

FRANCHISE DISCLOSURE DOCUMENT

Bloomin Blinds Franchise Corp
A Texas corporation
985 TX-121 Business
Suite 617
Lewisville, TX 75057
214-995-1062
kelsey.stuart@bloominblinds.com
www.bloominblinds.com



The franchised business sells, installs and repairs window blinds, shades and shutters, under the trade name “Bloomin’ Blinds”.

The total investment necessary to begin operation of a Bloomin’ Blinds franchise is \$62,570 to \$137,425. This includes \$40,000 to \$48,500 that must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, please contact Kelsey Stuart at 985 TX-121 Business, Suite 617, Lewisville, TX 75057 and 214-995-1062.

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

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

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

Issuance date: March 7, 2019

STATE COVER PAGE

Your state may have a franchise law that requires us to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN TEXAS. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN TEXAS THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT TEXAS LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THE FRANCHISOR'S FINANCIAL CONDITION AS REFLECTED IN ITS FINANCIAL STATEMENTS (SEE ITEM 21) CALLS INTO QUESTION THE FRANCHISOR'S FINANCIAL ABILITY TO PROVIDE SERVICES AND SUPPORT TO YOU.
4. YOU MUST MAKE MINIMUM ROYALTY OR ADVERTISING FUND PAYMENTS, REGARDLESS OF YOUR SALES LEVELS. YOUR INABILITY TO MAKE THE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

The following chart lists states which require that this disclosure document be registered or filed with the state or be exempt from registration. In these states, the effective date of this disclosure document is as follows:

State	Effective Date
California	Not applicable
Hawaii	Not applicable
Illinois	Not applicable
Indiana	Not applicable
Maryland	Not applicable
Michigan	Not applicable
Minnesota	Not applicable
New York	Not applicable
North Dakota	Not applicable
Rhode Island	Not applicable
South Dakota	Not applicable
Virginia	Not applicable
Washington	Not applicable
Wisconsin	Not applicable

In the following states, we have filed a notice of exemption from the registration or filing requirements of the state's business opportunity laws with respect to the offering described in this disclosure document:

State	Effective Date
Connecticut*	August 20, 2018
Florida	July 28, 2018
Kentucky*	September 18, 2018
Nebraska*	August 24, 2018
Texas*	August 29, 2014
Utah	April 2, 2019

* One-time filing

**(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY
THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)**

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protection provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

- (i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
- (ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.
- (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General
 G. Mennen Williams Building, 7th Floor
 525 W. Ottawa Street
 Lansing, Michigan 48909
 Telephone Number: (517) 373 7117

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EXHIBITS

- A. State Administrators and Agents for Service of Process
 - B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
 - C. Form of General Release
 - D. Form of Financing Documents
 - E. Financial Statements
 - F. Operating Manual Table of Contents
 - G. Current and Former Franchisees
 - H. State Addenda to Disclosure Document
 - I. State Addenda to Franchise Agreement
- Receipt (2 copies)

Item 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

In this disclosure document, “we”, “us,” or “our” refers to Bloomin Blinds Franchise Corp. “You” means the person to whom we grant a franchise. If you are a corporation, limited liability company, or other entity, each owner of the franchise entity must sign our Guaranty and Non-Compete Agreement, which means that all of the franchise agreement’s provisions also will apply to your owners.

Us, Any Parents, and Certain Affiliates.

Our name is Bloomin Blinds Franchise Corp. Our principal business address is 985 TX-121 Business, Suite 617, Lewisville, TX 75057. We do not have any parent entities. We do not have any affiliates that offer franchises in any line of business or provide products or services to our franchisees.

Our Predecessors

We do not have any predecessors.

Our Business Name

We use the names “Bloomin Blinds Franchise Corp” and “Bloomin’ Blinds”. We do not intend to use any other names to conduct business.

Agent for Service of Process

Our agent for service of process in Texas is Kelsey Stuart, and the agent’s principal business address is 985 TX-121 Business, Suite 617, Lewisville, TX 75057. Our agents for service of process in other states are disclosed in Exhibit A.

Business Organization

We are a Texas corporation. We were formed on June 12, 2014.

Information About Our Business and the Franchises Offered

We do not operate businesses of the type being franchised.

We do not have any other business activities. We have not offered franchises in other lines of business.

If you sign a franchise agreement with us, you will develop and operate a business that sells, installs and repairs window blinds, shades and shutters, under the trade name “Bloomin’ Blinds”.

The general market for window covering sales is highly developed while the window covering repair market is relatively new and undeveloped. Our customers are primarily residential based, with about 10% coming from light commercial businesses. Sales are not seasonal.

We are not aware of any laws or regulations specific to our industry. You alone are responsible for investigating and complying with all applicable laws and regulations, despite any information that we may give you. You should consult with a legal advisor about legal requirements that may apply to your business.

You will compete against other businesses that offer in-home consultation and estimates for window covering sales and repairs. These competitors vary from small local operations to large national chains. There are also “do-it-yourself” websites and services, although we generally do not consider these to be direct competition as they service a different segment of the population.

Prior Business Experience

We have offered franchises since 2014. None of our affiliates has offered franchises in other lines of business. None of our affiliates provides products or services to our franchisees.

Our affiliate, Bloomin Blinds Inc operated Bloomin’ Blinds in Carrollton and Lewisville, Texas from 2001 until November 2017, when it sold the business to a then-current employee, the office manager. That office now operates as Bloomin Blinds of North Dallas. The affiliate has not sold any other franchises. This affiliate has the same business address as us.

Item 2 BUSINESS EXPERIENCE

Kelsey Stuart, Chief Executive Officer. Kelsey has been Chief Executive Officer of Bloomin’ Blinds in Lewisville, Texas since June 2002.

Kris Stuart, Chief Operating Officer. Kris has been Chief Operating Officer of Bloomin’ Blinds in Lewisville, Texas since December 2001.

Kevin Stuart, Chief Administrative Officer. Kevin has been Chief Administrative Officer of Bloomin’ Blinds in Lewisville, Texas since May 2006.

Item 3 LITIGATION

No litigation is required to be disclosed in this Item.

Item 4 BANKRUPTCY

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

Item 5
INITIAL FEES

Franchise Fee

When you sign your franchise agreement, you must pay us \$40,000 as the initial franchise fee. If you purchase a second territory which is contiguous to your first territory, your fee for the second territory will be \$10,000 less than the then-current initial franchise fee (meaning that if you purchased a second contiguous territory under the now-current franchise agreement, the initial franchise fee for the second territory would be \$30,000). The initial franchise fee is non-refundable.

Over the past fiscal year, the range of initial franchise fees we charged were \$32,500 to \$35,000, with the discount involving a sale to a qualified veteran. Otherwise, initial franchisee fees were uniform.

Start-Up Expenses

When you sign your franchise agreement, you must pay us a fee of \$8,500 for certain start-up expenses (which is in addition to the initial franchisee). The items covered by this fee are: (1) hotel costs during your initial training (but not other travel costs); (2) initial inventory of parts, which would otherwise cost you approximately \$3,500; (3) selected sample books from our preferred manufacturers; (4) 2 personalized uniform shirts with our logo (per trainee); and (5) 1,000 business cards. If you are already a franchisee, you may not be required to purchase these items or pay this fee.

Item 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty	6% of your gross sales (except that the royalty fee for sales of plantation shutters is 3%); maximum of \$6,000 per month per territory; after year 1, minimum of \$500 per month	Monthly, on the last business day of the following month	See Note 1.

Type of Fee	Amount	Due Date	Remarks
Marketing Fund Contribution	You must contribute at least 2% of gross sales or \$300 per month (whichever is greater).	Monthly, on the last business day of the following month	See Note 1.
Market Cooperative Contribution	As determined by co-op. Currently, none.	Monthly, on the last business day of the following month	We have the right to establish local or regional advertising cooperatives.
Local Advertising Requirement	You must spend at least 2% of gross sales or \$1,000 per month (whichever is greater) on marketing your business.	Per vendor	If you do not spend the required minimum, then we can require you to pay this shortfall to us.
Internet Marketing	Currently, \$350 per month	Per vendor	This amount does not count towards your local advertising requirement.
Replacement / Additional Training Fee	Currently, \$5,000 per person	Prior to attending training	If you send a manager or other employee to our training program after you open, we will charge our then-current training fee.
Vendors	Pass-through of costs, plus reasonable administrative charge. Currently, none.	Varies	We have the right to require franchisees to use third-party vendors and suppliers that we designate. Examples can include computer support vendors, mystery shopping, and customer feedback systems. The vendors and suppliers may bill franchisees directly, or we have the right to collect payment for these vendors together a reasonable markup or charge for administering the payment program.
Software subscription	Currently, \$150 per month	Monthly	We require you to use certain software as described in Item 11.

Type of Fee	Amount	Due Date	Remarks
Non-compliance fee	\$500	On demand	We may charge you \$500 if your business is not in compliance with our system specifications or the franchise agreement and you fail to correct the non-compliance after 30 days' notice. Thereafter, we may charge you \$250 per week until you correct such non-compliance.
Reimbursement	Amount that we spend on your behalf, plus 10%	Within 15 days of invoice	If we pay any amount that you owe or are required to pay to a third party, you must reimburse us.
Late fee	\$200 per billing cycle, plus compounded interest on the unpaid amount at a rate equal to 1.5% per month (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law).	On demand	We may charge a late fee and interest if you fail to make a required payment when due.
Insufficient funds fee	\$200 (or, if such amount exceeds the maximum allowed by law, then the maximum allowed by law)	On demand	We may charge an insufficient funds fee if a payment made by you is returned because of insufficient funds in your account.
Costs of collection	Our actual costs	As incurred	Payable if we incur costs (including reasonable attorney fees) in attempting to collect amounts you owe to us.
Breach of territory fee	The greater of (i) \$3,000 or (ii) 75% of the amount paid by the customer in the territory of another franchisee.	On demand	If you serve a customer inside the territory of another Bloomin Blinds business, we may impose this fee (as well as other remedies we have for your breach of the franchise agreement).

Type of Fee	Amount	Due Date	Remarks
Special support fee	Our then-current fee, plus our expenses. Currently, \$500 per day.	On demand	If we provide in-person support to you in response to your request, we may charge this fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).
Customer complaint resolution	\$100 plus our expenses	On demand	We may take any action we deem appropriate to resolve a customer complaint about your business. If we respond to a customer complaint, we may require you to reimburse us for our expenses and to pay this fee.
Records audit	Our actual cost	On demand	Payable only if (1) we audit you because you have failed to submit required reports or other non-compliance, or (2) the audit concludes that you under-reported gross sales by more than 3% for any month.
Inspection Fee	Currently \$600, plus our out-of-pocket costs	On demand	Payable only if we conduct an inspect of your business because of a governmental report, customer complaint or other customer feedback, or your default or non-compliance with any system specification.
Non-compliance cure costs and fee	Our out-of-pocket costs and internal cost allocation, plus 10%	When billed	We may cure your non-compliance on your behalf (for example, if you do not have required insurance, we may purchase insurance for you), and you will owe our costs plus a 10% administrative fee.
Transfer fee	\$10,000, plus any broker fees and other out-of-pocket costs we incur	When transfer occurs	Payable if you sell your business.
Liquidated damages	An amount equal to royalty fees and marketing fund contributions for the lesser of (i) 2 years or (ii) the remaining months of the franchise term.	On demand	Payable if we terminate your franchise agreement because of your default, or if you terminate the franchise agreement without the right to do so.

Type of Fee	Amount	Due Date	Remarks
Indemnity	Our costs and losses from any legal action related to the operation of your franchise	On demand	You must indemnify and defend (with counsel reasonably acceptable to us) us and our affiliates against all losses in any action by or against us related to, or alleged to arise out of, the operation of your franchise (unless caused by our misconduct or negligence).
Prevailing party's legal costs	Our attorney fees, court costs, and other expenses of a legal proceeding, if we are the prevailing party	On demand	In any legal proceeding (including arbitration), the losing party must pay the prevailing party's attorney fees, court costs and other expenses.

All fees are payable only to us. All fees are non-refundable. All fees are uniform for all franchisees, although we reserve the right to change, waive, or eliminate fees for any one or more franchisees as we deem appropriate.

There are currently no marketing cooperatives, purchasing cooperatives, or other cooperatives that impose fees on you.

There are currently no franchisor-owned outlets. We reserve the right to operate franchise units at our discretion. Regarding the voting power of cooperatives, a franchisor-owned outlet will have the same voting power of all other franchisees in the cooperative. If our outlets have controlling voting power in a cooperative, there is no maximum or minimum fees that may be imposed.

Notes

1. "Gross Sales" is defined in our franchise agreement as the total dollar amount of all sales generated through your business for a given period, including, but not limited to, payment for any services or products sold by you, whether for cash or credit. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected, (iii) sale of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Gross Sales).

2. We can require you to pay royalty fees and other amounts due to us by pre-authorized bank draft, and we can require an alternative payment method.

Item 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial franchise fee (note 1)	\$40,000 - \$40,000	Cashier's check or electronic payment	Upon signing the franchise agreement	Us
Start-Up Expense Fee (note 2)	\$0 - \$8,500	Cashier's check or electronic payment	Upon signing the franchise agreement	Us
Rent, Utilities, and Leasehold Improvements (see Note 3)	\$0 - \$0	N/A	N/A	N/A
Market Introduction Program	\$0 - \$1,000	Check, debit, and/or credit	As incurred or when billed	Vendors and suppliers
Furniture, Fixtures, and Equipment	\$0 - \$500	Check, debit, and/or credit	As incurred	Vendors and suppliers
Computer Systems	\$195 - \$1,500	Check, debit, and/or credit	As incurred	Vendors and suppliers
Insurance (see Note 4)	\$300 - \$3,000	Check	Upon ordering	Insurance company
Vehicle (see Note 5)	\$10,000 - \$35,000	Check	Upon purchase	Vendor
Vehicle Signage	\$1,200 - \$2,200	Check, debit, and/or credit	Upon ordering	Vendor
Office Expenses	\$1,000 - \$2,000	Check, debit, and/or credit	As incurred	Vendors
Inventory (see Note 6)	\$0 - \$0	N/A	N/A	N/A
Licenses and Permits	\$200 - \$500	Check	Upon application	Government
Professional Fees (lawyer, accountant, etc.)	\$400 - \$1,500	Check, debit, and/or credit	As incurred or when billed	Professional service firms
Uniforms	\$75 - \$225			

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Travel and meals for initial training (see Note 7)	\$700 - \$1,500	Cash, debit or credit	As incurred	Airlines, hotels, and restaurants
Additional funds (for first 3 months) (see Note 8)	\$8,500 - \$40,000	Varies	Varies	Employees, suppliers
Total (see Note 8)	\$62,570 - \$137,425			

Notes

1. If you lease a location, then your lease security deposit and utility deposits will usually be refundable unless you owe money to the landlord or utility provider. None of the other expenditures in this table will be refundable. Neither we nor any affiliate finances any part of your initial investment.

2. The items covered by the Start-Up Expense fee are described in Item 5. The low estimate assumes that you are already a franchisee and are not required to pay for these items. The high estimate assumes that you (like any new franchisee) must purchase these items and pay us this fee.

3. We estimate real property, leasehold improvements, and utilities at zero because we expect you will open as a home-based business.

4. The low-end estimated cost of insurance assumes a minimum monthly payment of \$300, and only one month's payment required before you open for business. The high-end estimate assumes you pay an entire year of insurance costs before opening. You will typically have the choice to make payments monthly, quarterly, or annually.

5. You must use a white van for your business. Unless you obtain our prior approval, we require that you use one of the following models: Mercedes-Benz Sprinter, Ford Transit, Nissan NV Cargo van, or Dodge Ram Pro Master. Your vehicle must be in good condition, clean, dent-free, and otherwise presenting a professional appearance. You must use the Bloomin Blinds van only for business purposes. The low-end estimate assumes you lease a suitable vehicle. The high-end estimate assumes you purchase a suitable use vehicle. If you purchase a new van, the cost could be up to \$35,000.

6. We will provide you with your initial inventory package used in selling and installing the blinds and materials in customers' buildings and homes as part of the Start Up Expense Fee. After you open, you will purchase inventory directly from the vendors. The initial package is designed to give you a broad working inventory and will be sufficient in most territories for some period of time. Depending on the region and the variations of products installed in your area, there may be more inventory that needs to be ordered above and beyond what is provided by us.

7. We will pay for your hotel stay during training, as well as transportation between your hotel and our offices. Other travel expenses are your responsibility.

8. This includes any other required expenses you will incur before operations begin and during the initial period of operations, such as payroll, additional inventory, and other operating expenses in excess of income generated by the business. In formulating the amount required for additional funds, we relied on the following factors, basis, and experience: the development of a Bloomin' Blinds business by our affiliate, and our general knowledge of the industry.

9. These figures are estimates, and we cannot guarantee that you will not have additional, or higher, expenses. You should review these figures carefully with a business advisor before making any decision to purchase a franchise.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Generally

We have the right to require you to purchase or lease all goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating your business (1) either from us or our designee, or from suppliers approved by us, or (2) according to our specifications.

Specific Obligations

The following are our current specific obligations for purchases and leases:

A. Window Blinds, Shades, Shutters, and Parts. You must source your window blinds from TimberBlindMetroShade, Norman Window Fashions, Springs Window Fashions, and The Window Outfitters. You must source components and parts from Genes Industries, Inc. and Vogue Enterprise, Inc. In some cases, we may be able sell small orders directly to you.

B. Internet Marketing. Currently, Scorpion Internet Marketing is the sole vendor for all internet marketing for our franchisees.

C. Insurance. You must obtain insurance as described in the Franchise Agreement and in our Manual, which includes (i) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than \$1,000,000 single limit per occurrence and \$2,000,000 aggregate limit, (ii) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than \$1,000,000, and (iii) Workers Compensation coverage as required by state law. Your insurance policies (other than Workers' Compensation coverage) must list us and our affiliates as additional insured.

D. Computer software and hardware. You must purchase and use the computer software and hardware that we specify. See Item 11 for more details.

Us or our Affiliates as Supplier

Neither we nor any affiliate is currently a supplier of any good or service that you must purchase, although we reserve to the right to be a supplier (or the sole supplier) of a good or service in the future.

Ownership of Suppliers

None of our officers owns an interest in any supplier to our franchisees.

Alternative Suppliers

If you want to use a supplier that is not on our list of approved suppliers, you must request our approval in writing. We will grant or revoke approvals of suppliers based on criteria appropriate to the situation, which may include evaluations of the supplier's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Our criteria for approving suppliers are not available to you. We permit you to contract with alternative suppliers who meet our criteria only if you request our approval in writing, and we grant approval. There is no fee for us to review or approve an alternate supplier. We will provide you with written notification of the approval or disapproval of any supplier you propose within 30 days after receipt of your request. We may grant approvals of new suppliers or revoke past approvals of suppliers on written notice to you, or by updating our Manual.

Issuing Specifications and Standards

We issue specifications and standards to you for applicable aspects of the franchise in our Manual and/or in written directives. We may issue new specifications and standards for any aspect of our brand system, or modify existing specifications and standards, at any time by revising our Manual and/or issuing new written directives (which may be communicated to you by any method we choose). We will generally (but are not obligated to) issue new or revised specifications only after thorough testing in our headquarters, in company-owned outlets, and/or a limited market test in multiple units.

