal years ended July 2, 2023 and July 3, 2022 has been offset against amounts due from affiliates, net.

As of July 2, 2023 and July 3, 2022, the difference between the Company's effective tax rates of 28.4% and 28.7%, respectively, and the U.S. federal statutory tax rate of 21%, is principally related to state income taxes.

## CONROY'S, INC.

### Notes to Financial Statements July 2, 2023 and July 3, 2022

#### NOTE C - LEASES

##### Lessee

The Company leases certain property from third parties for use by franchisees and records rent expense related to those leases. The Company then subleases those properties to the franchisees and records sublease rental revenue. Lease agreements may contain renewal options and rent escalation clauses and require the Company to pay real estate taxes, insurance, common area maintenance, and operating expenses applicable to the leased properties. At contract inception, the Company determines whether a contract is, or contains, a lease by determining whether it conveys the right to control the use of the identified asset for a period of time, by assessing whether the Company has the right to obtain substantially all of the economic benefits from use of the identified asset, and the right to direct the use of the identified asset.

At the lease commencement date, the Company determines if a lease should be classified as an operating or a finance lease (the Company currently has no finance leases) and recognizes a corresponding lease liability and a right-of-use asset on its Balance Sheet. The lease liability is initially and subsequently measured as the present value of the remaining fixed minimum rental payments (including base rent and fixed common area maintenance) using discount rates as of the commencement date. Variable payments (including most utilities, real estate taxes, insurance and variable common area maintenance) are expensed as incurred. Further, the Company elected a short-term lease exception policy, permitting it to not apply the recognition requirements of this standard to short-term leases (i.e. leases with terms of 12 months or less) and an accounting policy to account for lease and non-lease components as a single component for certain classes of assets. The right-of-use asset is initially and subsequently measured at the carrying amount of the lease liability adjusted for any prepaid or accrued lease payments, remaining balance of lease incentives received, unamortized initial direct costs, or impairment charges relating to the right-of-use asset. Right-of-use assets are assessed for impairment using the long-lived assets impairment guidance. The discount rate used to determine the present value of lease payments is the Company's estimated collateralized incremental borrowing rate, based on the yield curve for the respective lease terms, as the Company generally cannot determine the interest rate implicit in the lease.

The Company recognizes expense for its operating leases on a straight-line basis over the lease term. As these leases expire, it can be expected that they will be renewed or replaced in the normal course of business. Renewal option periods are included in the measurement of lease liability, where the exercise is reasonably certain to occur. Key estimates and judgments in accounting for leases include how the Company determines: (1) lease payments, (2) lease term, and (3) the discount rate used in calculating the lease liability.

Additional information related to our leases is as follows:

	Year Ended	
	July 2, 2023	July 3, 2022
<b>Lease costs:</b>		
Operating lease costs	\$ 274,878	\$ 338,676
Variable lease costs	28,654	47,931
Short-term lease cost	-	-
Sublease income	(303,464)	(372,660)
 Total lease costs	 \$ 68	 \$ 13,947
 Cash paid for amounts included in measurement of operating lease liabilities	 \$ 274,878	 \$ 338,676
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ (11,520)	\$ 47,625
Weighted-average remaining lease term - operating leases (in years)	3.0	3.7
Weighted-discount rate - operating leases	6.9%	3.1%

# CONROY'S, INC.

## Notes to Financial Statements July 2, 2023 and July 3, 2022

### NOTE C - LEASES (CONTINUED)

#### *Lessee (continued)*

	<u>Year Ended July 2, 2023</u>
2024	
2025	\$ 243,566
2026	149,868
2027	134,945
2028	78,718
Thereafter	-
Total Future Minimum Lease Payments	-
Less Imputed Remaining Interest	<u>607,097</u>
Total	<u>64,661</u>
	<u>\$ 542,436</u>

#### **Lessor**

The Company leases or subleases certain properties to its franchisees and occasionally to third parties. The lease descriptions, terms, variable lease payments, and renewal options are the same as the lessee leases described above. In addition, the Company recognizes sublease rental income from our sublease agreement assignment (see Note E).

