

BloomNet Inc. herein after referred to as "BloomNet" or "BN" and the BloomNet Member florist identified herein below as "BloomNet Member," "BloomNet Florist," "BloomNet Preferred Florist," "Florist" or "Member" agree as follows:

BLOOMNET FLORISTS

BloomNet Florists must meet and maintain eight (8) basic standards criteria to qualify to be members.

1. Attractive and professional retail business location.
2. Qualified full-time designer.
3. Fresh flower inventory.
4. Commercial floral refrigeration.
5. Dedicated business phone line.
6. Provide delivery.
7. Credit worthiness.
8. Supportive and positive attitude.

BLOOMNET PREFERRED FLORISTS

BloomNet Preferred Florists must meet and maintain the above eight (8) basic standards criteria, plus the additional standards below to be preferred members and be eligible to receive 1-800-FLOWERS.COM® orders. The determination as to whether a florist has met and is maintaining the above 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. Maintain an adequate inventory of fresh flowers, greens, plants, hard goods and other necessary items to fill any 1-800-FLOWERS.COM® order or the order of any other BloomNet Florist.
4. Use protective and attractive packaging for all floral arrangements.
5. Deliver every floral order on the scheduled date in a clean and clearly identifiable delivery vehicle.
6. Have neat and courteous personnel.
7. Provide delivery confirmation by phone or electronically.

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 (Thanksgiving, Christmas, Valentine's Day, Easter Sunday, Administrative Professionals'/Secretaries' Week, Mother's Day).
 - Monday to Friday: 9:00am with at least a 3:00pm cut-off time for same-day deliveries.
 - Saturdays: 9:00am with at least a 2:00pm cut-off time for same-day deliveries.
 - Sundays: 10:00am with at least a 1:00pm cut-off time for same-day deliveries.
3. Confirm every delivery electronically via BloomLink by 7:00pm on the scheduled delivery date. In addition, provide delivery information when phone 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 the BloomLink sending network and be responsible for tracking all orders by BloomLink sequence numbers.
6. Have an operating facsimile machine as a backup method of order transmissions.

ATTITUDE

1. Be cooperative and willing to participate in services, sales and marketing promotions and use codified products when warranted by BN Sales Forecasts.
2. Contact BloomNet Customer Service prior to any changes of ownership.
3. Provide and guarantee the freshest flowers and superior customer service that go above and beyond our customer's expectations.
4. Guarantee the freshness of arrangements for one week.
5. Fill every order to value, according to product description and BN recipe without requiring a price change. (1-800-FLOWERS.COM® minimum order is \$24.99; however, average order price is approximately \$50.00 and all prices include up to \$7.99 charge for delivery).
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.

GENERAL

1. Each member is expected to reciprocate as many orders received as possible to other BloomNet Members. Sending orders to an acceptable level of reciprocation is a requirement to be considered a Member.
2. BN membership is not transferable. A Change of Ownership is the only exception to this rule for which 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 and BloomLink Agreements, and (iv) complying with any and all other conditions which BloomNet may require from time-to-time.
3. Any and all debits and credits sustained against a Member's identification number will be the sole responsibility, obligation and liability of the owner of record for that membership account number.
4. Member agrees and consents that this membership shall be effective only upon the acceptance of the BN Credit Department and receipt of the fully executed BloomNet Agreement signed by an officer of BloomNet.
5. BloomNet has the right to end and terminate the membership for any reason, or no reason, by giving written notice to the Member. Termination of membership shall be effective upon the date of notification by BloomNet.
6. A BloomNet Florist may terminate their membership at any time provided the account is current and cancellation letter is received in writing by BloomNet. The letter should be signed and dated on company letterhead and sent registered mail to BloomNet Florist Relations Department. Terminations, E-mails and faxes are not an acceptable format for cancellations and cannot be processed. Each member will be liable for all monthly fees including all charges obtained until the effective date of terminations.
7. Membership applications are subject to approval by BloomNet.
8. All prices subject to change without notice.
9. BloomNet Technology (BloomLink) is the official record of notice and supersedes all previous documentation. BloomNet

reserves the right to amend or change the rules, rates, fees, commissions and charges now existing at any time or as in effect from time to time. Changes will be published in the next available Directory and mailed or sent through BloomNet Technology to members. Amendments or changes shall be effective on the first day of the month following publication or mailing unless otherwise indicated.