Revenue to Us and Our Affiliates

We will derive revenue from franchisees' purchases from TimberBlindMetroshade, Norman Window Fashions, The Window Outfitters, Elegant Shutters, and Quickbooks. In 2018, our total revenue was \$661,693.63. Our revenue from all required purchases and leases of products and services by franchisees in 2018 was \$63,357.92 or 9.58% of our total revenues.

Proportion of Required Purchases and Leases

We estimate that the required purchases and leases to establish your business are 40% to 70% of your total purchases and leases to establish your business.

We estimate that the required purchases and leases of goods and services to operate your business are 40% to 70% of your total purchases and leases of goods and services to operate your business.

Payments by Designated Suppliers to Us

We will receive payments from designated suppliers from franchisee purchases based on the following: (i) 5% rebate on franchisee purchases from TimberBlindMetroShade; (ii) 5% rebate on franchisee purchases from Norman Window Fashions; (iii) 4% rebate on franchisee purchases from The Window Outfitters; (iv) 5% rebate on franchisee purchases from Elegant Shutters; (v) Quickbook purchases; (vi) 5% rebate on franchisee purchases from Graber.

Purchasing or Distribution Cooperatives

No purchasing or distribution cooperative currently exists.

Negotiated Arrangements

We have negotiated purchase arrangements with various vendors for the benefit of our franchisees. Negotiated benefits vary by vendor, but may include free sample books, discounted sample books, discounted hand samples, brand specific promotions, annual rebate paid by the specific vendor, co-op advertising, advanced training, and/or lower purchase costs.

Benefits Provided to You for Purchases

We do not provide any material benefit to you based on your purchase of particular goods or services, or your use of particular suppliers.

Item 9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in agreement	Disclosure document item
a. Site selection and acquisition/lease	§ 6.1	Item 11
b. Pre-opening purchase/leases	§§ 6.2, 6.3	Items 5, 7, 8 and 11
c. Site development and other pre-opening requirements	Article 6	Items 5, 7, 8 and 11
d. Initial and ongoing training	§§ 5.4, 6.4, 7.6	Items 5, 6, 8 and 11
e. Opening	§§ 6.5, 6.6	Items 7, 8 and 11
f. Fees	Article 4, §§ 5.5, 7.7, 7.8, 9.5, 10.5, 11.2, 11.3, 14.5, 15.2, 16.1, 17.6	Items 5, 6 and 7

Obligation	Section in agreement	Disclosure document item
g. Compliance with standards and policies/operating manual	§§ 6.3, 7.1, 7.3, 7.5, 7.9 – 7.13, 7.15, 10.1, 10.4, 11.1	Items 8, 11 and 14
h. Trademarks and proprietary information	Article 12, § 13.1	Items 13 and 14
i. Restrictions on products/services offered	§ 7.3	Items 8, 11 and 16
j. Warranty and customer service requirements	§§ 7.3, 7.8, 7.9	Item 8
k. Territorial development and sales quotas	Not applicable	Item 12
l. Ongoing product/service purchases	Article 8	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	§§ 7.12, 7.13	Items 6, 7 and 8
n. Insurance	§ 7.15	Items 6, 7 and 8
o. Advertising	Article 9	Items 6, 7, 8 and 11
p. Indemnification	Article 16	Items 6 and 8
q. Owner's participation/management/staffing	§ 2.4	Items 15
r. Records and reports	Article 10	Item 11
s. Inspections and audits	§§ 10.5, 11.2	Items 6 and 11
t. Transfer	Article 15	Items 6 and 17
u. Renewal	§ 3.2	Item 17
v. Post-termination obligations	Article 13, § 14.3	Item 17
w. Non-competition covenants	§ 13.2	Item 17
x. Dispute resolution	Article 17	Items 6 and 17

Item 10 FINANCING

Except as noted below in this Item 10, we do not offer direct or indirect financing. We do not guarantee your note, lease, or other obligation.

We offer to financially-qualified franchisees partial financing of the Initial Franchise Fee. Financing is dependent on your financial qualifications. We reserve the right to suspend the financing program at any time.

We will finance up to \$15,000 of the Initial Franchise Fee. At the highest level of financing, you would execute a promissory note, financing addendum, and security agreement (and your owners would sign personal guarantees) for the balance of \$15,000 in the form attached to the Franchise Disclosure Document in Exhibit D. The terms of financing are summarized in the following chart:

Summary Of Financing Offered	
Maximum Amount Financed ⁽¹⁾	\$15,000
Down Payment ⁽¹⁾	\$33,500
Term ⁽²⁾	Up to 50 months
Interest Rate ⁽²⁾	0%
Prepayment Penalty	None
Security Required	Personal Guaranty By All Owners and Security Agreement
Liability on Default	Full amount of remaining principal, plus costs of collection, including attorney fees
Other Default Consequences ⁽³⁾	Termination of Franchise Agreement

Notes:

1. The maximum amount of financing we make available is \$15,000. It may be lower depending on your financial qualifications and the amount of down payment. Lower financing may result in lower payments.
2. The term of the promissory note will commence upon signing of the franchise agreement and will continue for the full term of the note. The note is payable in monthly payments equal to 2% of the initial principal balance of the note, with the first payment generally being due on the first day of the second full calendar month after the Effective Date of the franchise agreement. In return for the financing, the franchisee will pay an extra 2% royalty (which would result in a Royalty Rate of 8% of Gross Sales) until the note is paid in full.

3. The Franchise Agreement may be terminated with no opportunity to cure the default if you fail to make any payment due under the promissory note within 10 days of its due date. The holder of the promissory note may also declare the entire remaining balance of the principal and interest immediately due and payable.

The promissory note does not require you to waive defenses or other legal rights or bar you from asserting a defense against the franchisor. It is not our practice or intent to sell, assign, or discount to a third party all or part of the financing arrangement. It is not our practice or intent to place the financing with a lender, but we may do so in the future.

Item 11

FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

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

Our Pre-Opening Obligations

Before you open your business:

A. *Your site.* We do not assist you in (i) selecting or locating your site and negotiating the purchase or lease of the site, (ii) conforming the premises to local ordinances and building codes and obtaining any required permits, or (iii) constructing, remodeling, or decorating the premises. We do not select your site. Your site must be located in your territory.

B. *Hiring and training employees.* We will provide you with our suggested staffing levels (Section 5.2), suggested guidelines for hiring employees (Section 5.2), operational instructions in the Manual which you can use as part of training new employees (Section 5.3), and our initial training program described below. All hiring decisions and conditions of employment are your sole responsibility.

C. *Necessary equipment, signs, fixtures, opening inventory, and supplies.* We will provide you a list of our specifications and approved suppliers for equipment, signs, fixtures, opening inventory, and supplies necessary to open your business. (Section 5.4) We do not provide these items directly; we only provide the names of approved suppliers. We do not deliver or install these items.

D. *Operating Manual.* We will give you access to our Operating Manual (Section 5.1).

E. *Initial Training Program.* We will conduct our initial training program. (Section 5.4). The current initial training program is described below.

F. *Business plan review.* If you request, we will review your pre-opening business plan and financial projections. (Section 5.4).

G. *Market introduction plan.* We will advise you regarding the planning and execution of your market introduction plan. (Section 5.4).

H. *Inventory.* We will provide you with an initial inventory of parts, valued at approximately \$3,500.

Length of Time to Open

The typical length of time between signing the franchise agreement and the opening of your business is 30 to 45 days. Factors that may affect the time period include your ability to obtain financing, obtain business permits and licenses, schedule initial training, and hire employees.

Our Post-Opening Obligations

After you open your business:

A. *Developing products or services you will offer to your customers.* Although it is our intent and practice to refine and develop products or services that you will offer to your customers, the franchise agreement does not obligate us to do so.

B. *Hiring and training employees.* We will provide you with our suggested staffing levels (Section 5.2), suggested guidelines for hiring employees (Section 5.2), and operational instructions in the Manual which you can use as part of training new employees (Section 5.3). All hiring decisions and conditions of employment are your sole responsibility. At your request, we will train additional employees through the entire course of instruction for \$5,000. The employee will join a regularly-scheduled training cycle as allowed by class capacity.

C. *Improving and developing your business; resolving operating problems you encounter.* If you request, we will provide advice to you (by telephone or electronic communication) regarding improving and developing your business, and resolving operating problems you encounter, to the extent we deem reasonable. If we provide in-person support in response to your request, we may charge a fee (currently \$500 per day) plus any out-of-pocket expenses (such as travel, lodging, and meals for our employees providing onsite support). (Section 5.5).

D. *Establishing prices.* Upon your request, we will provide recommended prices for products and services. (Section 5.5).

E. *Establishing and using administrative, bookkeeping, accounting, and inventory control procedures.* We will provide you our recommended procedures for administration, bookkeeping, accounting, and inventory control. (Section 5.5). We may make any such procedures part of required (and not merely recommended) procedures for our system.

F. *Marketing Fund.* We will administer the Marketing Fund. (Section 5.5).

G. *Website.* We will maintain a website for the Bloomin' Blinds brand, which will include your business information and telephone number. (Section 5.5)

Advertising

Our obligation. We will administer the Marketing Fund. We will use this fund only for marketing and related purposes and costs. Media coverage is primarily local. We will use outside vendors and consultants to produce advertising. We are not required to spend any amount of advertising in the area or territory where any particular franchisee is located. We will maintain the brand website (which can be paid for by the Marketing Fund). We have no other obligation to conduct advertising. We began our Marketing Fund during January 2019.

Your own advertising material. You may use your own advertising or marketing material only with our approval. To obtain our approval, you must submit any proposed advertising or marketing material at least 14 days prior to use. If we do not respond, the material is deemed rejected. If you develop any advertising or marketing materials, we may use those materials for any purpose, without any payment to you.

Advertising council. We currently do not have an advertising council composed of franchisees, but we reserve the power to form an advertising counsel.

Local or Regional Advertising Cooperatives. We do not currently have any local or regional advertising cooperatives. We have the right to require you to participate in a local or regional advertising cooperative. We will define the area of the cooperative based on media markets, or other geographic criteria that we deem appropriate. Each franchisee in the area would have one vote per outlet (unless the franchisee is in default under its franchise agreement). The amount you must contribute to the cooperative will be determined by vote of the members, but not less than 1% of gross sales. If our own outlets are members of a cooperative, they must contribute to the fund on the same basis as franchisees, and they will vote on the same basis as other members. If our outlets have controlling voting power, there is no maximum on fees that could be imposed. We administer the cooperative, but we have the right to delegate responsibility for administration to an outside company such as an advertising agency or accounting firm, or to the franchisee members of the cooperative. We have the right to require the cooperative to operate from written bylaws or other governing documents that we determine. The documents are not currently available for you to review. Cooperatives will prepare annual financial statements which will be made available for review only by us and by the members of cooperative. We have the power to require cooperatives to be formed, changed, dissolved, or merged.

Advertising Fund. You and all other franchisees must contribute to the Marketing Fund. Each month, your contribution will be the greater of (i) 2% of gross sales or (ii) \$300. All franchisees may be required to contribute different percentages of their gross sales. Outlets that we own are not obligated to contribute to the Marketing Fund. We will administer the fund. The fund is not audited. We will make unaudited annual financial statements available to you upon request. We did not spend any money from the Marketing Fund in our most recently concluded fiscal year. If less than all marketing funds are spent in the fiscal year in which they accrue, the money will remain in the Marketing Fund to be spent in the next year. No money from the Marketing Fund is spent principally to solicit new franchise sales.

Required spending. Each month, you must spend at least 2% of the previous month's gross sales on marketing your business (and not less than \$1,000 per month). If you fail to do so, we can (among other remedies) require that you pay this amount to us.

Computer Systems

You will need a laptop or desktop computer with typical office software such as word processing, email, and anti-virus, as well as a mobile tablet and a smartphone. If you already have a suitable computer and tablet or smartphone, you may use them for your Bloomin Blinds business.

We require you to use our designated cloud-based software system which provides functions such as dispatching, scheduling, job management, Customer Relationship Management (CRM), invoicing, and reporting and analysis. This system will generate or store data about jobs, pricing, customers, and other aspects of your business. The system currently costs \$150 per month.

We also require you to use our designated accounting and storage software (currently Quickbooks and Dropbox, respectively, and that you use Review Trigger.

We estimate that your computer and software systems will cost between \$195 (the cost of one month of our business management software plus Quickbooks and Dropbox, assuming that you already have a suitable computer) and \$1,500 to purchase.

We are not obligated to provide any ongoing maintenance, repairs, upgrades, or updates. We do not require you enter into any such contract with a third party (other than monthly subscriptions for business management software, Quickbooks, Dropbox, and Review Trigger). You must upgrade or update any system when we determine. There is no contractual limit on the frequency or cost of this obligation. We estimate that the annual cost of any optional or required maintenance, updating, upgrading, or support contracts will be \$2,400 to \$3,000.

You must give us independent access to the information that will be generated or stored in these systems. The information that we may access will include sales, customer data, and reports. There is no contractual limitation on our right to access the information.

Operating Manual

See Exhibit F for the table of contents of our Operating Manual as of the date of this Disclosure Document, with the number of pages devoted to each subject and the total number of pages in the Operating Manual.

Training Program

Our training program consists of the following:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
WEEK 1			
Day 1 – Exposure	9		Lewisville, Texas
Day 2 – Horizontals 1	9		Lewisville, Texas
Day 3 – Horizontals 2	9		Lewisville, Texas
Day 4 – Exterior/Romans	9		Lewisville, Texas
Day 5 – Software, Verticals	9		Lewisville, Texas
WEEK 2			
Day 1 – Pleated 1	9		Lewisville, Texas
Day 2 – Shutters	9		Lewisville, Texas
Day 3 – Roller Shades	9		Lewisville, Texas
Day 4 – Measuring/Practical	9		Lewisville, Texas
Day 5 – Manufacturers Tour	9		Lewisville, Texas
TOTAL	90		

Training classes will be scheduled in accordance with the needs of new franchisees. Currently, we anticipate holding training classes once per month. Training will be held at our offices and business location in Lewisville, Texas. We reserve the right to vary the length and content of the initial training program based on the experience and skill level of any individual attending the initial training program.

The instructional materials consist of the Operating Manual and other materials, lectures, discussions, and on-the-job demonstration and practice.

Training classes will be led or supervised by Kevin Stuart. His experience is described in Item 2. He has 12 years of experience in our industry, and 12 years of experience with us or our affiliates.

There is no fee for up to two people to attend training. You must pay the travel and living expenses of people attending training. We will provide training only to people who will engaged full time with your business.

You must attend training. You may send any additional persons to training that you want (up to the maximum described above). You must complete training to our satisfaction before opening your business.

Your business must at all times be under your on-site supervision or under the on-site supervision of a general manager who has completed our training program. If you need to send a new general manager or other person to our training program, we will charge a fee, which is currently \$5,000.

We do not currently require additional training programs or refresher courses, but we have the right to do so.

Item 12 TERRITORY

Your Location

We anticipate that you will manage your business from your home or from a small office setting. Your primary office must be located in your territory, unless we approve otherwise.

Grant of Territory

Your franchise agreement will specify a territory, which will have a population of approximately 250,000 to 350,000 people. The boundaries of your territory will usually be specified by zip codes; however, we may use other boundaries (such as counties or other political boundaries, streets, geographical features, or trade areas).

Relocation; Establishment of Additional Outlets

You may relocate your business headquarters anywhere in your territory.

You do not have the right to establish additional franchised outlets or expand into additional territory. If you desire to do so, you must (1) meet our then-current criteria for new franchisees, (2) be in compliance with your franchise agreement at all times since opening your business, (3) have demonstrated your capability to operate a multi-territory franchise successfully, (4) sign our then-current version of our franchise agreement and related documents (including personal guarantees), and (5) obtain our agreement (which may require you to sign new franchise agreements, using our then-current version of the franchise agreement and related documents, for all of your other franchises or territories).

Options to Acquire Additional Franchises

You do not receive any options, rights of first refusal, or similar rights to acquire additional franchises.

Territorial Protection

We grant you an exclusive territory. In your territory, we will not establish a Bloomin' Blinds outlet, nor license or franchise another party to establish a Bloomin' Blinds outlet. However, (i) after your first year of operations, if your monthly royalty calculation is less than \$500 for two consecutive months, or (ii) if you default under the franchise agreement and as a result we have the right to terminate the agreement, then we may unilaterally alter your territory or eliminate the exclusivity of your rights in your territory. The continuation of your territorial exclusivity does not depend on any other contingency, and there are no other circumstances that permit us to modify your territorial rights.

Restrictions on Us from Soliciting or Accepting Orders in Your Territory

Except as described in this paragraph, we will not serve customers in your territory, nor authorize another party to serve customers in your territory, under our Bloomin' Blinds brand. However, we may serve (or authorize other franchisees to serve) customers in your territory if you are in default, or if you are incapable of meeting customer demand in your territory. We may also serve (or authorize another franchisee to serve) a particular customer in your territory if you fail to properly serve such customer, or if we reasonably believe that you will not properly serve such customer. We reserve the right to use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your territory (i) using our principal trademarks, but only for sales of products or services different from the ones you will offer, and (ii) using trademarks different from the ones you will use. In the circumstances where the franchise agreement does not prohibit us from soliciting or accepting orders from inside your territory, we do not pay any compensation to you.

Soliciting by You Outside Your Territory

You cannot solicit or market to potential customers outside of your territory, except for solicitations or marketing which are primarily targeted inside the territory and which incidentally reach potential customers outside of the territory. You are not permitted to use other channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing to make sales outside of your territory. You cannot accept order or serve customers outside of your territory without our prior written permission. We may withdraw permission at any time.

Competition by Us Under Different Trademarks

Neither we nor any of our affiliates operates, franchises, or has plans to operate or franchise a business under a different trademark selling goods or services similar to those you will offer. However, the franchise agreement does not prohibit us from doing so.

Item 13

TRADEMARKS

Principal Trademarks

The following are the principal trademarks that we license to you. These trademarks are owned by us. They are registered on the Principal Register of the United States Patent and Trademark Office.

Trademark	Registration Date	Registration Number
Bloomin Blinds	December 16, 2014	4655788
IF YOUR BLINDS AREN'T BECOMING TO YOU ... THEY SHOULD BE COMING TO US!	October 30, 2018	5595415

Because the federal trademark registrations are less than six years old, no affidavits are required at this time. The registrations have not yet been renewed.

Determinations

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court. There are no pending infringement, opposition, or cancellation proceedings.

Litigation

There is no pending material federal or state court litigation regarding our use or ownership rights in a trademark.

Agreements

There are no currently effective agreements that significantly limit our rights to use or license the use of trademarks listed above in a manner material to the franchise.

Protection of Rights

We protect your right to use the principal trademarks listed in this Item, and we protect you against claims of infringement or unfair competition arising out of your use of the trademarks, to the extent described in this section.

The franchise agreement obligates you to notify us of the use of, or claims of rights to, a trademark identical to or confusingly similar to a trademark licensed to you. The franchise agreement does not require us to take affirmative action when notified of these uses or claims. We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you.

If you use our trademarks in accordance with the franchise agreement, then (i) we will defend you (at our expense) against any legal action by a third party alleging infringement by your use of the trademark, and (ii) we will indemnify you for expenses and damages if the legal action is resolved unfavorably to you.

Under the franchise agreement, we may require you to modify or discontinue using a trademark, at your expense.