The components of lease income were as follows:

	<u>Year Ended July 2, 2023</u>	<u>July 3, 2022</u>
Sublease income from franchisees	\$ 303,464	\$ 372,660
Sublease income from sublease assignment (see Note E) and others	<u>158,167</u>	<u>153,886</u>
Total lease income	<u>\$ 461,631</u>	<u>\$ 526,546</u>

Future minimum lease receipts are as follows:

	<u>Year Ended July 2, 2023</u>
2024	
2025	\$ 430,113
2026	316,961
2027	306,689
2028	180,434
Thereafter	-
Total future minimum lease receipts	<u>\$ 1,234,197</u>

## **CONROY'S, INC.**

### **Notes to Financial Statements July 2, 2023 and July 3, 2022**

#### **NOTE D - RELATED PARTY TRANSACTIONS**

##### **Due from Affiliates**

At July 2, 2023 and July 3, 2022, the Company had \$9,339,958 and \$8,757,593 due from affiliates, net, respectively. This balance arose principally through the Company's participation in 1-800-FLOWERS.COM, Inc.'s cash management program, whereby the Company's excess cash is swept into a consolidated investment account, and the Company advances money to affiliated entities to enable the affiliates to pay various operating expenses and debt service. Terms have not been established for collection of the amounts due from the affiliated entities. In addition, these advances do not bear interest.

#### **NOTE E - SUBLEASE AGREEMENT ASSIGNMENT**

On March 31, 2017, the Company entered into an agreement with an unrelated third party ("purchaser"), where, in exchange for a cash payment of \$420,000, received during fiscal 2017, the Company assigned its interest in one of its sublease agreements. The Company recorded the transaction as a borrowing. As a result, the Company recorded a \$420,000 lease obligation which it will amortize for the duration of the assignment agreement (April 2017 – January 2027). The Company records the payments made by the lessee as sublease rental income, even though such rentals are paid directly to the purchaser. A portion of each rental is recognized as interest expense, using the straight-line method, with the remainder recorded as an amortization of the lease obligation.

#### **NOTE F - COMMITMENTS AND CONTINGENCIES**

##### **Litigation:**

There are various claims, lawsuits, and pending actions against the Company incident to the operations of its business. It is the opinion of management, after consultation with counsel, that the ultimate resolution of such claims, lawsuits, and pending actions will not have a material adverse effect on the Company's financial position, results of operations, or liquidity.

#### **NOTE G - SUBSEQUENT EVENTS**

The Company evaluated subsequent events through October 2, 2023, the date these financial statements were available to be issued. The Company is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

CONROY'S, INC.  
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT P  
AGENTS FOR SERVICE OF PROCESS & STATE ADMINISTRATORS

CONROY'S INC.

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013 (213) 576-7505 (866) 275-2677	California Commissioner of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013 (213) 576-7505 (866) 275-2677
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 355 Merchant Street, Room 203 Honolulu, Hawaii 96810 (808) 586-2722	Commissioner of Securities, Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722
ILLINOIS	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
INDIANA	Indiana Secretary of State Securities Division, E-111 302 West Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204 (317) 232-6531
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360	Maryland Securities Commissioner Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Attn: Franchise Section 525 West Ottawa G. Mennen Williams Building, 1 <sup>st</sup> Floor Lansing, Michigan 48933 (517) 335-7567	Michigan Department of Commerce Corporations and Securities Bureau P.O. Box 30054 6546 Mercantile Way Lansing, Michigan 48909 (517) 241-6345
MINNESOTA	Minnesota Department of Commerce 85 Seventh Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651)539-1600	Minnesota Commissioner of Commerce Department of Commerce 85 Seventh Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651)539-1600



STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
NEBRASKA	Nebraska Department of Banking and Finance Bureau of Securities/Financial Institutions Division 1526 K Street, Suite 300 Lincoln, Nebraska 68508-2723 (402) 471-2171	Nebraska Department of Banking and Finance Bureau of Securities/Financial Institutions Division 1526 K Street, Suite 300 Lincoln, Nebraska 68508-2723 (402) 471-2171
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 <sup>st</sup> Floor New York, New York 10005-1495 (212) 416-8222 ( Phone) (212) 416-6042 (Fax)	New York Department of State One Commerce Plaza 99 Washington Ave., 6 <sup>th</sup> Floor Albany, New York 12231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capitol Fifth Floor, Dept. 414 Bismarck, North Dakota 58505-0510 (701) 328-4712	North Dakota Securities Commissioner 600 East Boulevard Avenue State Capitol Fifth Floor, Dept. 414 Bismarck, North Dakota 58505-0510 (701) 328-4712
OREGON	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387
RHODE ISLAND	Securities Division Department of Business Regulation, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue, Cranston, Rhode Island 02920 (401) 462 9582	Director, Securities Division Department of Business Regulation, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue, Cranston, Rhode Island 02920 (401) 462 9582
SOUTH DAKOTA	Department of Labor and Regulation Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	Department of Labor and Regulation Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, First Floor Richmond, Virginia 23219 (804) 371-9041	Clerk of the, State Corporation Commission 1300 East Main Street Richmond, Virginia 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, Washington 98507 (360) 902-8760	Director, Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, Washington 98501 (360) 8760