10. It is a requirement that all BloomNet Florists 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 to be used online. All 1-800-FLOWERS.COM® images must be approved in writing by BloomNet before being published in print or online.
11. All BloomNet Florists must display the current BloomNet window decal on their shop window or door.

CONFIDENTIAL INFORMATION

“Confidential Information” means all information relating to BloomNet, BloomLink, 1-800-FLOWERS.COM®, and its affiliates, Member Florists and 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 addresses, phone numbers and any other information whether or not reduced to writing. BN Member shall protect all Confidential Information from unauthorized disclosure. BN Member shall not use or copy the Confidential Information, except in connection with the acceptance, sending, transmission and/or fulfillment of BN orders, and for no other purpose. Upon the termination BN Member shall promptly return to BN all materials, documents and records in any way related to the Confidential Information.

SENDING FLORISTS RESPONSIBILITIES

1. BloomNet Florists will earn a twenty percent (20%) commission on the “gross sales price” of all orders transmitted to Member Florists meeting the minimum order amount.
2. The sending 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 sending an order, the sending florist will transmit the full dollar amount including delivery charge.
4. The sending florist will communicate to customer that the conditions where the order is to be delivered may differ and will influence the quantity and quality of orders. It is recommended to obtain second and third choices and explain substitutions may be necessary. See page 9 for a detailed review of the Substitution Guidelines.
5. Should BN determine that the sending Florist has violated any of the terms of this Agreement, or the rules, regulations and procedures of BloomNet, the sending Florist shall, upon the request of BloomNet, immediately cease sending orders.

RECEPTION OF ORDERS

1. All BloomNet Florists, as a condition of membership, agree to fill all orders at one hundred percent (100%) of full value.
2. All BloomNet Florists are required to notify sending florists immediately if substitutions are required and/or if the order can not be delivered via a reject message within an hour of receiving the order.
3. Filling florists are entitled to seventy-three (73%) of the “gross sales price” of all incoming BloomNet orders from other BloomNet Florists, and seventy-one percent (71%) of the “gross sales price” on all incoming 1-800-FLOWERS.COM® orders.

The term “gross sales price” shall mean the dollar amount of the merchandise orders transmitted 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.

4. BloomNet cannot guarantee payment of any order reported in excess of ninety (90) days from the delivery date.
5. Duplicate orders reported to BN will be charged back to the reporting Florist. A duplicate charge may be assessed.
6. It is a requirement of all BloomNet florists to accept and deliver orders received over BloomLink, by FAX or over the phone. If the order meets your minimums and delivery charge specifications.

CLEARING HOUSE STATEMENT

1. BloomNet guarantees payment of all successfully delivered floral wire orders if they are reported within ninety (90) days by any BloomNet Florist listed in the current BN Directory from the time the order was delivered.
2. BloomNet statements are posted on BloomLink or about the 15th day of each month.
3. Florist agrees to pay BN on or before the 25th day of each month for all monies (less commission) collected as a sending Florist.
4. A monthly membership fee is charged to all BN Florists, including advertising, plus any additional services, if applicable.
5. Disputes and requests for credits on an order received from 1800flowers.com must be submitted to floriststatementinquiries@1800flowers.com on an order received from another BloomNet Florist disputes must be submitted to customerservice@bloomnet.net within (30) days of receipt of the statement in question.
6. In the event that any Florist does not pay in full the current statement balance by the 25th day of month, a late fee of \$59.99 will be applied once a month until the account becomes current. There will also be a charge of (8%) per month on any past due balance on the following months 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.
8. Payment by Credit Card is accepted. All credit card transactions are subject to the current Interchange Rate at the time of processing. Rates are subject to daily fluctuation and card type used. For payments above \$10,000, please contact BloomNet’s Credit Department at 1-800-256-6663 ext 7730.

AUTHORIZATION

BloomNet Member 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 and fees or commissions due BloomNet Member, any and all fees, charges, interest or penalties due to BloomNet, 1-800-FLOWERS.COM®, Inc. and/or its affiliates, including, but not limited to, (i) franchise fees (if over 60 days past due), (ii) marketing fees and co-op advertising fees due CONROY’S, INC., (iii) rent payments on Shop location(s), (iv) all fees due under the Bloomlink System Agreement, (v) all fees due St. Claire Floral Co., Inc. for product purchased, and (vi) any fees or other charges due 1-800-FLOWERS.COM®, Inc. and its Affiliates under any other agreement that exists between 1-800-FLOWERS.COM®, Inc. and/or its Affiliates and OPERATOR.