Superior Prior Rights and Infringing Uses

We do not know of either superior prior rights or infringing uses that could materially affect your use of the principal trademarks.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

We do not own rights in, or licenses to, patents that are material to the franchise. We do not have any pending patent applications.

Copyrights

All of our original works of authorship fixed in a tangible medium of expression are automatically protected under the U.S. Copyright Act, whether or not we have obtained registrations. This includes our Operating Manual as well as all other sales, training, management and other materials that we have created or will create. You may use these copyrighted materials during the term of the franchise, in a manner consistent with our ownership rights, solely for your franchised business.

We do not have any registered copyrights. There are no pending copyright applications for our copyrighted materials. There are no currently effective determinations of the U.S. Copyright Office (Library of Congress) or any court regarding any copyright.

There are no agreements currently in effect that limit our right to use or license the use of our copyrighted materials.

We have no obligation to protect any of our copyrights or to defend you against claims arising from your use of copyrighted items. The franchise agreement does not require us to take affirmative action when notified of copyright infringement. We control any copyright litigation. We are not required to participate in the defense of a franchisee or indemnify a franchisee for expenses or damages in a proceeding involving a copyright licensed to the franchisee. We may require you to modify or discontinue using the subject matter covered by any of our copyrights.

We do not know of any copyright infringement that could materially affect you.

Proprietary Information

We have a proprietary, confidential Operating Manual and related materials that include guidelines, standards and policies for the development and operation of your business. We also claim proprietary rights in other confidential information or trade secrets that include all methods for developing and operating the business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

You (and your owners, if the franchise is owned by an entity) must protect the confidentiality of our Operating Manual and other proprietary information, and you must use our confidential information only for your franchised business. We may require your managers and key employees to sign confidentiality agreements.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Your Participation

You are required to personally participate full time in the direct operation of your business.

If you are the sole owner of the business, then you are deemed the “Principal Executive”. If the business is owned through a corporation or limited liability company, you must designate one person as your “Principal Executive”. The Principal Executive is the executive primarily responsible for your business and has decision-making authority on behalf of the business. The Principal Executive must own at least 50% of the business. The Principal Executive must complete our initial training program. The Principal Executive must complete any post-opening training programs that we develop in the future. The Principal Executive must make reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls), including regional or national brand conferences, that we require. The Principal Executive cannot fail to attend more than three consecutive required meetings.

If your business is owned by an entity, all owners of the business must sign our Guaranty and Non-Compete Agreement (see Attachment 2 to Exhibit B).

“On-Premises” Supervision

When your business performs services for a customer, you are not required to personally conduct “on-premises” supervision of your business (that is, act as a general manager). However, we recommend on-premises supervision by you.

There is no limit on who you can hire as an on-premises supervisor. The general manager of your business (whether that is you or a hired person) must successfully complete our training program.

If the franchise business is owned by an entity, we do not require that the general manager own any equity in the entity.

Restrictions on Your Manager

If we request, you must have your general manager sign a confidentiality and non-compete agreement. We do not require you place any other restrictions on your manager.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale only goods and services that we have approved.

You must offer for sale all goods and services that we require. We have the right to change the types of authorized goods or services, and there are no limits on our right to make changes.

We do not restrict your access to customers, except that all sales must be made to customers in your territory.

Item 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	§ 3.1	7 years from date of franchise agreement.
b. Renewal or extension of the term	§ 3.2	You may obtain a successor franchise agreement for an unlimited number of 5-year terms.

Provision	Section in franchise or other agreement	Summary
c. Requirements for franchisee to renew or extend	§ 3.2	<p>For our franchise system, “renewal” means that at the end of your term, you sign our successor franchise agreement for an additional 5-year term. You may be asked to sign a contract with materially different terms and conditions than your original contract.</p> <p>To renew, you must give 120 – 180 days advance notice to us, be in compliance, conform your business to then-current standards for new franchisees, sign then-current form of franchise agreement and related documents (including personal guarantees), and sign general release (unless prohibited by applicable law), and we must then be in the business of selling or renewing franchises.</p>
d. Termination by franchisee	§ 14.1	If we violate a material provision of the franchise agreement and fail to cure or to make substantial progress toward curing the violation within 30 days after notice from you.
e. Termination by franchisor without cause	Not Applicable	
f. Termination by franchisor with cause	§ 14.2	We may terminate your franchise agreement for cause, subject to any applicable notice and cure opportunity.
g. “Cause” defined--curable defaults	§ 14.2	Non-payment by you (10 days to cure); violate franchise agreement other than non-curable default (30 days to cure).

Provision	Section in franchise or other agreement	Summary
h. “Cause” defined--non-curable defaults	§ 14.2	Misrepresentation when applying to be a franchisee; knowingly submitting false information; bankruptcy; violation of law; violation of confidentiality; violation of non-compete; violation of transfer restrictions; slander or libel of us; refusal to cooperate with our audit or business inspection; cease operations for more than 5 consecutive days; three defaults in 12 months; cross-termination; charge or conviction of a felony, or accusation of an act that is reasonably likely to materially and unfavorably affect our brand; any other breach of franchise agreement which by its nature cannot be cured.
i. Franchisee’s obligations on termination/non-renewal	§§ 14.3 – 14.6	Pay all amounts due; return Manual and proprietary items; notify phone, internet, and other providers and transfer service; cease doing business; remove identification; purchase option by us.
j. Assignment of agreement by franchisor	§ 15.1	Unlimited
k. “Transfer” by franchisee - defined	Article 1	For you (or any owner of your business) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the business, (ii) the franchise agreement, (iii) direct or indirect ownership interest of more than 25% of the business, or (iv) control of the business.
l. Franchisor’s approval of transfer by franchisee	§ 15.2	No transfers without our approval.

Provision	Section in franchise or other agreement	Summary
m. Conditions for franchisor's approval of transfer	§ 15.2	Pay transfer fee; buyer meets our standards; buyer is not a competitor of ours; buyer signs our then-current franchise agreement and related documents (including personal guarantees); you've made all payments to us and are in compliance with the franchise agreement; you pay all amounts which you have financed with us or our affiliates, buyer completes training program; you sign a general release; business complies with then-current system specifications.
n. Franchisor's right of first refusal to acquire franchisee's business	§ 15.5	If you want to transfer your business, we have a right of first refusal.
o. Franchisor's option to purchase franchisee's business	Not Applicable	
p. Death or disability of franchisee	§§ 2.4, 15.4	If you die or become incapacitated, a new principal operator, acceptable to us, must be designated to operate the business, and your executor must transfer the business to a third party within six months.
q. Non-competition covenants during the term of the franchise	§ 13.2	Neither you, any owner of the business, or any spouse of an owner may have ownership interest in, or be engaged or employed by, any competitor.
r. Non-competition covenants after the franchise is terminated or expires	§ 13.2	For two years, no ownership or employment by a competitor located within 25 miles of your former territory or the territory of any other Bloomin' Blinds business operating on the date of termination.

Provision	Section in franchise or other agreement	Summary
s. Modification of the agreement	§ 18.4	No modification or amendment of the franchise agreement will be effective unless it is in writing and signed by both parties. This provision does not limit our right to modify the Manual or system specifications.
t. Integration/merger clause	§ 18.3	Only the terms of the franchise agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. However, no claim made in any franchise agreement is intended to disclaim the express representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	§ 17.1	All disputes are resolved by arbitration (except for injunctive relief) (subject to applicable state law).
v. Choice of forum	§§ 17.1; 17.5	Arbitration will take place where our headquarters is located (currently, Lewisville, Texas) (subject to applicable state law). Any legal proceedings not subject to arbitration will take place in the District Court of the United States, in the district where our headquarters is then located, or if this court lacks jurisdiction, the state courts of the state and county where our headquarters is then located (subject to applicable state law).
w. Choice of law	§ 18.8	Texas (subject to applicable state law)

For additional disclosures required by certain states, refer to Exhibit H - State Addenda to Disclosure Document

Item 18 PUBLIC FIGURES

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

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not furnish or authorize our salespersons to furnish any oral or written information concerning the actual or potential sales, costs, income or profits of a company-owned location or Franchise, except as stated below.

The following tables show the historical reported average, median, low and high annual fiscal year 2018 Gross Revenue for the 24 franchisee whose units were open and operating for the entire year January 1, 2018, to December 31, 2018 (the "**Reporting Period**").

This Item 19 does not include information for units that were not open the entire Reporting Period.

We prepared the information below from our information and from information provided by our franchisees. These reported results are not audited, and we have not independently verified data provided by our franchisees, although we believe it to be accurate.

Of the units represented in the sample, all units (100%) met the stated results in the tables below.

"Gross Revenue" as used in this Item 19 includes all revenue but excludes (i) sales taxes or similar taxes that, by law, are chargeable to customers and payable to a taxing authority; and (ii) refunds, chargebacks, credits and allowances given to customers.

Table 1 – Sales Data

	Gross Revenue	Number of Sample that Achieved or Surpassed Stated Result	Percent of Sample that Achieved or Surpassed Stated Result
Median	\$245,256.40	12	50%
Average	\$283,012.16	10	42%
Highest	\$1,090,568.90	1	4%
Lowest	\$41,706.39	24	100%

Note: There are six franchisees who own multiple territories that maintain common records. Each sample in this chart is based on a franchisee regardless of the number of territories owned by the franchisee.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Some outlets have earned this amount. Your individual results may differ. There is no assurance you'll earn as much.

As stated above, the information provided herein is based on historic revenue and expense information. The information presented is not a forecast of future potential performance.

We recommend that you make your own independent investigation to determine whether or not the Franchise may be profitable and that you consult with an attorney and other advisors prior to executing the franchise agreement.

Other than the preceding financial performance representations, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Kelsey Stuart, 985 TX-121 Business, Suite 617, Lewisville, TX 75057, and 214-995-1062, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary
For years 2016 to 2018

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2016	11	27	+16
	2017	27	39	+12
	2018	39	52	+13
Company-Owned	2016	1	1	0
	2017	1	0	-1
	2018	0	0	0
Total Outlets	2016	11	27	+16
	2017	27	39	+12
	2018	39	52	+13

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2016 to 2018

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Florida	2016	0
	2017	0
	2018	1
Total	2016	0
	2017	0
	2018	1

Table 3
Status of Franchised Outlets
For years 2016 to 2018

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi- Nations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
Arizona	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
California	2016	1	0	0	0	0	0	1
	2017	1	1	0	0	0	0	2
	2018	2	3	0	0	0	0	5
Colorado ⁽¹⁾	2016	0	0	0	0	0	0	0
	2017	0	2	0	0	0	0	2
	2018	2	0	0	0	0	0	2
Florida	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	2	0	0	0	0	3
Georgia	2016	1	5	0	0	0	0	6
	2017	6	0	0	0	0	0	6
	2018	6	0	0	0	0	0	6
Idaho	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
Kansas	2016	1	1	0	0	0	0	2
	2017	2	0	0	0	0	0	2
	2018	2	0	0	1	0	0	1
Mississippi	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
Missouri	2016	1	0	0	0	0	0	1
	2017	1	1	0	0	0	1	1
	2018	1	0	0	0	0	0	1

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi- Nations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
New York	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	2	0	0	0	0	2
North Carolina	2016	0	2	0	0	0	0	2
	2017	2	1	0	0	0	0	3
	2018	3	4	0	0	0	0	7
North Dakota	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
Oklahoma	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	2	0	0	0	0	2
Oregon	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
South Carolina	2016	0	2	0	0	0	0	2
	2017	2	1	0	0	0	0	3
	2018	3	0	0	0	0	0	3
South Dakota	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
Tennessee	2016	0	0	0	0	0	0	0
	2017	0	2	0	0	0	0	2
	2018	2	0	0	0	0	0	2
Texas ⁽¹⁾	2016	5	2	0	0	0	0	7
	2017	7	5	0	0	0	2	10
	2018	10	0	0	0	0	1	9
Utah	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	1	0

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi- Nations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
Virginia	2016	0	3	0	0	0	0	3
	2017	3	0	0	0	0	0	3
	2018	3	0	0	0	0	0	3
Washington	2016	0	1	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
Totals	2016	11	16	0	0	0	0	27
	2017	27	15	0	0	0	3	39
	2018	39	16	0	1	0	2	52

⁽¹⁾ These do not include the 1 outlet in Colorado, 1 outlet in Texas, and 1 outlet in Wisconsin that opened between January 1, 2019, and the date of this disclosure document.

Table 4
Status of Company-Owned Outlets
For years 2016 to 2018

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired From Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
Texas	2016	1	0	0	0	0	1
	2017	1	0	0	0	1	0
	2018	0	0	0	0	0	0
Totals	2016	1	0	0	0	0	1
	2017	1	0	0	0	1	0
	2018	0	0	0	0	0	0

Table 5
Projected Openings As Of December 31, 2018

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets In The Next Fiscal Year	Column 4 Projected New Company- Owned Outlets In the Next Fiscal Year
Alabama	0	1	0

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets In The Next Fiscal Year	Column 4 Projected New Company- Owned Outlets In the Next Fiscal Year
California	0	4	0
Colorado	0	2	0
Florida	0	2	0
Illinois	0	1	0
Indiana	0	1	0
Mississippi	0	1	0
North Carolina	0	1	0
Oregon	0	1	0
Pennsylvania	0	1	0
Texas	0	2	0
Utah	0	1	0
Washington	0	1	0
Totals	0	19	0

Current Franchisees

Exhibit G contains the names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets.

Former Franchisees

Exhibit G contains the name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date.

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

Sale of Previously Owned Outlet

We are not selling a previously-owned franchised outlet now under our control.

Confidentiality Clauses

In the last three fiscal years, no franchisees have signed any contract, order, or settlement provision that directly or indirectly restricts a current or former franchisee from discussing his or her personal experience as a franchisee in our system with any prospective franchisee.

Franchisee Organizations

There are no trademark-specific franchisee organizations associated with our franchise system.

Item 21 FINANCIAL STATEMENTS

Exhibit E contains our audited financial statements for years ending December 31, 2018, December 31, 2017, and December 31, 2016.

Item 22 CONTRACTS

Copies of all proposed agreements regarding this franchise offering are attached as the following Exhibits:

- B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
- C. Form of General Release
- D. Form of Financing Documents
- I. State Addenda to Franchise Agreement

Item 23 RECEIPTS

Detachable documents acknowledging your receipt of this disclosure document are attached as the last two pages of this disclosure document.

EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

We may register this Disclosure Document in some or all of the following states in accordance with the applicable state law. If and when we pursue franchise registration, or otherwise comply with the franchise investment laws, in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in each state and the state offices or officials that we will designate as our agents for service of process in those states:

State	State Administrator	Agent for Service of Process (if different from State Administrator)
California	Commissioner of Business Oversight Department of Business Oversight 1515 K Street Suite 200 Sacramento, CA 95814-4052 866-275-2677	
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P.O. Box 40 Honolulu, HI 96810 (808) 586-2722	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, IN 46204 (317) 232-6681	
Maryland	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117	

State	State Administrator	Agent for Service of Process (if different from State Administrator)
Minnesota	Minnesota Department of Commerce Securities-Franchise Registration 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Commissioner of Commerce Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500
New York	New York State Department of Law Investor Protection Bureau 28 Liberty St. 21st Floor New York, NY 10005 212-416-8236	Secretary of State 99 Washington Avenue Albany, NY 12231
North Dakota	North Dakota Securities Department 600 East Boulevard Ave., State Capital Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	
Oregon	Department of Consumer & Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, Oregon 97310 (503) 378-4140	
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex-69-1 Cranston, RI 02920-4407 (401) 462-9527	
South Dakota	Division of Insurance Securities Regulation 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563	
Virginia	State Corporation Commission 1300 East Main Street 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507 (360) 902-8760	Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501 (360) 902-8760
Wisconsin	Division of Securities Department of Financial Institutions Post Office Box 1768 Madison, WI 53701 (608) 266-2801	Securities And Franchise Registration Wisconsin Securities Commission 201 West Washington Avenue, Suite 300 Madison, WI 53703

EXHIBIT B
FRANCHISE AGREEMENT



FRANCHISE AGREEMENT

SUMMARY PAGE	
1. Franchisee	_____
2. Initial Franchise Fee	\$ _____
3. Start-Up Expense Fee	\$ _____
4. Business Location	_____
5. Territory	_____
6. Opening Deadline	45 days after Effective Date
7. Principal Executive	_____
8. Franchisee's Address	_____

FRANCHISE AGREEMENT

This Agreement is made between Bloomin Blinds Franchise Corp, a Texas corporation (“BBF”), and Franchisee effective as of the date signed by BBF (the “Effective Date”).

Background Statement:

A. BBF and its affiliates have created and own a system (the “System”) for developing and operating a business that sells, installs and repairs window blinds, shades and shutters, under the trade name “Bloomin’ Blinds”.

B. The System includes (1) methods, procedures, and standards for developing and operating a Bloomin’ Blinds business, (2) particular products and services, (3) the Marks, (4) training programs, (5) business knowledge, (6) marketing plans and concepts, and (7) other mandatory or optional elements as determined by BBF from time to time.

C. The parties desire that BBF license the Marks and the System to Franchisee for Franchisee to develop and operate a Bloomin’ Blinds business on the terms and conditions of this Agreement.

ARTICLE 1. DEFINITIONS

“**Action**” means any action, suit, proceeding, claim, demand, governmental investigation, governmental inquiry, judgment or appeal thereof, whether formal or informal.

“**Approved Vendor**” means a supplier, vendor, or distributor of Inputs which has been approved by BBF.

“**Business**” means the Bloomin’ Blinds business owned by Franchisee and operated under this Agreement.

“**Competitor**” means any business which sells, installs, or repairs window blinds, shutters, or shades.

“**Confidential Information**” means all non-public information of or about the System, BBF, and any Bloomin’ Blinds business, including all methods for developing and operating the Business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

“**Gross Sales**” means the total dollar amount of all sales generated through the Business for a given period, including, but not limited to, payment for any services or products sold by Franchisee, whether for cash or credit. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected by Franchisee, (iii) sales of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Gross Sales).

“Input” means any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Business.

“Location” means the location stated on the Summary Page.

“Losses” includes (but is not limited to) all losses; damages; fines; charges; expenses; lost profits; reasonable attorneys’ fees; travel expenses, expert witness fees; court costs; settlement amounts; judgments; loss of BBF’s reputation and goodwill; costs of or resulting from delays; financing; costs of advertising material and media time/space and the costs of changing, substituting or replacing the same; and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

“Manual” means BBF’s confidential Operating Manual(s), including any supplements, additions, or revisions from time to time, which may be in any form or media.

“Marketing Fund” means the fund established (or which may be established) by BBF into which Marketing Fund Contributions are deposited.

“Marks” means the trade name and logo contained on the Summary Page, and all other trade names, trademarks, service marks and logos specified by BBF from time to time for use in a Bloomin’ Blinds business.

“Owner” means each person or entity which directly or indirectly owns or controls any equity of Franchisee. If Franchisee is an individual person, then “Owner” means Franchisee.

“Required Vendor” means a supplier, vendor, or distributor of Inputs which BBF requires franchisees to use.

“System Standards” means, as of any given time, the then-current mandatory procedures, requirements, and/or standards of the System as determined by BBF, which may include without limitation, any procedures, requirements and/or standards for appearance, business metrics, cleanliness, customer service, design, equipment, inventory, marketing and public relations, operating hours, presentation of Marks, product and service offerings, quality of products and services (including any guaranty and warranty programs), reporting, safety, technology (such as computers, computer peripheral equipment, smartphones, point-of-sale systems, back-office systems, information management systems, security systems, video monitors, other software, backup and archiving systems, communications systems (including email, audio, and video systems), payment acceptance systems, and internet access, as well as upgrades, supplements, and modifications thereto), uniforms, and vehicles.