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
WISCONSIN	Franchise Registration Division of Securities Wisconsin Department of Financial Institutions 201 West Washington Ave, Suite 300 Madison, Wisconsin 53703 (608) 266-1064	Securities and Franchise Registration Wisconsin Securities Commission Department of Financial Institutions 201 West Washington Ave, Suite 300 Madison, Wisconsin 53703 (608) 266-1064

CONROY'S, INC.  
FRANCHISE DISCLOSURE DOCUMENT

EFFECTIVE DATES

## STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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:

<u>State</u>	<u>Effective Date</u>
New York	Pending

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.

CONROY'S, INC.  
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT Q  
RECEIPTS

## RECEIPT

This Disclosure Document summarizes provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully. If Conroy's, Inc. offers you a franchise, Conroy's, Inc. must provide this Disclosure Document to you at least 14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale, whichever comes first.

If we do not deliver this Disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to The Federal Trade Commission, Washington D.C. 20580 and the appropriate State Agency identified on Exhibit P.

Michigan requires that we give you this Disclosure Document at the earlier of 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

New York requires you to receive this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

The franchisor is Conroy's, Inc. located at Two Jericho Plaza, Suite 200, Jericho, New York 11753.

Issuance Date: October 11, 2024.

The name, principal business address and telephone number of each Franchise Seller offering the Franchise: Ted Nelson, Brian McGee, Stephen Lenzovich, Nicole Schiau, Cheryl Steckel, Daisy Chin, Michael Cline and Arthur Herrera, all at Two Jericho Plaza, Suite 200, Jericho, New York 11753, (516) 237-6000.

We authorize the persons and/or entities listed on Exhibit P to receive service of process for us.

I have received a Disclosure Document dated October 11, 2024. This Disclosure Document includes the following Exhibits:

A	Franchise Agreement	K-1	Premier Order Fulfillment Agreement
B	Fruit Bouquets Addendum to Franchise Agreement	K-2	Fruit Bouquets Order Fulfillment Agreement
C	Sublease	L-1	BloomNet Membership Agreement
D	Option to Obtain Lease Assignment	L-2	BloomNet Technologies Systems Agreement
E	State Specific Addendum	L-3	BloomNet Order Referral Program Rate Schedule
F	Confidentiality Agreement	M	List of Current Franchisees
G	General Release	N	List of Former Franchisees
H	Promissory Note	O	Financial Statements
I	Guarantee of Promissory Note	P	Agents for Service of Process & State Administrators
J	Security Agreement		EFFECTIVE DATES
		Q	Receipts

Date: \_\_\_\_\_  
(Do not leave blank)

\_\_\_\_\_  
Franchisee Signature  
\_\_\_\_\_  
Print Name

Date: \_\_\_\_\_  
(Do not leave blank)

\_\_\_\_\_  
Franchisee Signature  
\_\_\_\_\_  
Print Name

KEEP THIS COPY FOR YOUR RECORDS. This Disclosure Document may also be available in several formats including on paper or on a CD.

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| D | Option to Obtain Lease Assignment              | L-2 | BloomNet Technologies Systems Agreement              |
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| H | Promissory Note                                | O   | Financial Statements                                 |
| I | Guarantee of Promissory Note                   | P   | Agents for Service of Process & State Administrators |
| J | Security Agreement                             |     | EFFECTIVE DATES                                      |
|   |  | Q   | Receipts   |



Date: \_\_\_\_\_  
(Do not leave blank)

\_\_\_\_\_  
Franchisee Signature  
\_\_\_\_\_  
Print Name

Date: \_\_\_\_\_  
(Do not leave blank)

\_\_\_\_\_  
Franchisee Signature  
\_\_\_\_\_  
Print Name

Please sign this copy of the receipt, date your signature, and return it via email to [nschiau@1800flowers.com](mailto:nschiau@1800flowers.com), or by mail to Franchise Operations, Conroy's, Inc., Two Jericho Plaza, Suite 200, Jericho, New York 11753. This Disclosure Document may also be available in several formats including on paper or on a CD.