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 Publications. All BloomNet Florists are entitled to be listed, free of charge, in the city/town or area where their shop is physically located. A Member 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 Member shall be charged. Florists will be codified with their minimum pricing, product codification, delivery charges and other basic shop information, such as address and phone number. Florists also have the option to purchase additional advertising, such as display ads, expanded listings and color ads.

ERRORS, OMISSIONS, AND DISPUTES

It is requested that all BloomNet Members attempt to settle any differences regarding the dissatisfaction of the delivery, quality and value of any order between the two Members involved. In the event that the Members fail to agree on a settlement and the Members 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 thirty (30) days of receipt of the statement on which the order appears. Any errors or omissions on the BloomNet Statement must be reported to BloomNet within 30 days of the statement date. After 30 days, the statement will be considered accurate and BloomNet is not liable for errors or omissions.

SUSPENSION AND TERMINATION

A BloomNet Florist may terminate their membership at any time provided the account is current and cancellation letter is received in writing by BloomNet. The letter should be signed and dated on company letterhead and sent registered mail to BloomNet Florist Relations Department. Termination by E-mails and fax are not an acceptable format for cancellations and cannot 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. Florist is expected to fulfill orders from BloomNet and other member Florists until cancellation becomes effective. 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. BloomNet, at its sole discretion, may elect to accelerate the Termination process of a BloomNet Member by immediately billing any or all of the monthly services and products due BloomNet including, but not limited to hardware, software, member fees, publications, directory charges, advertising, listings, product purchases, and license fees, and any and all other charges and fees which may be due. BloomNet reserves the right to suspend, cancel or terminate membership at any time for any reason, including, but not limited to, due 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.

CHANGE OF OWNERSHIP

It is the responsibility of all BloomNet Members to notify BloomNet of any change regarding ownership of the Member's business. It is expressly understood that the membership, along with all rights and privileges thereto, shall not be assigned and are non-transferable. Both the Member and the owner of record are and shall be responsible for any and all fees, charges, or other liabilities related to the code number assigned to the Member Florist.

INDEMNIFICATION

BloomNet Member shall defend, indemnify and hold harmless BloomNet, 1-800-FLOWERS.COM® and its 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, BloomNet, 1-800-FLOWERS.COM® and its affiliates acts, omissions, and/or performance hereunder.

RELATIONSHIP OF THE PARTIES

BloomNet Member is and shall remain an independent contractor and shall have no right to bind BloomNet. BloomNet Member shall not transact business in the name of BloomNet, 1-800-FLOWERS.COM®, or any of its affiliates, unless expressly permitted to do so otherwise as evidenced in writing signed by an officer of BloomNet and 1-800-FLOWERS.COM®.

TRADEMARKS

Except as expressly pre-approved in writing signed by an officer of BloomNet and 1-800-FLOWERS.COM®, BloomNet Member shall not use the tradenames, service marks, trademarks, copyrights or other identifying marks of BN and 1-800-FLOWERS.COM®, or its affiliates, or any telephone numbers or internet domain names similar to 1-800-FLOWERS (collectively the "Marks") in any manner whatsoever. At all times the Marks are and shall remain the sole property of 1-800-FLOWERS.COM® and its affiliates and BloomNet Member 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.

NO REPRESENTATIONS

BLOOMNET MEMBER ACKNOWLEDGES AND AGREES THAT NEITHER BLOOMNET, 1-800-FLOWERS.COM®, NOR ITS AFFILIATES HAVE MADE ANY PROMISES, REPRESENTATIONS OR WARRANTIES TO BLOOMNET MEMBER CONCERNING THE EXTENT TO WHICH BLOOMNET MEMBER MAY BENEFIT FROM THIS AGREEMENT OR THE ORDERS WHICH IT MAY RECEIVE HEREUNDER. NO GUARANTEES OR ASSURANCES ARE MADE TO BLOOMNET MEMBER WHATSOEVER. BLOOMNET FLORIST ACKNOWLEDGES THAT IT IS AND HAS BEEN ENGAGED IN THE RETAIL FLOWER 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® 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. BloomNet Member therefore agrees that in the event of such non-compliance, BloomNet, 1-800-FLOWERS.COM® and its affiliates shall be entitled to both temporary and permanent relief in addition to any other legal and equitable remedies.

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 Supreme Court or Federal District Courts sitting in Nassau or Suffolk Counties, New York, and the parties hereby submit to the jurisdiction of said courts.