“Territory” means the territory stated on the Summary Page.

“Transfer” means for Franchisee (or any Owner) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the Business,

(ii) this Agreement, (iii) direct or indirect ownership interest of more than 25% of the Business, or (iv) control of the Business.

ARTICLE 2. GRANT OF LICENSE

2.1 Grant. BBF grants to Franchisee the right to operate a Bloomin' Blinds business solely in the Territory. Franchisee shall develop, open and operate a Bloomin' Blinds business in the Territory for the entire term of this Agreement. Franchisee shall use commercially reasonable efforts to develop and service customers throughout the Territory.

2.2 Protected Territory.

(a) Limitation. Franchisee shall not solicit or market to potential customers outside of the Territory, except for solicitations or marketing which are primarily targeted inside the Territory and which incidentally reach potential customers outside of the Territory.

(b) Service. Franchisee shall not serve customers outside of the Territory without BBF's prior written permission. BBF may withdraw permission at any time. If Franchisee serves a customer located in the territory of another Bloomin' Blinds business, BBF may impose a fee equal to the greater of (i) \$3,000 or (ii) 75% of the amount paid by such customer to Franchisee. This fee is a reasonable estimate of BBF's internal cost of personnel time attributable to addressing Franchisee's breach of this Section, and it is not a penalty or estimate of all damages arising from Franchisee's breach. This fee is in addition to all of BBF's other rights and remedies.

(c) Exclusivity. BBF shall not establish, nor license the establishment of, another Bloomin' Blinds business within the Territory or which serves customers located in the Territory. However, BBF retains the right to:

- (i) serve (or authorize other franchisees to serve) customers in the Territory if Franchisee is in default, or if Franchisee is incapable of meeting customer demand in the Territory (in BBF's reasonable opinion);
- (ii) serve (or authorize other franchisees to serve) a particular customer in the Territory if Franchisee fails to properly serve such customer, or if BBF reasonably believes that Franchisee will not properly serve such customer;
- (iii) establish and license others to establish and operate Bloomin' Blinds businesses outside the Territory;
- (iv) operate and license others to operate businesses anywhere that do not operate under the Bloomin' Blinds brand name; and
- (v) sell and license others to sell Bloomin' Blinds products and services to customers in the Territory through channels of distribution (including the internet) so long as such products and services are not provided through a Bloomin' Blinds outlet in the Territory, and are different from the products and services provided by Franchisee.

(d) Policies. BBF may set policies binding on all franchisees regarding soliciting, marketing, and serving customers in another franchisee's territory, and BBF may waive or modify such policies in any circumstance as BBF determines. If Franchisee obtains a client in the protected territory of another franchisee, then, in addition to all other rights and remedies BBF may have, BBF may in its discretion (i) require Franchisee to transfer the client to such other franchisee, (ii) require Franchisee to pay such other franchisee 75% of the Gross Sales received from such client, or (iii) fashion such other remedy as BBF deems appropriate.

(e) Referrals. BBF may set policies binding on all franchisees regarding referral fees (and other terms and conditions) when a customer is referred from one Bloomin Blinds business to another. BBF may waive or modify such policies in any circumstance as BBF determines.

(f) Alteration of Territory. After Franchisee's first year of operations, if Franchisee's Royalty Fee would be less than \$500 per month for two consecutive months (if not for the \$500 minimum), then BBF may unilaterally reduce or otherwise alter the Territory and/or eliminate the exclusivity of Franchisee's rights in the Territory. To exercise this right, BBF must give written notice to Franchisee, no later than 12 months after the 2nd consecutive month of the Royalty Fee calculation shortfall.

2.3 Franchisee Control. Franchisee represents that Attachment 1 (i) identifies each owner, officer and director of Franchisee, and (ii) describes the nature and extent of each owner's interest in Franchisee. If any information on Attachment 1 changes (which is not a Transfer), Franchisee shall notify BBF within 10 days.

2.4 Principal Executive. Franchisee agrees that the person designated as the "Principal Executive" on the Summary Page is the executive primarily responsible for the Business and has decision-making authority on behalf of Franchisee. The Principal Executive must have at least 50% ownership interest in Franchisee. The Principal Executive must participate in the direct operation of the Business and must devote full time and attention to the Business. If the Principal Executive dies, becomes incapacitated, transfers his/her interest in Franchisee, or otherwise ceases to be the executive primarily responsible for the Business, Franchisee shall promptly designate a new Principal Executive, subject to BBF's reasonable approval.

2.5 Guaranty. If Franchisee is an entity, then Franchisee shall have each Owner sign a personal guaranty of Franchisee's obligations to BBF, in the form of Attachment 2.

2.6 No Conflict. Franchisee represents to BBF that Franchisee and each of its Owners (i) are not violating any agreement (including any confidentiality or non-competition covenant) by entering into or performing under this Agreement, (ii) are not a direct or indirect owner of any Competitor, and (iii) are not listed or "blocked" in connection with, and are not in violation under, any anti-terrorism law, regulation, or executive order.

ARTICLE 3. TERM

3.1 Term. This Agreement commences on the Effective Date and continues for 7 years.

3.2 Successor Agreement. When the term of this Agreement expires, Franchisee may enter into a successor agreement for up an unlimited number of additional periods of five years each, subject to the following conditions prior to each renewal:

- (i) Franchisee notifies BBF of the election to renew between 120 and 180 days prior to the end of the term;
- (ii) BBF is still in the business of selling (or renewing) Blooming Blinds franchises in the United States (and if Franchisee cannot renew on this basis, then Franchisee will automatically be released from all covenants against competition at the expiration of the term);
- (iii) Franchisee (and its affiliates) are in compliance with this Agreement and all other agreements with BBF (or any of its affiliates) at the time of election and at the time of renewal;
- (iv) Franchisee has made or agrees to make (within a period of time acceptable to BBF) changes to the Business as BBF requires to conform to the then-current System Standards;
- (v) Franchisee executes BBF's then-current standard form of franchise agreement and related documents (including personal guarantees), which may be materially different than this form (including, without limitation, higher and/or different fees), except that Franchisee will not pay another initial franchise fee and will not receive more renewal or successor terms than described in this Section; and
- (vi) Franchisee and each Owner executes a general release (on BBF's then-standard form) of any and all claims against BBF, its affiliates, and their respective owners, officers, directors, agents and employees.

ARTICLE 4. FEES

4.1 Initial Franchise Fee. Upon signing this Agreement, Franchisee shall pay an initial franchise fee in the amount stated on the Summary Page. This initial franchise fee is not refundable.

4.2 Start Up Expense Fee. Upon signing this Agreement, Franchisee shall pay a star up expense fee in the amount stated on the Summary Page.

4.3 Royalty Fee. Franchisee shall pay BBF a monthly royalty fee (the "Royalty Fee") equal to 6% of Gross Sales (other than sales of plantation shutters, in which case the Royalty Fee is 3%), but not greater than \$6,000 per territory for any one month. After Franchisee's first year of operation, the minimum Royalty Fee is \$500 per month. The Royalty Fee for any given month is due on the last business day of the following month.

4.4 Marketing Fund Contribution.

(a) Marketing Fund Contribution. Each month, Franchisee shall pay BBF a contribution to the Marketing Fund (the "Marketing Fund Contribution") equal to the greater of

(i) 2% of Franchisee's Gross Sales; or (ii) \$300. The Marketing Fund Contribution shall be paid at the same time as the Royalty Fee.

(b) Market Cooperative Contribution. If the Business participates in a Market Cooperative, then Franchisee shall contribute to the Market Cooperative a percentage of Gross Sales (or other amount) determined by the Market Cooperative.

4.5 Replacement / Additional Training Fee. If Franchisee sends an employee to BBF's training program after opening, BBF may charge its then-current training fee. As of the date of this Agreement, the training fee is \$5,000 per person.

4.6 Vendors. If BBF requires Franchisee to use a designated vendor, BBF has the right (but not the obligation) to collect payment on behalf of the vendor and remit the payment to the vendor. If BBF does so, it may impose a reasonable markup or charge for administering the payment program.

4.7 Non-Compliance Fee. BBF may charge Franchisee \$500 for any instance of non-compliance with the System Standards or this Agreement (other than Franchisee's non-payment of a fee owed to BBF) which Franchisee fails to cure after 30 days' notice. Thereafter, BBF may charge Franchisee \$250 per week until Franchisee ceases such non-compliance. This fee is a reasonable estimate of BBF's internal cost of personnel time attributable to addressing the non-compliance, and it is not a penalty or estimate of all damages arising from Franchisee's breach. The non-compliance fee is in addition to all of BBF's other rights and remedies (including default and termination under Section 14.2).

4.8 Reimbursement. BBF may (but is never obligated to) pay on Franchisee's behalf any amount that Franchisee owes to a supplier or other third party. If BBF does so or intends to do so, Franchisee shall pay such amount plus a 10% administrative charge to BBF within 15 days after invoice by BBF accompanied by reasonable documentation.

4.9 Payment Terms.

(a) Method of Payment. Franchisee shall pay the Royalty Fee, Marketing Fund Contribution, and any other amounts owed to BBF by pre-authorized bank draft or in such other manner as BBF may require. Franchisee shall comply with BBF's payment instructions.

(b) Calculation of Fees. Franchisee shall report monthly Gross Sales to BBF by the 5th day of the following month. If Franchisee fails to report monthly Gross Sales, then BBF may withdraw estimated Royalty Fees and Marketing Fund Contributions equal to 125% of the last Gross Sales reported to BBF, and the parties will true-up the actual fees after Franchisee reports Gross Sales. Franchisee acknowledges that BBF has the right to remotely access Franchisee's point-of-sale system to calculate Gross Sales.

(c) Late Fees and Interest. If Franchisee does not make a payment on time, Franchisee shall pay a \$200 "late fee" plus interest on the unpaid amount at a rate equal to 1.5% per month (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law), compounding each monthly billing cycle.

(d) Insufficient Funds. BBF may charge \$200 for any payment returned for insufficient funds (or, if such amount exceeds the maximum allowed by law, then the fee allowed by law).

(e) Costs of Collection. Franchisee shall repay any costs incurred by BBF (including reasonable attorney fees) in attempting to collect payments owed by Franchisee.

(f) Application. BBF may apply any payment received from Franchisee to any obligation and in any order as BBF may determine, regardless of any designation by Franchisee.

(g) Obligations Independent; No Set-Off. The obligations of Franchisee to pay to BBF any fees or amounts described in this Agreement are not dependent on BBF's performance and are independent covenants by Franchisee. Franchisee shall make all such payments without offset or deduction.

ARTICLE 5. ASSISTANCE

5.1 Manual. BBF shall make its Manual available to Franchisee.

5.2 Assistance in Hiring Employees. BBF shall provide its suggested staffing levels to Franchisee. BBF shall provide suggested guidelines for hiring employees. All hiring decisions and conditions of employment are Franchisee's sole responsibility.

5.3 Assistance in Training Employees. BBF shall, to the extent it deems appropriate, provide programs for Franchisee to conduct training of new employees.

5.4 Pre-Opening Assistance.

(a) Pre-Opening Specifications and Vendors. To the extent not included in the Manual, BBF shall provide Franchisee with (i) applicable System Standards and other specifications as BBF deems appropriate (which may include specifications regarding inventory, supplies, materials, and other matters), and (ii) BBF's lists of Approved Vendors and/or Required Vendors.

(b) Business Plan Review. If requested by Franchisee, BBF shall review and advise on Franchisee's pre-opening business plan and financial projections. **Franchisee acknowledges that BBF accepts no responsibility for the performance of the Business.**

(c) Pre-Opening Training. BBF shall make available its standard pre-opening training to the Principal Executive and up to one other employee, at BBF's headquarters and/or at a Bloomin' Blinds business designated by BBF. BBF shall not charge any fee for this training. Franchisee is responsible for its own travel, lodging, meal, and other out-of-pocket expenses. BBF reserves the right to vary the length and content of the initial training program based on the experience and skill level of any individual attending the program.

(d) Market Introduction Plan. BBF shall advise Franchisee regarding the planning and execution of Franchisee's market introduction plan.

(e) Samples. BBF will provide Franchisee with select sample books from our preferred manufacturers.

(f) Inventory. BBF will provide Franchisee with an initial inventory of parts, valued at approximately \$3,500.

5.5 Post-Opening Assistance.

(a) Advice, Consulting, and Support. If Franchisee requests, BBF will provide advice to Franchisee (by telephone or electronic communication) regarding improving and developing Franchisee's business, and resolving operating problems Franchisee encounters, to the extent BBF deems reasonable. If BBF provides in-person support in response to Franchisee's request, BBF may charge its then-current fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).

(b) Pricing. Upon request, BBF will provide recommended prices for products and services offered by franchisees of the System.

(c) Procedures. BBF will provide Franchisee with BBF's recommended administrative, bookkeeping, accounting, and inventory control procedures. BBF may make any such procedures part of required (and not merely recommended) System Standards.

(d) Marketing. BBF shall manage the Marketing Fund.

(e) Internet. BBF shall maintain a website for Bloomin' Blinds, which will include Franchisee's location (or territory) and telephone number.

ARTICLE 6. LOCATION, DEVELOPMENT, AND OPENING

6.1 Location. Franchisee is solely responsible for selecting the Location. If the Location is not stated on the Summary Page, then Franchisee shall find a suitable Location that meets BBF's System Standards (if any) within the Territory (unless BBF, in its sole discretion, permits Franchisee to have its Location outside of the Territory).

6.2 Lease. In connection with any lease between Franchisee and the landlord of the Location: (i) if requested by BBF, Franchisee must submit the proposed lease to BBF for written approval, and (ii) the term of the lease (including renewal terms) must be for a period of not less than the term of this Agreement.

6.3 Development. If the Location will be open to the public or used for meeting customers or potential customers, then Franchisee shall construct (or remodel) and finish the Location in conformity with BBF's System Standards.

6.4 New Franchisee Training. Franchisee's Principal Executive must complete BBF's training program for new franchisees prior to opening the Business.

6.5 Conditions to Opening. Franchisee shall notify BBF at least 30 days before Franchisee intends to open the Business. Before opening, Franchisee must satisfy all of the following conditions: (1) Franchisee is in compliance with this Agreement, (2) Franchisee has obtained all applicable governmental permits and authorizations, (3) the Business conforms to all applicable System Standards, (4) Franchisee has hired sufficient employees, (5) Franchisee's officers and

employees have completed all of BBF's required pre-opening training; and (6) BBF has given its written approval to open, which will not be unreasonably withheld.

6.6 Opening Date. Franchisee shall open the Business on or before the date stated on the Summary Page.

ARTICLE 7. OPERATIONS

7.1 Compliance with Manual and System Standards. Franchisee shall at all times and at its own expense comply with all System Standards and with all other mandatory obligations contained in the Manual.

7.2 Compliance with Law. Franchisee and the Business shall comply with all laws and regulations. Franchisee and the Business shall obtain and keep in force all governmental permits and licenses necessary for the Business.

7.3 Products, Services, and Methods of Sale. Franchisee shall offer all products and services, and only those products and services, from time to time prescribed by BBF in the Manual or otherwise in writing. Franchisee shall implement any guaranties, warranties, or similar commitments regarding products and/or services that BBF may require. Franchisee may only make sales by means authorized by BFF. Franchisee shall product all products and perform all sales in a high-quality manner that meets or exceeds the customer's reasonable expectations and all applicable System Standards.

7.4 Prices. Notwithstanding any provision of this Agreement or the Manual to the contrary, Franchisee retains the sole discretion to determine the prices it charges for products and services.

7.5 Personnel.

(a) Service. Franchisee shall cause its personnel to render competent and courteous service to all customers and members of the public.

(b) Appearance. Franchisee shall cause its personnel to comply with any dress attire, uniform, personal appearance and hygiene standards set forth in the Manual.

(c) Qualifications. BBF may set minimum qualifications for categories of employees employed by Franchisee.

(d) Sole Responsibility. Franchisee is solely responsible for the terms and conditions of employment of all of its personnel, including recruiting, hiring, training, scheduling, supervising, compensation, and termination. Franchisee is solely responsible for all actions of its personnel. Franchisee and BBF are not joint employers, and no employee of Franchisee will be an agent or employee of BBF. Within seven days of BFF's request, Franchisee and each of its employees will sign an acknowledgment form stating that Franchisee alone (and not BFF) is the employee's sole employer. Franchisee will use its legal name on all documents with its employees and independent contractors, including, but not limited to, employment applications, time cards, pay checks, and employment and independent contractor agreements, and Franchisee will not use the Marks on any of these documents.

7.6 Post-Opening Training. BBF may at any time require that the Principal Executive and/or any other employees complete training programs, in any format and in any location determined by BBF. BBF may charge a reasonable fee for any training programs. BBF may require Franchisee to provide training programs to its employees. If a training program is held at a location which requires travel by the Principal Executive or any other employee, then Franchisee shall pay all travel, living and other expenses.

7.7 Software. Without limiting the generality of Section 7.1 or Section 8.1, Franchisee shall acquire and use all software and related systems required by BBF. Franchisee shall enter into any subscription and support agreements that BBF may require, and BBF reserves the right to require you to pay for such subscriptions or software by paying BBF. Franchisee shall upgrade, update, or replace any software from time to time as BBF may require. Franchisee shall protect the confidentiality and security of all software systems, and Franchisee shall abide by any System Standards related thereto. Franchisee shall give BBF unlimited access to Franchisee's point of sale system and other software systems used in the Business, by any means designated by BBF.

7.8 Customer Complaints. Franchisee shall use its best efforts to promptly resolve any customer complaints. BBF may take any action it deems appropriate to resolve a customer complaint regarding the Business, and BBF may require Franchisee to reimburse BBF for any expenses as well as to pay BBF a fee of \$100 for each such complaint.

7.9 Evaluation and Compliance Programs. Franchisee shall participate at its own expense in programs required from time to time by BBF for obtaining customer evaluations, reviewing Franchisee's compliance with the System, and/or managing customer complaints, which may include (but are not limited to) a customer feedback system, customer survey programs, and mystery shopping. BBF shall share with Franchisee the results of these programs, as they pertain to the Business. Franchisee must meet or exceed any minimum score requirements set by BBF for such programs.

7.10 Payment Systems. Franchisee shall accept payment from customers in any form or manner designated by BBF (which may include, for example, cash, specific credit and/or debit cards, gift cards, electronic fund transfer systems, and mobile payment systems). Franchisee shall purchase or lease all equipment and enter into all business relationships necessary to accept payments as required by BBF. Franchisee must at all times comply with payment card industry data security standards (PCI-DSS).

7.11 Gift Cards, Loyalty Programs, and Incentive Programs. At its own expense, Franchisee shall sell or otherwise issue gift cards, certificates, or other pre-paid systems, and participate in any customer loyalty programs, membership/subscription programs, or customer incentive programs, designated by BBF, in the manner specified by BBF in the Manual or otherwise in writing. Franchisee shall honor all valid gift cards and other pre-paid systems, regardless of whether issued by Franchisee or another Bloomin' Blinds business. Franchisee shall comply with all procedures and specifications of BBF related to gift cards, certificates, and other pre-paid systems, or related to customer loyalty, membership/subscription, or customer incentive programs.

7.12 Maintenance and Repair. If the Location will be open to the public or used for meeting customers or potential customers, then Franchisee shall at all times keep the Business in a neat and

clean condition, perform all appropriate maintenance, and keep all physical property in good repair. In addition, Franchisee shall promptly perform all work on the physical property of the Business as BBF may prescribe from time to time.

7.13 Vehicles. If Franchisee uses one or more vehicles for the Business, Franchisee shall ensure that all vehicles comply with all applicable System Standards including, without limitation, required brands, required equipment, and exterior décor. Franchisee shall keep all vehicles in good repair, clean, and free of dents and other damage, and shall ensure that the vehicles presents a first-class image appropriate to BBF's System. Franchisee shall use the vehicle solely for the Business.

7.14 Meetings. The Principal Executive shall use reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls) that BBF requires, including any national or regional brand conventions. Franchisee shall not permit the Principal Executive to fail to attend more than three consecutive required meetings.

7.15 Insurance.

(a) Franchisee shall obtain and maintain insurance policies in the types and amounts as specified by BBF in the Manual. If not specified in the Manual, Franchisee shall maintain at least the following insurance coverage:

- (i) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than \$1,000,000 single limit per occurrence and \$2,000,000 aggregate limit;
- (ii) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than \$1,000,000; and
- (iii) Workers Compensation coverage as required by state law.

(b) Franchisee's policies (except its Workers Compensation policies) must list BBF and its affiliates as an additional insured and the policies must stipulate that BBF shall receive a 30-day prior written notice of cancellation. Franchisee shall provide Certificates of Insurance evidencing the required coverage to BBF prior to opening and upon annual renewal of the insurance coverage, as well as at any time upon request of BBF.

7.16 Suppliers and Landlord. Franchisee shall pay all vendors and suppliers in a timely manner. If Franchisee leases the Location, Franchisee shall comply with its lease for the Location.

7.17 Public Relations. Franchisee shall not make any public statements (including giving interviews or issuing press releases) regarding Bloomin' Blinds, the Business, or any particular incident or occurrence related to the Business, without BBF's prior written approval, which will not be unreasonably withheld.

7.18 Association with Causes. Franchisee shall not in the name of the Business (i) donate money, products, or services to any charitable, political, religious, or other organization, or (ii) act in support of any such organization, without BBF's prior written approval.

7.19 No Other Businesses. If Franchisee is an entity, Franchisee shall not own or operate any other business except Bloomin' Blinds businesses.

7.20 No Third Party Management. Franchisee shall not engage a third-party management company to manage or operate the Business without the prior written approval of BBF, which will not be unreasonably withheld.

7.21 No Co-Branding. Franchisee shall not "co-brand" or associate any other business activity with the Bloomin' Blinds Business in a manner which is likely to cause the public to perceive it to be related to the Bloomin' Blinds Business.

7.22 No Subcontracting. Franchisee shall not subcontract or delegate to a third party any services to be performed by Franchisee for a customer (other than engaging individuals as independent contractors in the ordinary course of business).

7.23 Identification. Franchisee must identify itself as the independent owner of the Business in the manner prescribed by BBF.

7.24 Business Practices. Franchisee, in all interactions with customers, employees, vendors, governmental authorities, and other third parties, shall be honest and fair. Franchisee shall comply with any code of ethics or statement of values from BBF. Franchisee shall not take any action which may injure the goodwill associated with the Marks.

ARTICLE 8. SUPPLIERS AND VENDORS

8.1 Generally. Franchisee shall acquire all Inputs required by BBF from time to time in accordance with System Standards. BBF may require Franchisee to purchase or lease any Inputs from BBF, BBF's designee, Required Vendors, Approved Vendors, and/or under BBF's specifications. BBF may change any such requirement or change the status of any vendor. To make such requirement or change effective, BBF shall issue the appropriate System Standards.

8.2 Alternate Vendor Approval. If BBF requires Franchisee to purchase a particular Input only from an Approved Vendor or Required Vendor, and Franchisee desires to purchase the Input from another vendor, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by BBF. BBF may condition its approval on such criteria as BBF deems appropriate, which may include evaluations of the vendor's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. BBF will provide Franchisee with written notification of the approval or disapproval of any proposed new vendor within 30 days after receipt of Franchisee's request.

8.3 Alternate Input Approval. If BBF requires Franchisee to purchase a particular Input, and Franchisee desires to purchase an alternate to the Input, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by BBF. BBF will provide Franchisee with written notification of the approval or disapproval of any proposed alternate Input within 30 days after receipt of Franchisee's request.

8.4 Purchasing. BBF may negotiate prices and terms with vendors on behalf of the System. BBF may receive rebates, payments or other consideration from vendors in connection with

purchases by franchisees. BBF has the right (but not the obligation) to collect payments from Franchisee on behalf of a vendor and remit the payments to the vendor and to impose a reasonable markup or charge for administering the payment program. BBF may implement a centralized purchasing system. BBF may establish a purchasing cooperative and require Franchisee to join and participate in the purchasing cooperative on such terms and conditions as BBF may determine.

8.5 No Liability of Franchisor. BBF shall not have any liability to Franchisee for any claim or loss related to any product provided or service performed by any Approved Vendor or Required Vendor, including without limitation defects, delays, or unavailability of products or services.

8.6 Product Recalls. If BBF or any vendor, supplier, or manufacturer of an item used or sold in Franchisee's Business issues a recall of such item or otherwise notifies Franchisee that such item is defective or dangerous, Franchisee shall immediately cease using or selling such item, and Franchisee shall at its own expense comply with all instructions from BBF or the vendor, supplier, or manufacturer of such item with respect to the recall, repair, or other remedy of such item.

ARTICLE 9. MARKETING

9.1 Implementation. Franchisee shall not conduct any marketing, advertising, or public relations activities (including in-store marketing materials, websites, online advertising, social media marketing or presence, and sponsorships) that have not been approved by BBF. BBF may (but is not obligated to) operate all "social media" accounts on behalf of the System, or it may permit franchisees to operate one or more accounts. Franchisee must comply with any System Standards regarding marketing, advertising, and public relations, include any social media policy that BBF may prescribe. Franchisee shall implement any marketing plans or campaigns determined by BBF.

9.2 Use By BBF. BBF may use any marketing materials or campaigns developed by or on behalf of Franchisee, and Franchisee hereby grants an unlimited, royalty-free license to BBF for such purpose.

9.3 Marketing Fund. BBF may establish a Marketing Fund to promote the System on a local, regional, national, and/or international level. If BBF has established a Marketing Fund:

(a) Separate Account. BBF shall hold the Marketing Fund Contributions from all franchisees in one or more bank accounts separate from BBF's other accounts.

(b) Use. BBF shall use the Marketing Fund only for marketing, advertising, and public relations materials, programs and campaigns (including at local, regional, national, and/or international level), and related overhead. The foregoing includes such activities and expenses as BBF reasonably determines, and may include, without limitation: development and placement of advertising and promotions; sponsorships; contests and sweepstakes; development of décor, trade dress, Marks, and/or branding; development and maintenance of brand websites; social media; internet activities; e-commerce programs; search engine optimization; market research; public relations, media or agency costs; trade shows and other events; printing and mailing; and administrative and overhead expenses related to the Marketing Fund (including the compensation of BBF's employees working on marketing and for accounting, bookkeeping, reporting, legal and other expenses related to the Marketing Fund).

(c) Discretion. Franchisee agrees that expenditures from the Marketing Fund need not be proportionate to contributions made by Franchisee or provide any direct or indirect benefit to Franchisee. The Marketing Fund will be spent at BBF's sole discretion, and BBF has no fiduciary duty with regard to the Marketing Fund.

(d) Contribution by Other Outlets. BBF is not obligated to (i) have all other Bloomin Blinds businesses (whether owned by other franchisees or by BBF or its affiliates) contribute to the Marketing Fund, or (ii) have other Bloomin Blinds businesses that do contribute to the Marketing Fund contribute the same amount or at the same rate as Franchisee.

(e) Surplus or Deficit. BBF may accumulate funds in the Marketing Fund and carry the balance over to subsequent years. If the Marketing Fund operates at a deficit or requires additional funds at any time, BBF may loan such funds to the National Marketing Fund on reasonable terms.

(f) Financial Statement. BBF will prepare an unaudited annual financial statement of the Marketing Fund within 120 days of the close of BBF's fiscal year and will provide the financial statement to Franchisee upon request.

9.4 Marketing Cooperatives. BBF may establish market advertising and promotional cooperative funds ("Market Cooperative") in any geographical areas. If a Market Cooperative for the geographic area encompassing the Territory has been established at the time Franchisee commences operations hereunder, Franchisee shall immediately become a member of such Market Cooperative. If a Market Cooperative for the geographic area encompassing the Territory is established during the term of this Agreement, Franchisee shall become a member of such Market Cooperative within 30 days. BBF shall not require Franchisee to be a member of more than one Market Cooperative. If BBF establishes a Market Cooperative:

(a) Governance. Each Market Cooperative will be organized and governed in a form and manner, and shall commence operations on a date, determined by BBF. BBF may require the Market Cooperative to adopt bylaws or regulations prepared by BBF. Unless otherwise specified by BBF, the activities carried on by each Market Cooperative shall be decided by a majority vote of its members. BBF will be entitled to attend and participate in any meeting of a Market Cooperative. Any Bloomin' Blinds business owned by BBF in the Market Cooperative shall have the same voting rights as those owned by its franchisees. Each Business owner will be entitled to cast one vote for each Business owned, provided, however, that a franchisee shall not be entitled to vote if it is in default under its franchise agreement. If the members of a Market Cooperative are unable or fail to determine the manner in which Market Cooperative monies will be spent, BBF may assume this decision-making authority after 10 days' notice to the members of the Market Cooperative.

(b) Purpose. Each Market Cooperative shall be devoted exclusively to administering regional advertising and marketing programs and developing (subject to BBF's approval), standardized promotional materials for use by the members in local advertising and promotion.

(c) Approval. No advertising or promotional plans or materials may be used by a Market Cooperative or furnished to its members without the prior approval of BBF pursuant to

Section 9.1. BBF may designate the national or regional advertising agencies used by the Market Cooperative.

(d) Funding. The majority vote of the Market Cooperative will determine the dues to be paid by members of the Market Cooperative, including Franchisee, but not less than 1% of Gross Sales.

(e) Enforcement. Only BBF will have the right to enforce the obligations of franchisees who are members of a Market Cooperative to contribute to the Market Cooperative.

(f) Termination. BBF may terminate any Market Cooperative. Any funds left in a Market Cooperative upon termination will be transferred to the Marketing Fund.

9.5 Required Spending. Each month Franchisee shall spend an amount on marketing the Business equal to at least (i) 2% of the prior month's Gross Sales or (ii) \$1,000 (whichever is greater). Upon request of BBF, Franchisee shall furnish proof of its compliance with this Section. If Franchisee fails to meet the minimum required spending levels, then BBF (without limiting other remedies available to it) may require Franchisee pay the shortfall amount to BBF. BBF has the sole discretion to determine what activities constitute "marketing" under this Section. Unless BBF determines otherwise, amounts spend by Franchisee to maintain a website and conduct search engine optimization do not count as local marketing. BBF may, in its discretion, determine that if Franchisee contributes to a Market Cooperative, the amount of the contribution will be counted towards Franchisee's required spending under this Section.

9.6 Market Introduction Plan. Franchisee must develop a market introduction plan and obtain BBF's approval of the market introduction plan at least 30 days before the projected opening date of the Business.

9.7 Internet Marketing. BBF has the exclusive right to conduct and manage all marketing and commerce on the internet or other electronic medium, including all websites and "social media" marketing. Franchisee shall not conduct such marketing or commerce, nor establish any website or social media presence independently, except as BBF may specify, and only with BBF's consent. BBF retains the right to approve any linking to or other use of BBF's website. Franchisee must comply with any internet, online commerce and/or social media policy that BBF may prescribe.

ARTICLE 10. RECORDS AND REPORTS

10.1 Systems. Franchisee shall use such customer data management, sales data management, administrative, bookkeeping, accounting, and inventory control procedures and systems as BBF may specify in the Manual or otherwise in writing.

10.2 Reports.

(a) Financial Reports. Franchisee shall provide such periodic financial reports as BBF may require in the Manual or otherwise in writing, including:

- (i) a quarterly profit and loss statement and balance sheet for the Business within 30 days after the end of each fiscal quarter of BBF's fiscal year;
- (ii) an annual financial statement (including profit and loss statement, cash flow statement, and balance sheet) for the Business within 90 days after the end of BBF's fiscal year; and
- (iii) any information BBF requests in order to prepare a financial performance representation for BBF's franchise disclosure document.

(b) Legal Actions and Investigations. Franchisee shall promptly notify BBF of any Action or threatened Action by any customer, governmental authority, or other third party against Franchisee or the Business, or otherwise involving the Franchisee or the Business. Franchisee shall provide such documents and information related to any such Action as BBF may request.

(c) Government Inspections. Franchisee shall give BBF copies of all inspection reports, warnings, certificates, and ratings issued by any governmental entity with respect to the Business, within three days of Franchisee's receipt thereof.

(d) Other Information. Franchisee shall submit to BBF such other financial statements, reports, records, copies of contracts, documents related to litigation, tax returns, copies of governmental permits, and other documents and information related to the Business as specified in the Manual or that BBF may reasonably request.

10.3 Initial Investment Report. Within 120 days after opening for business, Franchisee shall submit to BBF a report detailing Franchisee's investment costs to develop and open the Business, with costs allocated to the categories described in Item 7 of BBF's Franchise Disclosure Document and with such other information as BBF may request.

10.4 Business Records. Franchisee shall keep complete and accurate books and records reflecting all expenditures and receipts of the Business, with supporting documents (including, but not limited to, payroll records, payroll tax returns, register receipts, production reports, sales invoices, bank statements, deposit receipts, cancelled checks and paid invoices) for at least three years. Franchisee shall keep such other business records as BBF may specify in the Manual or otherwise in writing.

10.5 Records Audit. BBF may examine and audit all books and records related to the Business, and supporting documentation, at any reasonable time. BBF may conduct the audit at the Location and/or require Franchisee to deliver copies of books, records and supporting documentation to a location designated by BBF. Franchisee shall also reimburse BBF for all costs and expenses of the examination or audit if (i) BBF conducted the audit because Franchisee failed to submit required reports or was otherwise not in compliance with the System, or (ii) the audit reveals that Franchisee understated Gross Sales by 3% or more for any month.

ARTICLE 11. FRANCHISOR RIGHTS

11.1 Manual; Modification. The Manual, and any part of the Manual, may be in any form or media determined by BBF. BBF may supplement, revise, or modify the Manual, and BBF may

change, add or delete System Standards at any time in its discretion. BBF may inform Franchisee thereof by any method that BBF deems appropriate (which need not qualify as “notice” under Section 18.9). In the event of any dispute as to the contents of the Manual, BBF’s master copy will control.

11.2 Inspections. BBF may enter the premises of the Business from time to time during normal business hours and conduct an inspection. Franchisee shall cooperate with BBF’s inspectors. The inspection may include, but is not limited to, observing operations, conducting a physical inventory, evaluating physical conditions, monitoring sales activity, speaking with employees and customers, and removing samples of products, supplies and materials. BBF may videotape and/or take photographs of the inspection and the Business. BBF may set a minimum score requirement for inspections, and Franchisee’s failure to meet or exceed the minimum score will be a default under this Agreement. Without limiting BBF’s other rights under this Agreement, Franchisee will, as soon as reasonably practical, correct any deficiencies noted during an inspection. If BBF conducts an inspection because of a governmental report, customer complaint or other customer feedback, or a default or non-compliance with any System Standard by Franchisee (including following up a previous failed inspection), then BBF may charge all out-of-pocket expenses plus its then-current inspection fee to Franchisee.

11.3 BBF’s Right to Cure. If Franchisee breaches or defaults under any provision of this Agreement, BBF may (but has no obligation to) take any action to cure the default on behalf of Franchisee, without any liability to Franchisee. Franchisee shall reimburse BBF for its costs and expenses (including the allocation of any internal costs) for such action, plus 10% as an administrative fee.

11.4 Right to Discontinue Supplies Upon Default. While Franchisee is in default or breach of this Agreement, BBF may (i) require that Franchisee pay cash on delivery for products or services supplied by BBF, (ii) stop selling or providing any products and services to Franchisee, and/or (iii) request any third-party vendors to not sell or provide products or services to Franchisee. No such action by BBF shall be a breach or constructive termination of this Agreement, change in competitive circumstances or similarly characterized, and Franchisee shall not be relieved of any obligations under this Agreement because of any such action. Such rights of BBF are in addition to any other right or remedy available to BBF.

11.5 Business Data. All customer data and other non-public data generated by the Business is Confidential Information and is exclusively owned by BBF. BBF hereby licenses such data back to Franchisee without charge solely for Franchisee’s use in connection with the Business for the term of this Agreement.

11.6 Innovations. Franchisee shall disclose to BBF all ideas, plans, improvements, concepts, methods and techniques relating to the Business (collectively, “Innovations”) conceived or developed by Franchisee, its employees, agents or contractors. BBF will automatically own all Innovations and will have the right to use and incorporate any Innovations into the System, without any compensation to Franchisee. Franchisee shall execute any documents reasonably requested by BBF to document BBF’s ownership of Innovations

11.7 Communication Systems. If BBF provides email accounts and/or other communication systems to Franchisee, then Franchisee acknowledges that it has no expectation of privacy in the assigned email accounts and other communications systems and authorizes BBF to access such communications.

11.8 Delegation. BBF may delegate any duty or obligation of BBF under this Agreement to an affiliate or to a third party.

11.9 System Variations. BBF may vary or waive any System Standard for any one or more Bloomin' Blinds franchises due to the peculiarities of the particular site or circumstances, density of population, business potential, population of trade area, existing business practices, or any other condition relevant to the performance of a franchise or group of franchises. Franchisee is not entitled to the same variation or waiver.

ARTICLE 12. MARKS

12.1 Authorized Marks. Franchisee shall use no trademarks, service marks or logos in connection with the Business other than the Marks. Franchisee shall use all Marks specified by BBF, and only in the manner as BBF may require. Franchisee has no rights in the Marks other than the right to use them in the operation of the Business in compliance with this Agreement. All use of the Marks by Franchisee and any goodwill associated with the Marks, including any goodwill arising due to Franchisee's operation of the Business, will inure to the exclusive benefit of BBF.

12.2 Change of Marks. BBF may add, modify, or discontinue any Marks to be used under the System. Within a reasonable time after BBF makes any such change, Franchisee must comply with the change, at Franchisee's expense.

12.3 Infringement.

(a) Defense of Franchisee. If Franchisee has used the Marks in accordance with this Agreement, then (i) BBF shall defend Franchisee (at BBF's expense) against any Action by a third party alleging infringement by Franchisee's use of a Mark, and (ii) BBF will indemnify Franchisee for expenses and damages if the Action is resolved unfavorably to Franchisee.

(b) Infringement By Third Party. Franchisee shall promptly notify BBF if Franchisee becomes aware of any possible infringement of a Mark by a third party. BBF may, in its sole discretion, commence or join any claim against the infringing party.

(c) Control. BBF shall have the exclusive right to control any prosecution or defense of any Action related to possible infringement of or by the Marks.

12.4 Name. If Franchisee is an entity, it shall not use the word[s] "Bloomin Blinds" or any confusingly similar words in its legal name.

ARTICLE 13. COVENANTS

13.1 Confidential Information. With respect to all Confidential Information, Franchisee shall (a) adhere to all procedures prescribed by BBF for maintaining confidentiality, (b) disclose such

information to its employees only to the extent necessary for the operation of the Business; (c) not use any such information in any other business or in any manner not specifically authorized in writing by BBF, (d) exercise the highest degree of diligence and effort to maintain the confidentiality of all such information during and after the term of this Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Franchisee acknowledges that all Confidential Information is owned by BBF (except for Confidential Information which BBF licenses from another person or entity). This Section will survive the termination or expiration of this Agreement indefinitely.

13.2 Covenants Not to Compete.

(a) Restriction – In Term. During the term of this Agreement, neither Franchisee, any Owner, nor any spouse or other immediate family member of an Owner (the “Restricted Parties”) shall directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor.

(b) Restriction – Post Term. For two years after this Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer), no Restricted Party shall directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor within 25 miles of Franchisee’s Territory or the territory of any other Bloomin’ Blinds business operating on the date of termination or transfer, as applicable.

(c) Interpretation. The parties agree that each of the foregoing covenants is independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any arbitrator court, then the parties intend that the arbitrator court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of BBF. Franchisee agrees that the existence of any claim it may have against BBF shall not constitute a defense to the enforcement by BBF of the covenants of this Section. If a Restricted Party fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

13.3 Employee Recruitment. During the term of this Agreement and for one year after termination, transfer, or expiration of this Agreement, Franchisee shall not knowingly employ or seek to employ or engage as an independent contractor any person then employed by BBF or its affiliates.

13.4 General Manager and Key Employees. If requested by BBF, Franchisee will cause its general manager and other key employees to sign BBF’s then-current form of confidentiality and non-compete agreement (unless prohibited by applicable law).

ARTICLE 14. DEFAULT AND TERMINATION

14.1 Termination by Franchisee. Franchisee may terminate this Agreement only if BBF violates a material provision of this Agreement and fails to cure or to make substantial progress toward curing the violation within 30 days after receiving written notice from Franchisee detailing

the alleged default. Termination by Franchisee is effective 10 days after BBF receives written notice of termination.

14.2 Termination by BBF.

(a) Subject to 10-Day Cure Period. BBF may terminate this Agreement if Franchisee does not make any payment to BBF when due, or if Franchisee does not have sufficient funds in its account when BBF attempts an electronic funds withdrawal, and Franchisee fails to cure such non-payment within 10 days after BBF gives notice to Franchisee of such breach.

(b) Subject to 30-Day Cure Period. If Franchisee breaches this Agreement in any manner not described in subsection (a) or (c), and fails to cure such breach to BBF's satisfaction within 30 days after BBF gives notice to Franchisee of such breach, then BBF may terminate this Agreement.

(c) Without Cure Period. BBF may terminate this Agreement by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

- (i) Franchisee misrepresented or omitted material facts when applying to be a franchisee, or breaches any representation in this Agreement;
- (ii) Franchisee knowingly submits any false report or knowingly provides any other false information to BBF;
- (iii) a receiver or trustee for the Business or all or substantially all of Franchisee's property is appointed by any court, or Franchisee makes a general assignment for the benefit of Franchisee's creditors or Franchisee makes a written statement to the effect that Franchisee is unable to pay its debts as they become due, or a levy or execution is made against the Business, or an attachment or lien remains on the Business for 30 days unless the attachment or lien is being duly contested in good faith by Franchisee, or a petition in bankruptcy is filed by Franchisee, or such a petition is filed against or consented to by Franchisee and the petition is not dismissed within 45 days, or Franchisee is adjudicated as bankrupt;
- (iv) Franchisee fails to open for business by the date specified on the Summary Page;
- (v) Franchisee or any Owner commits a material violation of Section 7.2 (compliance with laws) or Section 13.1 (confidentiality), violates Section 13.2 (non-compete) or Article 15 (transfer), or commits any other violation of this Agreement which by its nature cannot be cured;
- (vi) Franchisee abandons or ceases operation of the Business for more than five consecutive days;
- (vii) Franchisee or any Owner slanders or libels BBF or any of its employees, directors, or officers;

- (viii) Franchisee refuses to cooperate with or permit any audit or inspection by BBF or its agents or contractors, or otherwise fails to comply with Section 10.5 or Section 11.2.
- (ix) the Business is operated in a manner which, in BBF's reasonable judgment, constitutes a significant danger to the health or safety of any person, and Franchisee fails to cure such danger within 48 hours after becoming aware of the danger (due to notice from BBF or otherwise);
- (x) Franchisee has received two or more notices of default and Franchisee commits another breach of this Agreement, all in the same 12-month period;
- (xi) BBF (or any affiliate) terminates any other agreement with Franchisee (or any affiliate) due to the breach of such other agreement by Franchisee (or its affiliate); or
- (xii) Franchisee or any Owner is accused by any governmental authority or third party of any act that in BBF's opinion is reasonably likely to materially and unfavorably affect BBF's brand, or is charged with, pleads guilty to, or is convicted of a felony.

14.3 Effect of Termination. Upon termination or expiration of this Agreement, all obligations that by their terms or by reasonable implication survive termination, including those pertaining to non-competition, confidentiality, indemnity, and dispute resolution, will remain in effect, and Franchisee must immediately:

- (i) pay all amounts owed to BBF based on the operation of the Business through the effective date of termination or expiration;
- (ii) return to BBF all copies of the Manual, Confidential Information and any and all other materials provided by BBF to Franchisee or created by a third party for Franchisee relating to the operation of the Business, and all items containing any Marks, copyrights, and other proprietary items; and delete all Confidential Information and proprietary materials from electronic devices;
- (iii) notify the telephone, internet, email, electronic network, directory, and listing entities of the termination or expiration of Franchisee's right to use any numbers, addresses, domain names, locators, directories and listings associated with any of the Marks, and authorize their transfer to BBF or any new franchisee as may be directed by BBF, and Franchisee hereby irrevocably appoints BBF, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest; to execute such directions and authorizations as may be necessary or appropriate to accomplish the foregoing; and
- (iv) cease doing business under any of the Marks.

14.4 Remove Identification. If Franchisee operates from a Location other than Franchisee's home, then within 30 days after termination or expiration, Franchisee shall at its own expense "de-identify" the Location so that it no longer contains the Marks, signage, or any trade dress of a

Bloomin' Blinds business, to the reasonable satisfaction of BBF. Franchisee shall comply with any reasonable instructions and procedures of BBF for de-identification. If Franchisee fails to do so within 30 days after this Agreement expires or is terminated, BBF may enter the Location to remove the Marks and de-identify the Location. In this event, BBF will not be charged with trespass nor be accountable or required to pay for any assets removed or altered, or for any damage caused by BBF.

14.5 Liquidated Damages. If BBF terminates this Agreement based upon Franchisee's default (or if Franchisee purports to terminate this Agreement except as permitted under Section 14.1), then within 10 days thereafter Franchisee shall pay to BBF a lump sum (as liquidated damages and not as a penalty) calculated as follows: (x) the average Royalty Fees and Marketing Fund Contributions that Franchisee owed to BBF under this Agreement for the 12-month period preceding the effective date of termination; multiplied by (y) the lesser of (1) 24 or (2) the number of months remaining in the then-current term of this Agreement. If Franchisee had not operated the Business for at least 12 months, then (x) will equal the average Royalty Fees and Marketing Fund Contributions that Franchisee owed to BBF during the period that Franchisee operated the Business. Franchisee acknowledges that a precise calculation of the full extent of BBF's damages under these circumstances is difficult to determine and the method of calculation of such damages as set forth in this Section is reasonable. Franchisee's payment to BBF under this Section will be in lieu of any direct monetary damages that BBF may incur as a result of BBF's loss of Royalty Fees and Marketing Fund Contributions that would have been owed to BBF after the date of termination; however, such payment shall be in addition to all damages and other amounts arising under Section 14.3 and Section 14.4, BBF's right to injunctive relief for enforcement of Article 13, and any attorneys' fees and other costs and expenses to which BBF is entitled under this Agreement. Except as provided in this Section, Franchisee's payment of this lump sum shall be in addition to any other right or remedy that BBF may have under this Agreement or otherwise.

14.6 Purchase Option. When this Agreement expires or is terminated, BBF will have the right (but not the obligation) to purchase any or all of the assets related to the Business. To exercise this option, BBF must notify Franchisee no later than 30 days after this Agreement expires or is terminated. The purchase price for all assets that BBF elects to purchase will be the lower of (i) the book value of such assets as declared on Franchisee's last filed tax returns or (ii) the fair market value of the assets. If the parties cannot agree on fair market value within 30 days after the exercise notice, the fair market value will be determined by an independent appraiser reasonably acceptable to both parties. The parties will equally share the cost of the appraisal. BBF's purchase will be of assets only (free and clear of all liens) and will not include any liabilities of Franchisee. The purchase price for assets will not include any factor or increment for any trademark or other commercial symbol used in the business, the value of any intangible assets, or any goodwill or "going concern" value for the Business. BBF may withdraw its exercise of the purchase option at any time before it pays for the assets. Franchisee will sign a bill of sale for the purchased assets and any other transfer documents reasonably requested by BBF. If BBF exercises the purchase option, BBF may deduct from the purchase price: (a) all amounts due from Franchisee; (b) Franchisee's portion of the cost of any appraisal conducted hereunder; and (c) amounts which BBF paid or will pay to third parties to satisfy indebtedness owed by Franchisee to third parties. If any of the assets are subject to a lien, BBF may pay a portion of the purchase price directly to the lienholder to pay off such lien. BBF may withhold 25% of the purchase price for 90 days to ensure

that all of Franchisee's taxes and other liabilities are paid. BBF may assign this purchase option to another party.

14.7 Remedies In Lieu of Termination. If BBF has the right to terminate this Agreement pursuant to Section 14.2 due to Franchisee's default, then in lieu of termination for such default, BBF may unilaterally exercise any one or more of the following remedies: (i) reduce, modify, otherwise change the Territory, or (ii) eliminate Franchisee's exclusive rights in the Territory described in Section 2.2(c).

ARTICLE 15. TRANSFERS

15.1 By BBF. BBF may transfer or assign this Agreement, or any of its rights or obligations under this Agreement, to any person or entity, and BBF may undergo a change in ownership and/or control, without the consent of Franchisee.

15.2 By Franchisee. Franchisee acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and that BBF entered into this Agreement in reliance on Franchisee's business skill, financial capacity, personal character, experience, and business ability. Accordingly, Franchisee shall not conduct or undergo a Transfer without providing BBF at least 60 days prior notice of the proposed Transfer, and without obtaining BBF's consent. In granting any such consent, BBF may impose conditions, including, without limitation, the following:

- (i) BBF receives a transfer fee equal to \$10,000, plus any broker fees and other out-of-pocket expenses incurred by BBF;
- (ii) the proposed assignee and its owners have completed BBF's franchise application processes, meet BBF's then-applicable standards for new franchisees, and have been approved by BBF as franchisees;
- (iii) the proposed assignee is not a Competitor;
- (iv) the proposed assignee executes BBF's then-current form of franchise agreement and related documents, which form may contain materially different provisions than in this Agreement;
- (v) all owners of the proposed assignee provide a guaranty in accordance with Section 2.5;
- (vi) Franchisee has paid all monetary obligations to BBF and its affiliates (including any amounts which you have financed with BFF and its affiliates) and to any lessor, vendor, supplier, or lender to the Business in full, and Franchisee is not otherwise in default or breach of this Agreement or of any other obligation owed to BBF or its affiliates;
- (vii) the proposed assignee and its owners and employees undergo such training as BBF may require;

- (viii) Franchisee, its Owners, and the transferee and its owners execute a general release of BBF in a form satisfactory to BBF; and
- (ix) the Business fully complies with all of BBF's most recent System Standards.

15.3 Transfer for Convenience of Ownership. If Franchisee is an individual, Franchisee may Transfer this Agreement to a corporation or limited liability company formed for the convenience of ownership after at least 15 days' notice to BBF, if, prior to the Transfer: (1) the transferee provides the information required by Section 2.3; (2) Franchisee provides copies of the entity's charter documents, by-laws (or operating agreement) and similar documents, if requested by BBF, (3) Franchisee owns all voting securities of the corporation or limited liability company, and (4) Franchisee provides a guaranty in accordance with Section 2.5.

15.4 Transfer upon Death or Incapacity. Upon the death or incapacity of Franchisee (or, if Franchisee is an entity, the person with the largest ownership interest in Franchisee), the executor, administrator, or personal representative of that person must Transfer the Business to a third party approved by BBF within six months after death or incapacity. Such transfer must comply with Section 15.2.

15.5 BBF's Right of First Refusal. Before Franchisee (or any Owner) engages in a Transfer (except under Section 15.3 or Section 15.4), BBF will have a right of first refusal, as set forth in this Section. Franchisee (or its owners) shall provide to BBF a copy of the terms and conditions of any Transfer. For a period of 30 days from the date of BBF's receipt of such copy, BBF will have the right, exercisable by notice to Franchisee, to purchase the assets subject of the proposed Transfer for the same price and on the same terms and conditions (except that BBF may substitute cash for any other form of payment). If BBF does not exercise its right of first refusal, Franchisee may proceed with the Transfer, subject to the other terms and conditions of this Article.

15.6 No Sublicense. Franchisee has no right to sublicense the Marks or any of Franchisee's rights under this Agreement.

15.7 No Lien on Agreement. Franchisee shall not grant a security interest in this Agreement to any person or entity. If Franchisee grants an "all assets" security interest to any lender or other secured party, Franchisee shall cause the secured party to expressly exempt this Agreement from the security interest.

ARTICLE 16. INDEMNITY

16.1 Indemnity. Franchisee shall indemnify and defend (with counsel reasonably acceptable to BBF) BBF, its parent entities, subsidiaries and affiliates, and their respective owners, directors, officers, employees, agents, successors and assignees (collectively, "Indemnitees") against all Losses in any Action by or against BBF and/or any Indemnatee directly or indirectly related to, or alleged to arise out of, the operation of the Business. Notwithstanding the foregoing, Franchisee shall not be obligated to indemnify an Indemnatee from Actions arising as a result of any Indemnatee's intentional misconduct or negligence. Any delay or failure by an Indemnatee to notify Franchisee of an Action shall not relieve Franchisee of its indemnity obligation except to the extent (if any) that such delay or failure materially prejudices Franchisee. Franchisee shall not settle an

Action without the consent of the Indemnatee. This indemnity will continue in effect after this Agreement ends.

16.2 Assumption. An Indemnatee may elect to assume the defense of any Action subject to this indemnification, and control all aspects of defending the Action, including negotiations and settlement, at Franchisee's expense. Such an undertaking shall not diminish Franchisee's obligation to indemnify the Indemnitees.

ARTICLE 17. DISPUTE RESOLUTION

17.1 Arbitration.

(a) Disputes Subject to Arbitration. Except as expressly provided in subsection (c), any controversy or claim between the parties (including any controversy or claim arising out of or relating to this Agreement or its formation) shall be resolved by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, including the Optional Rules for Emergency Measures of Protection. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction.

(b) Location. The place of arbitration shall be the city and state where BBF's headquarters are located.

(c) Injunctive Relief. Either party may apply to the arbitrator seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either party also may, without waiving any remedy or right to arbitrate under this Agreement, seek from any court having jurisdiction any interim or provisional injunctive relief.

(d) Confidentiality. All documents, information, and results pertaining to any arbitration or lawsuit will be confidential, except as required by law or as required for BBF to comply with laws and regulations applicable to the sale of franchises.

(e) Performance During Arbitration or Litigation. Unless this Agreement has been terminated, BBF and Franchisee will comply with this Agreement and perform their respective obligations under this Agreement during the arbitration or litigation process.

17.2 Damages. In any controversy or claim arising out of or relating to this Agreement, each party waives any right to punitive or other monetary damages not measured by the prevailing party's actual damages, except damages expressly authorized by federal statute and damages expressly authorized by this Agreement.

17.3 Waiver of Class Actions. The parties agree that any claims will be arbitrated, litigated, or otherwise resolved on an individual basis, and waive any right to act on a class-wide basis.

17.4 Time Limitation. Any arbitration or other legal action arising from or related to this Agreement must be instituted within two years from the date such party discovers the conduct or event that forms the basis of the arbitration or other legal action. The foregoing time limit does not apply to claims (i) by one party related to non-payment under this Agreement by the other party,

(ii) for indemnity under Article 16, or (iii) related to unauthorized use of Confidential Information or the Marks.

17.5 Venue Other Than Arbitration. For any legal proceeding not required to be submitted to arbitration, the parties agree that any such legal proceeding will be brought in the United States District Court where BBF's headquarters is then located. If there is no federal jurisdiction over the dispute, the parties agree that any such legal proceeding will be brought in the court of record of the state and county where BBF's headquarters is then located. Each party consents to the jurisdiction of such courts and waives any objection that it, he or she may have to the laying of venue of any proceeding in any of these courts.

17.6 Legal Costs. In any legal proceeding (including arbitration) related to this Agreement or any guaranty, the non-prevailing party shall pay the prevailing party's attorney fees, costs and other expenses of the legal proceeding. "Prevailing party" means the party, if any, which prevailed upon the central litigated issues and obtained substantial relief.

ARTICLE 18. MISCELLANEOUS

18.1 Relationship of the Parties. The parties are independent contractors, and neither is the agent, partner, joint venturer, or employee of the other. BBF is not a fiduciary of Franchisee. BBF does not control or have the right to control Franchisee or its Business. Any required specifications and standards in this Agreement and in the System Standards exist to protect BBF's interest in the System and the Marks, and the goodwill established in them, and not for the purpose of establishing any control, or duty to take control, over the Business. BBF has no liability for Franchisee's obligations to any third party whatsoever.

18.2 No Third Party Beneficiaries. This Agreement does not confer any rights or remedies upon any person or entity other than Franchisee, BBF, and BBF's affiliates.

18.3 Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior negotiations and representations. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made by BBF in its franchise disclosure document.

18.4 Modification. No modification or amendment of this Agreement will be effective unless it is in writing and signed by both parties. This provision does not limit BBF's rights to modify the Manual or System Standards.

18.5 Consent; Waiver. No consent under this Agreement, and no waiver of satisfaction of a condition or nonperformance of an obligation under this Agreement will be effective unless it is in writing and signed by the party granting the consent or waiver. No waiver by a party of any right will affect the party's rights as to any subsequent exercise of that right or any other right. No delay, forbearance or omission by a party to exercise any right will constitute a waiver of such right.

18.6 Cumulative Remedies. Rights and remedies under this Agreement are cumulative. No enforcement of a right or remedy precludes the enforcement of any other right or remedy.

18.7 Severability. The parties intend that (i) if any provision of this Agreement is held by an arbitrator or court to be unenforceable, then that provision be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded, and (ii) if an unenforceable provision is modified or disregarded, then the rest of this Agreement will remain in effect as written.

18.8 Governing Law. The laws of the state of Texas (without giving effect to its principles of conflicts of law) govern all adversarial proceedings between the parties. The parties agree that any Texas law for the protection of franchisees or business opportunity purchasers shall not apply unless Franchisee is a Texas resident or the Business is operated in Texas.

18.9 Notices. Any notice will be effective under this Agreement only if made in writing and delivered as set forth in this Section to: (A) if to Franchisee, addressed to Franchisee at the notice address set forth in the Summary Page; and (B) if to BBF, addressed to 985 TX-121 Business, Suite 617, Lewisville, TX 75057. Any party may designate a new address for notices by giving notice of the new address pursuant to this Section. Notices will be effective upon receipt (or first rejection) and must be: (1) delivered personally; (2) sent by registered or certified U.S. mail with return receipt requested; or (3) sent via overnight courier. Notwithstanding the foregoing, BBF may amend the Manual, give binding notice of changes to System Standards, and deliver notices of default by electronic mail or other electronic communication.

18.10 Joint and Several Liability. If two or more people sign this Agreement as “Franchisee”, each will have joint and several liability.

18.11 No Offer and Acceptance. Delivery of a draft of this Agreement to Franchisee by BBF does not constitute an offer. This Agreement shall not be effective unless and until it is executed by both Franchisee and BBF.

ARTICLE 19. CERTIFICATION OF FRANCHISOR’S COMPLIANCE

By signing this Agreement, Franchisee acknowledges the following:

- (1) Franchisee understands all the information in BBF’s Disclosure Document.
- (2) Franchisee understands the success or failure of the Business will depend in large part upon Franchisee’s skills, abilities and efforts and those of the persons Franchisee employs, as well as many factors beyond Franchisee’s control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, and the marketplace.
- (3) That no person acting on BBF’s behalf made any statement or promise regarding the costs involved in operating a Bloomin’ Blinds franchise that is not in the Disclosure Document or that is contrary to, or different from, the information in the Disclosure Document.
- (4) That no person acting on BBF’s behalf made any claim or representation to Franchisee, orally, visually, or in writing, that contradicted the information in the Disclosure Document.

- (5) That no person acting on BBF's behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money Franchisee may earn, or the total amount of revenue a Bloomin' Blinds franchise will generate, that is not in the Disclosure Document or that is contrary to, or different from, the information in the Disclosure Document.
- (6) That no person acting on BBF's behalf made any statement or promise or agreement, other than those matters addressed in this Agreement, concerning advertising, marketing, media support, market penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Disclosure Document.
- (7) Franchisee understands that this Agreement contains the entire agreement between BBF and Franchisee concerning the Bloomin' Blinds franchise, which means that any oral or written statements not set out in this Agreement will not be binding. In deciding to enter into this Agreement, Franchisee is not relying on any statement, promise, claim, or representation not expressly set forth in this Agreement or in the Disclosure Document.

[Signatures on next page]

Agreed to by:

FRANCHISOR:

BLOOMIN BLINDS FRANCHISE CORP

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

[if an individual:]

Name: _____

Date: _____

[if an entity:]

By: _____

Name: _____

Title: _____

Date: _____

(Check if applicable) At the same time as the parties execute this Agreement, they are also executing a Rider to Franchise Agreement pursuant to:

_____ Illinois
_____ Indiana
_____ Maryland
_____ Minnesota
_____ New York
_____ North Dakota
_____ Rhode Island
_____ Washington
_____ Other

Attachment 1 to Franchise Agreement

OWNERSHIP INFORMATION

1. **Form of Ownership.** Franchisee is a (check one):

_____ *Sole Proprietorship*
_____ *Partnership*
_____ *Limited Liability Company*
_____ *Corporation*

State: _____

2. **Owners.** If Franchisee is a partnership, limited liability company or corporation:

Name	Shares or Percentage of Ownership

3. **Officers.** If Franchisee is a limited liability company or corporation:

Name	Title

Attachment 2 to Franchise Agreement

GUARANTY AND NON-COMPETE AGREEMENT

This Guaranty and Non-Compete Agreement (this “Guaranty”) is executed by the undersigned person(s) (each, a “Guarantor”) in favor of Bloomin Blinds Franchise Corp, a Texas corporation (“BBF”).

Background Statement: _____ (“Franchisee”) desires to enter into a Franchise Agreement with BBF for the franchise of a Bloomin’ Blinds business (the “Franchise Agreement”; capitalized terms used but not defined in this Guaranty have the meanings given in the Franchise Agreement). Guarantor owns an equity interest in Franchisee. Guarantor is executing this Guaranty in order to induce BBF to enter into the Franchise Agreement.

Guarantor agrees as follows:

1. Guaranty. Guarantor hereby unconditionally guarantees to BBF and its successors and assigns that Franchisee shall pay and perform every undertaking, agreement and covenant set forth in the Franchise Agreement and further guarantees every other liability and obligation of Franchisee to BBF, whether or not contained in the Franchise Agreement. Guarantor shall render any payment or performance required under the Franchise Agreement or any other agreement between Franchisee and BBF upon demand from BBF. Guarantor waives (a) acceptance and notice of acceptance by BBF of this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations of Franchisee; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right Guarantor may have to require that an action be brought against Franchisee or any other person or entity as a condition of liability hereunder; (e) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guaranty by the undersigned; (f) any law which requires that BBF make demand upon, assert claims against or collect from Franchisee or any other person or entity (including any other guarantor), foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any other person or entity (including any other guarantor) prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guaranty; and (g) any and all other notices and legal or equitable defenses to which Guarantor may be entitled.

2. Confidential Information. With respect to all Confidential Information Guarantor shall (a) adhere to all security procedures prescribed by BBF for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business; (c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by BBF, (d) exercise the highest degree of diligence and make every effort to maintain the confidentiality of all such information during and after the term of the Franchise Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Guarantor acknowledges that all Confidential Information is owned by BBF or its affiliates (except for Confidential Information which BBF licenses from another person or entity). Guarantor

acknowledges that all customer data generated or obtained by Guarantor is Confidential Information belonging to BBF. This Section will survive the termination or expiration of the Franchise Agreement indefinitely.

3. Covenants Not to Compete.

(a) Restriction - In Term. During the term of the Franchise Agreement, Guarantor shall not directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor.

(b) Restriction – Post Term. For two years after the Franchise Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer by Guarantor), Guarantor shall not directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor located within 25 miles of Franchisee's Territory or the territory of any other Bloomin' Blinds business operating on the date of termination or transfer, as applicable.

(c) Interpretation. Guarantor agrees that each of the foregoing covenants is independent of any other covenant or provision of this Guaranty or the Franchise Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court, then the parties intend that the court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of BBF. Guarantor agrees that the existence of any claim it or Franchisee may have against BBF shall not constitute a defense to the enforcement by BBF of the covenants of this Section. If Guarantor fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

4. Employee Recruitment. During the term of the Franchise Agreement and for one year after termination, transfer, or expiration of the Franchise Agreement, Guarantor shall not knowingly employ or seek to employ or engage as an independent contractor any person then employed by BBF or its affiliates.

5. Modification. Guarantor agrees that Guarantor's liability hereunder shall not be diminished, relieved or otherwise affected by (a) any amendment of the Franchise Agreement, (b) any extension of time, credit or other indulgence which BBF may from time to time grant to Franchisee or to any other person or entity, or (c) the acceptance of any partial payment or performance or the compromise or release of any claims.

6. Governing Law; Dispute Resolution. This Guaranty shall be governed by and construed in accordance with the laws of the state of Texas (without giving effect to its principles of conflicts of law). The parties agree that any Texas law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 6. The provisions of Article 17 (Dispute Resolution) of the Franchise Agreement apply to and are incorporated into this Guaranty as if fully set forth herein. Guarantor shall pay to BFF all costs incurred by BFF (including reasonable attorney fees) in enforcing this Guaranty. If multiple Guarantors sign this Guaranty, each will have joint and several liability.

Agreed to by:

Name: _____

Address: _____

Date: _____

Name: _____

Address: _____

Date: _____

Name: _____

Address: _____

Date: _____

EXHIBIT C

FORM OF GENERAL RELEASE

[This is our current standard form of General Release. This document is not signed when you purchase a franchise. In circumstances such as a renewal of your franchise or as a condition of our approval of a sale of your franchise, we may require you to sign a general release.]

This General Release (“Release”) is executed by the undersigned (“Releasor”) in favor of Bloomin Blinds Franchise Corp, a Texas corporation (“BBF”).

Background Statement: *[describe circumstances of Release]*

Releasor agrees as follows:

1. **Release.** Releasor (on behalf of itself and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees (collectively, the “Releasing Parties”)) hereby releases BBF, its affiliates, and their respective directors, officers, shareholders, employees, and agents (collectively, the “Released Parties”) from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature, known or unknown, which any Releasing Party now has or ever had against any Released Party based upon and/or arising out of events that occurred through the date hereof, including without limitation, anything arising out of the Franchise Agreement (collectively, “Claims”).

2. **Covenant Not to Sue.** Releasor (on behalf of all Releasing Parties) covenants not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any Released Party with respect to any Claim.

3. **Representations and Acknowledgments.** Releasor represents and warrants that: (i) Releasor is the sole owner of all Claims, and that no Releasing Party has assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim; (ii) Releasor has full power and authority to sign this Release; and (iii) this Release has been voluntarily and knowingly signed after Releasor has had the opportunity to consult with counsel of Releasor’s choice. Releasor acknowledges that the release in Section 1 is a complete defense to any Claim.

4. **Miscellaneous.** If any of the provisions of this Release are held invalid for any reason, the remainder of this Release will not be affected and will remain in full force and effect. In the event of any dispute concerning this Release, the dispute resolution, governing law, and venue provisions of the Franchise Agreement shall apply. Releasor agrees to take any actions and sign any documents that BBF reasonably requests to effectuate the purposes of this Release. This Release contains the entire agreement of the parties concerning the subject matter hereof. This Release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Agreed to by:

Name: _____
Date: _____

EXHIBIT D

FORM OF FINANCING DOCUMENTS

Promissory Note

Date: _____

Borrower: _____

Lender: Bloomin' Blinds Franchise Corp., 985 E. State Hwy. 121, Suite 617, Lewisville, Denton County, Texas 75057

Place for Payment: Lender's address of such other address as Lender may hereafter provide to Borrower in writing.

Principal Amount: _____ DOLLARS (\$ _____)

Annual Interest Rate: None

Maturity Date: _____

Terms of Payment (principal and interest):

The Principal Amount is due and payable in equal monthly installments of _____ DOLLARS (\$ _____) on the first day of each month, beginning _____ and continuing for fifty months when the entire Principal Amount will be payable in full.

All sums paid or agreed to be paid to the holder of this Note for the use, forbearance or detention of the indebtedness evidenced hereby to the full extent allowed by applicable law, shall be amortized, prorated, allocated and spread through the full term of this Note.

Security for Payment: All assets of Borrower as more fully set forth in that certain Security Agreement dated _____ and the personal guaranty of _____.

Borrower promises to pay to the order of Lender the Principal Amount. This note is payable at the Place for Payment and according to the Terms of Payment. All unpaid amounts are due by the Maturity Date.

Borrower may prepay this note in full, but not in part, at any time before the Maturity Date without penalty or premium.

If Borrower defaults in the payment of this note or in the performance of any obligation in any instrument securing or collateral to this note, Lender may declare the unpaid principal balance, earned interest, and any other amounts owed on the note immediately due. Borrower and each

surety, endorser, and guarantor waive all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law.

Borrower also promises to pay reasonable attorney's fees, litigation expenses, court costs, and other costs of collection or disposition of collateral, if this note is placed in the hands of an attorney to collect or enforce the note. Borrower will pay Lender these expenses and interest on demand at the Place for Payment. These expenses and interest will become part of the debt evidenced by the note and will be secured by any security for payment.

Any interest on the debt evidenced by this note will not exceed the maximum rate or amount of non-usurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount will be credited on the Principal Amount or, if the Principal Amount has been paid, refunded. On any acceleration or required or permitted prepayment, any excess interest will be canceled automatically as of the acceleration or prepayment or, if the excess interest has already been paid, credited on the Principal Amount or, if the Principal Amount has been paid, refunded. This provision overrides any conflicting provisions in this note and all other instruments concerning the debt.

Each Borrower is responsible for all obligations represented by this note. When the context requires, singular nouns and pronouns include the plural.

By: _____, Franchise Owner

GUARANTY AGREEMENT

_____ (“Borrower”), is or may become indebted under that certain promissory note in the original principal amount _____ DOLLARS (\$_____) (“Note”), dated as of the date of this Guaranty Agreement, by Borrower and payable to the order of BLOOMIN' BLINDS FRANCHISE CORP, a Texas corporation (“Lender”), whose address is 985 E. State Hwy. 121, Ste. 617, Lewisville, TX 75057, and Lender is not willing to extend credit to Borrower under the Note without this Guaranty Agreement (“Guaranty”).

Unless defined in this Guaranty or indicated otherwise, all capitalized terms are defined in the Note and are used in this Guaranty as so defined.

In consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and adequacy of which are acknowledged, and as a material inducement to Lender to extend credit to Borrower, the undersigned, _____, guarantees to Lender the prompt and full payment and performance of the indebtedness and obligations described below in this Guaranty (collectively, “Guaranteed Obligation”). This Guaranty is subject to the following terms and conditions:

1. Guaranty of Payment. Guarantor unconditionally guarantees to Lender the payment, as and when it is due and payable, whether by lapse of time, by acceleration of maturity, or otherwise of all principal, interest, fees, costs, expenses, indemnification indebtedness (including, but not limited to, indebtedness arising under the indemnity contained in the Note), and other amounts now or later due under the terms of the Note or any other of the documents or agreements executed in connection with the Note (“Loan Documents”) now or later existing, and all renewals, extensions, re-financings, modifications, or amendments of the indebtedness or any part of it (“Indebtedness”). This Guaranty covers the Indebtedness, whether presently outstanding or arising after the date of this Guaranty, including all amounts advanced by Lender in stages or installments. The guaranty of Guarantor as set forth in this Section is a guaranty of payment and not of collection.

Despite the foregoing, the total amount of the Indebtedness guaranteed under this Guaranty will not exceed an amount equal to fifteen thousand dollars (\$15,000.00). The above limitations of Guarantor’s liability under this Guaranty for the principal of the Indebtedness does not limit Guarantor’s liability for interest from the date the interest is due by the Guarantor under this Guaranty until paid in full at the highest rate of interest charged on any of the Indebtedness as of the due date, taxes, costs, expenses, and attorney fees incurred by Lender, and the obligations described below. The Guarantor's obligations will not be affected, impaired, lessened, or released by loans, credits, or other financial accommodations now existing or later advanced by Lender to Borrower in excess of the Indebtedness. In no event will the Indebtedness be reduced as a result of (a) Borrower’s partial payment of the Guaranteed Obligation or (b) Lender’s foreclosure or acceptance of a deed in lieu of foreclosure with respect to any collateral securing the Indebtedness. The foregoing limitation on Guarantor's liability will in no way be deemed to limit or restrict Lender's right to apply any amounts paid by Guarantor to any portion of the Loan.

2. Guaranty of Performance. Guarantor unconditionally guarantees to Lender the timely performance of all other obligations of Borrower under all of the Loan Documents.

3. Primary Liability of Guarantor. This Guaranty is an absolute, irrevocable, and unconditional guaranty of payment and performance. If Borrower defaults in the payment or performance of any part of the Guaranteed Obligation when the Indebtedness or performance becomes due, either by its terms or as the result of the exercise of any power to accelerate, Guarantor will, on demand and without presentment, protest, notice of protest, further notice of nonpayment or of dishonor or of default or nonperformance, notice of acceleration or of intent to accelerate, or any other notice, and without any notice having been given to Guarantor before the demand of the acceptance by Lender of this Guaranty or the creation or incurring of the Indebtedness or of the obligation to perform, pay the amount under Section 1 of this Guaranty to Lender or perform or observe the agreement, covenant, term, or condition, as the case may be. It will not be necessary for Lender, in order to enforce the payment or performance by Guarantor, first to institute suit or exhaust its remedies against Borrower or others liable on the Indebtedness or for the performance, to enforce its rights against any security that will ever have been given to secure the Indebtedness or performance, to join Borrower or any others liable on the Guaranteed Obligation in any action to enforce this Guaranty, or to resort to any other means of obtaining payment or performance of the Guaranteed Obligation. Suit may be brought or demand may be made against all parties who have signed this Guaranty, or against any one or more of them, separately or together, without impairing the rights of Lender against any other party to this Guaranty. At any time Lender is entitled to exercise its remedies under this Guaranty, Lender may in its sole discretion elect to demand payment or performance. If Lender elects to demand performance, it will at all times have the right to demand payment until all of the Indebtedness has been paid in full. If Lender elects to demand payment, it will at all times have the right to demand performance until all of the Indebtedness has been paid in full.

4. Certain Agreements and Waivers by Guarantor. Guarantor agrees that neither Lender's rights and remedies nor Guarantor's obligations under the terms of this Guaranty will be released, diminished, impaired, reduced, or affected by any one or more of the following:

- (a) Any limitation of liability or recourse in any other Loan Document.
- (b) The taking or accepting of any other security or guaranty for, or right of recourse with respect to, any or all of the Guaranteed Obligation.
- (c) Any release, surrender, exchange, subordination, deterioration, waste, impairment, or loss of, or any failure to create or perfect, any lien or security interest with respect to any security at any time existing or purported, believed, or expected to exist in connection with any or all of the Guaranteed Obligation.
- (d) Any partial release of the liability of Guarantor under this Guaranty, or if there is more than one person signing this Guaranty, the complete or partial release of any one or more of them.
- (e) The death, insolvency, bankruptcy, disability, dissolution, liquidation, termination, receivership, reorganization, change of form or name, structure, or ownership, sale of all assets, or lack of corporate, partnership, or other power of Borrower, any of the undersigned, or any

party at any time liable for the payment or performance of any or all of the Guaranteed Obligation, whether now existing or later occurring.

(f) The renewal, extension, modification, or rearrangement of the payment or performance of any or all of the Guaranteed Obligation, either with or without notice to or the consent of Guarantor, or any adjustment, indulgence, forbearance, or compromise that may be granted or given by Lender to Borrower or Guarantor from time to time.

(g) Any neglect, delay, omission, failure, or refusal of Lender to take or prosecute any action for the collection or enforcement of any of the Guaranteed Obligation or to foreclose or take or prosecute any action to foreclose on any security for the Guaranteed Obligation or to take or prosecute any action in connection with any Loan Document.

(h) Lender's failure to notify Guarantor of any creation, renewal, extension, rearrangement, modification, or assignment of the Guaranteed Obligation or any part of it, or of any Loan Document, or of any release of or change in any security or of any other action taken or refrained from being taken by Lender against Borrower or any security or other recourse or of any new agreement between Lender and Borrower, it being understood that Lender will not be required to give Guarantor any notice of any kind under any circumstances with respect to or in connection with the Guaranteed Obligation.

(i) The unenforceability of all or any part of the Guaranteed Obligation against Borrower, whether because the Guaranteed Obligation exceeds the amount permitted by law or violates any usury law, the act of creating the Guaranteed Obligation or any part of it is ultra vires, the officers or persons creating the Guaranteed Obligation acted in excess of their authority, Borrower has any valid defense, claim, or offset with respect to the Guaranteed Obligation, or otherwise, it being agreed that Guarantor will remain liable under this Guaranty regardless of whether Borrower or any other person is found not liable on the Guaranteed Obligation, or any part of it, for any reason.

(j) Any payment by Borrower to Lender is held to constitute a preference under the bankruptcy laws or if for any other reason Lender is required to refund the payment or pay the amount to someone else.

It is the intent of Guarantor and Lender that the obligations and liabilities of Guarantor under this Guaranty are absolute and unconditional under any and all circumstances and that until the Guaranteed Obligation or all amounts required to be paid by Guarantor under this Guaranty are fully and finally paid and performed, the obligations and liabilities will not be discharged or released, in whole or in part, by any act or occurrence that might, but for the provisions of this Guaranty, be deemed a legal or equitable discharge or release of a guarantor.

5. Subordination; Subrogation. If, for any reason, Borrower is now or later becomes indebted to Guarantor, the following applies:

(a) That indebtedness and all interest on it and all liens, security interests, and rights now or later existing with respect to property of Borrower securing the indebtedness will, at all times, be subordinate in all respects to the Guaranteed Obligation and to all liens, security interests, and

rights now or later existing to secure the Guaranteed Obligation. Despite anything to the contrary contained in this Guaranty or any payments made by any party under this Guaranty, Guarantor permanently and irrevocably waives any right of subrogation in or under any of the Loan Documents or to participate in any way in the Loan Documents, or in any right, title, or interest in and to any security or right of recourse for the Guaranteed Obligation.

(b) After the occurrence of a default (whether or not declared) under any of the Loan Documents, Guarantor will not be entitled to enforce or receive payment, directly or indirectly, of any indebtedness of Borrower to Guarantor until the Guaranteed Obligation has been fully and finally paid and performed.

(c) Guarantor assigns and grants to Lender a security interest, as security for the Guaranteed Obligation, in any indebtedness and related security of Borrower to Guarantor now existing or later arising, including any dividends and payments under the debtor-relief or insolvency proceedings referred to below. In the event of receivership, bankruptcy, reorganization, arrangement, or other debtor-relief or insolvency proceedings involving Borrower as debtor, Lender will have the right to prove its claim so as to establish its rights under this Guaranty and will have the right to receive directly from the receiver, trustee, or other custodian (whether or not a default has occurred or is continuing under any of the Loan Documents), dividends and payments that are payable on any obligation of Borrower to Guarantor now existing or later arising, and to have all benefits of any security for the dividends and payments, until the Guaranteed Obligation has been fully and finally paid and performed. If, despite the foregoing provisions, Guarantor should receive any payment, claim, or distribution that is prohibited as provided in this Section, Guarantor must pay the same to Lender immediately, Guarantor agreeing that it will receive the payment, claim, or distribution in trust for Lender and will have absolutely no dominion over the same except to pay it immediately to Lender.

(d) Guarantor will promptly on Lender's request execute the documents and perform the acts that Lender may require to evidence and perfect its interest and to permit or facilitate exercise of its rights under this Section, including but not limited to execution and delivery of financing statements, proofs of claim, further assignments, and security agreements, and delivery to Lender of any promissory notes or other instruments evidencing indebtedness of Borrower to Guarantor. All promissory notes, accounts-receivable ledgers, or other evidences, now or later held by Guarantor, of obligations of Borrower to Guarantor must contain a specific written notice that the indebtedness evidenced by them is subordinated under and is subject to the terms of this Guaranty.

Nothing in this Guaranty will operate as a release or discharge, in whole or in part, of any claim of Guarantor against Borrower, by subrogation or otherwise, by reason of any act done or payment made by Guarantor under the provisions of this Guaranty; but all such claims, including claims for any indebtedness of Borrower to Guarantor, whether now existing or later arising, will be subordinate to the Guaranteed Obligation and the liens, security interests, and rights of Lender under the Loan Documents.

6. Other Liability of Guarantor or Borrower. If Guarantor becomes liable for any indebtedness owed by Borrower to Lender, by endorsement or otherwise, other than under this Guaranty, the liability will not be in any way impaired or affected by this Guaranty, and the rights of Lender

under this Guaranty will be cumulative of any and all other rights that Lender may ever have against Guarantor. If Borrower is or becomes indebted to Lender for other than the Indebtedness, any payment received or recovery realized on any indebtedness of Borrower to Lender may, except to the extent paid by Guarantor on the Indebtedness or specifically required by law or agreement of Lender to be applied to the Indebtedness, in Lender's sole discretion be applied on indebtedness of Borrower to Lender other than the Indebtedness.

7. Lender's Assigns. This Guaranty is for the benefit of Lender and Lender's successors and assigns, and if there is an assignment of the Indebtedness or any part of it the rights and benefits under this Guaranty, to the extent applicable to the assigned Indebtedness, may be transferred with the Indebtedness. Guarantor waives notice of any transfer or assignment of the Indebtedness, or any part of it, and agrees that failure to give notice will not affect Guarantor's liabilities under this Agreement.

8. Binding Agreement. This Guaranty and all of its terms, provisions, and covenants will apply to, be binding on, and inure to the benefit of the parties and their respective successors and assigns.

9. Governing Law; Forum. THIS GUARANTY WILL BE GOVERNED BY AND INTERPRETED UNDER THE LAWS OF THE STATE OF TEXAS AND APPLICABLE FEDERAL LAW, AND IS INTENDED TO BE PERFORMED IN ACCORDANCE WITH, AND ONLY TO THE EXTENT PERMITTED BY, THESE LAWS. ALL OBLIGATIONS OF GUARANTOR UNDER THIS GUARANTY ARE PAYABLE AND PERFORMABLE AT THE PLACE WHERE THE GUARANTEED OBLIGATION IS PAYABLE AND PERFORMABLE. GUARANTOR IRREVOCABLY SUBMITS GENERALLY AND UNCONDITIONALLY FOR GUARANTOR AND IN RESPECT OF GUARANTOR'S PROPERTY TO THE NONEXCLUSIVE JURISDICTION OF ANY TEXAS STATE COURT, OR ANY UNITED STATES FEDERAL COURT SITTING IN DENTON COUNTY, TEXAS, OVER ANY SUIT, ACTION, OR PROCEEDING ARISING FROM OR RELATING TO THIS GUARANTY OR THE INDEBTEDNESS. GUARANTOR AGREES AND CONSENTS THAT, IN ADDITION TO ANY METHODS OF SERVICE OF PROCESS PROVIDED FOR UNDER APPLICABLE LAW, ALL SERVICE OF PROCESS IN ANY SUIT, ACTION, OR PROCEEDING IN ANY TEXAS STATE COURT, OR ANY UNITED STATES FEDERAL COURT SITTING IN DENTON COUNTY, TEXAS, MAY BE MADE BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, DIRECTED TO GUARANTOR AT GUARANTOR'S ADDRESS STATED IN THIS GUARANTY, OR AT A SUBSEQUENT ADDRESS AT WHICH LENDER RECEIVED ACTUAL NOTICE FROM GUARANTOR IN ACCORDANCE WITH THIS GUARANTY, AND SERVICE SO MADE WILL BE COMPLETE FIVE (5) DAYS AFTER IT HAS BEEN SO MAILED.

10. Invalid Provisions. If any provision of this Guaranty or the application of any provision to any person or circumstance is, for any reason and to any extent, invalid or unenforceable, neither the rest of this Guaranty nor the application of the provision to any other person or circumstance will be affected, but rather the same will be enforced to the greatest extent permitted by law.

11. Attorney Fees and Costs of Collection. Guarantor will pay on demand the reasonable attorney fees and all other costs and expenses that may be incurred by Lender in the enforcement

of or preservation of Lender's rights under this Guaranty. This covenant will survive any payment or discharge in full of the Indebtedness.

12. Payments. All amounts payable under this Guaranty will be paid in U.S. currency that at the time of payment is legal tender for the payment of public and private debts.

13. Controlling Agreement. It is not the intention of Lender or Guarantor to obligate Guarantor to pay interest in excess of that legally permitted to be paid by Guarantor under applicable law. Should it be determined that any portion of the Guaranteed Obligation constitutes interest in excess of the maximum amount of interest that Guarantor (in its capacity as Guarantor) may lawfully be required to pay under applicable law, the obligation of Guarantor to pay the interest will automatically be limited to the maximum interest payment permitted under applicable law. The provisions of this Section overrides and controls over all other provisions of this Guaranty and any other agreement between Guarantor and Lender.

14. Warranties and Representations of Guarantor. Guarantor represents and warrants that (a) Guarantor is the owner of a direct or indirect interest in Borrower and this Guaranty may reasonably be expected to benefit Guarantor, in an amount not less than the amount guaranteed, (b) this Guaranty is duly authorized, is valid and is binding on Guarantor, (c) Guarantor is not, and the execution, delivery, and performance by Guarantor of this Guaranty will not cause Guarantor to be, in violation of or in default with respect to any law or in default (or provide cause for acceleration of indebtedness) under any agreement or restriction by which Guarantor is bound or affected, (d) except as expressly disclosed in writing to Lender, there is no action, suit, or proceeding pending or to the knowledge of Guarantor threatened before or by any court or governmental authority against or affecting Guarantor that constitutes a material adverse effect, (e) all financial statements and information that have been furnished to Lender by Guarantor do, and all financial statements and information that will be furnished to Lender by Guarantor will, fully and accurately in all material respects present the financial condition of Guarantor as of the dates of the financial statements, and, since the date of the most recent financial statements of Guarantor furnished to Lender, no material adverse effect has occurred with respect to the financial condition of Guarantor, nor, except as disclosed in writing to Lender, has Guarantor incurred any material liability, direct or indirect, fixed or contingent, (f) after giving effect to this Guaranty, Guarantor is solvent, (g) Lender has no duty at any time to investigate or inform Guarantor of the financial or business condition or affairs of Borrower or of any change in Borrower's condition or affairs, and (h) Guarantor acknowledges and agrees that Guarantor may be required to pay and perform the Guaranteed Obligation in full, subject to Section 1 of this Guaranty, without assistance or support from Borrower or any other party. Guarantor's representations and warranties are a material inducement to Lender to enter into the other Loan Documents and will survive the execution of this Guaranty and any bankruptcy, foreclosure, transfer of security, or other event affecting Borrower, Guarantor, or any security for the Indebtedness.

15. Notices. All notices, requests, consents, demands, and other communications required or that any party wants to give under this Guaranty must be in writing and will be deemed sufficiently given or furnished if delivered by personal delivery, by fax, by expedited delivery service with proof of delivery, or by registered or certified U.S. mail, postage prepaid, at the addresses specified in this Guaranty (unless changed by similar notice in writing given by the particular party whose address is to be changed). Any notice or communication will be deemed to have been given either at the time of personal delivery or, in the case of delivery service or mail, as of the date of first- attempted

delivery at the address and in the manner provided in this Guaranty, or, in the case of fax, on receipt. Despite the foregoing, no notice of change of address will be effective except on receipt. This Section will not be construed in any way to affect or impair any waiver of notice or demand provided in this Guaranty or in any other Loan Document or to require giving of notice or demand to or on any person in any situation or for any reason.

16. Cumulative Rights. The exercise by Lender of any right or remedy under this Guaranty or under any other Loan Document, or at law or in equity, will not preclude the concurrent or subsequent exercise of any other right or remedy. Lender will have all rights, remedies, and recourses afforded to Lender by reason of this Guaranty or any other Loan Document or by law or equity or otherwise, and they (a) will be cumulative and concurrent, (b) may be pursued separately, successively, or concurrently against Guarantor or others obligated for the Guaranteed Obligation, or any part of it, or against any one or more of them, or against any security or otherwise, at the sole discretion of Lender, (c) may be exercised as often as necessary, it being agreed by Guarantor that the exercise of, discontinuance of the exercise of, or failure to exercise any of Lender's rights, remedies, and recourses under this Guaranty or any other Loan Document will in no event be construed as a waiver or release of those rights, remedies, and recourses or of any other right, remedy, or recourse, and (d) are intended to be, and will be, nonexclusive. No waiver of any default on the part of Guarantor, or of any breach of any of the provisions of this Guaranty or of any other document will be considered a waiver of any other or subsequent default or breach, and no delay or omission in exercising or enforcing the rights and powers granted in this Guaranty or in any other document will be construed as a waiver of the rights and powers, and likewise no exercise or enforcement of any rights or powers under this Guaranty or under any other document will be held to exhaust the rights and powers, and every right and power may be exercised from time to time. The granting of any consent, approval, or waiver by Lender will be limited to the specific instance and purpose and will not constitute consent or approval in any other instance or for any other purpose. No notice to nor demand on Guarantor in any case will of itself entitle Guarantor to any other or further notice or demand in similar or other circumstances. No provision of this Guaranty nor any right, remedy, or recourse of Lender with respect to this Guaranty, nor any default or breach, can be waived, nor can this Guaranty or Guarantor be released or discharged in any way or to any extent, except specifically by a writing intended for that purpose (referring specifically to this Guaranty) executed by Lender.

17. Term of Guaranty. Subject to the termination and release provision contained in Section 1, this Guaranty will continue in full force and effect until Guarantor has fully and finally paid all amounts (including, but not limited to, the Indebtedness described in Section 1) and performed all obligations (including, but not limited to, all obligations described in Section 2) required to be paid or performed by Guarantor under this Guaranty. Despite anything to the contrary contained in this Section or elsewhere in this Guaranty or in any other Loan Document, (a) if under any bankruptcy, insolvency, or other debtor-relief law or any order or decision under these laws Lender must rescind or restore any payment received by Lender in satisfaction of the Indebtedness, the term "Indebtedness" as used in this Guaranty includes the payment to the extent rescinded or restored, and, to the extent of the payment rescinded or restored, any prior return, cancellation, release, or discharge by Lender of this Guaranty or of Guarantor will be without effect and this Guaranty will remain in full force and effect despite the return, cancellation, release, or discharge, and (b) if any indemnification indebtedness is incurred under any indemnity contained in any Loan Document, the term "Indebtedness" as used in this Guaranty includes such indemnification indebtedness, and, to the extent of the indemnification indebtedness, any prior return, cancellation, release, or discharge

by Lender of this Guaranty or of Guarantor will be without effect and this Guaranty will remain in full force and effect despite the return, cancellation, release, or discharge.

18. Financial Statements. Guarantor will furnish to Lender detailed personal financial statements for each calendar year as soon as reasonably practicable, but in any event within thirty (30) days after the end of each calendar year. Each financial statement must be prepared in accordance with sound accounting principal consistently applied and must be certified in writing as true and correct in all material respects by Guarantor.

19. Participations. Guarantor acknowledges and agrees that Lender may from time to time sell or offer to sell participations in the loan evidenced by the Note to one or more participants. Guarantor authorizes Lender to provide to any participant or prospective participant any information that Lender has pertaining to the Indebtedness or this Guaranty, including but not limited to credit information on Borrower and Guarantor.

20. Gender; Titles; Construction. Within this Guaranty, words of any gender will be held and construed to include any other gender, and words in the singular number will be held and construed to include the plural, unless the context otherwise requires. Titles appearing at the beginning of subdivisions are for convenience only, do not constitute any part of the subdivisions, and will be disregarded in construing the language contained in the subdivisions.

21. Time of Essence. Time is of the essence in this Guaranty with respect to all of Guarantor's and Lender's obligations under it.

22. Counterparts. This Guaranty may be executed in two or more counterparts, each of which will be deemed an original and all of which together will constitute one agreement.

23. Entire Agreement. This Guaranty embodies the entire agreement between Lender and Guarantor. All understandings, discussions, and agreements previously made between Lender and Guarantor, written or oral, are superseded by this Guaranty, and neither party is relying on any warranty, statement, or representation not contained in this Guaranty.

24. Drafted Jointly. The parties have participated jointly in the negotiation and drafting of this Guaranty. If an ambiguity or question of intent or interpretation arises, there is no presumption or burden of proof that favors or disfavors any party by virtue of the authorship of any of the provisions of this Guaranty.

THE WRITTEN LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO ORAL AGREEMENTS BETWEEN THE PARTIES.

EXECUTED as of_____.

GUARANTOR:

Address of Guarantor:

SECURITY AGREEMENT

This SECURITY AGREEMENT ("Security Agreement") is entered into by _____ ("Debtor"), and BLOOMIN' BLINDS FRANCHISE CORP. a Texas corporation ("Creditor").

Debtor and the Creditor agree as follows:

1. **Definitions.** As used in this Security Agreement, the following terms have the following meanings:

"Article" means a numbered article of this Security Agreement, unless another document is specifically referenced.

"Code" means the Uniform Commercial Code in effect in the State of Texas or any other relevant jurisdiction from time to time.

"Collateral" is any and all properties, rights, and assets of Debtor granted to Creditor or arising under the Code, now or in the future, in which Borrower obtains an interest or the power to transfer rights as described in Exhibit A.

"Creditor" means the Person identified in the first paragraph of this Security Agreement, and its successors and assigns.

"Exhibit" refers to a specific exhibit to this Security Agreement, unless another document is specifically referenced.

"Event of Default" means any of the events specified in Section 5, provided that any requirement in connection with the event for the giving of notice, or the lapse of time, or the happening of any further condition, event, or act has been satisfied.

"Investment Property" means stock or other securities, whether certificated or uncertificated, of any other Person, or any direct or indirect loan, advance, or capital contribution by such Person to any other Person, or any other item which would be classified as an "investment" on a balance sheet of such Person prepared in accordance with GAAP, including any direct or indirect contribution by such Person of property or assets to a joint venture, partnership, or other business entity in which such Person retains an interest.

"Lien" is a security interest or other encumbrance of any kind, whether voluntarily incurred or arising by operation of law or otherwise, against any Collateral.

"Note" means the Promissory Note executed in connection with this Security Agreement.

"Obligations" mean any and all existing and future indebtedness, obligation, and liability of every kind, nature, and character, direct or indirect, absolute or contingent, of Debtor to Creditor arising under this Security Agreement and any documents executed in connection with it.

“Person” means an individual, partnership, joint venture, corporation, limited liability company, joint-stock company, bank, trust, unincorporated organization, or a government or any governmental department or agency.

“Section” means a numbered section of this Security Agreement, unless another document is specifically referenced.

The foregoing definitions are equally applicable to both the singular and plural forms of the defined terms.

2. Security Interest.

(a) Grant of Security Interest. Debtor pledges, assigns, and grants to Creditor a security interest in all of Debtor’s right, title, and interest in and to the Collateral to secure the prompt and complete payment and performance of the Obligations.

(b) Authorization to File Financing Statements. Debtor authorizes Creditor to file financing statements with all appropriate jurisdictions to perfect or protect Creditor’s interest or rights under this Security Agreement.

3. Representations and Warranties. Debtor represents and warrants to Creditor the following:

(a) Title, Authorization, Validity, and Enforceability. Debtor has good and valid rights in and title to the Collateral that it has purported to grant a security interest under this Security Agreement, free and clear of all Liens, and has full power and authority to grant to Creditor the security interest in the Collateral according to this Security Agreement. The execution and delivery by Debtor of this Security Agreement has been duly authorized by proper corporate action and proceedings, and this Security Agreement constitutes a legal, valid, and binding obligation of Debtor and creates a security interest that is enforceable against Debtor in all now-owned and later-acquired Collateral.

(b) Conflicting Contracts. Neither the execution and delivery by Debtor of this Security Agreement, the creation and perfection of the security interest in the Collateral granted under this Security Agreement, nor compliance with the terms and provisions of this Security Agreement will, to the best of Debtor’s knowledge, violate Debtor’s certificate of incorporation, by-laws or shareholders’ agreement, the provisions of any indenture, instrument, or agreement to which Debtor is a party or is subject, or by which it, or its property, is bound, or conflict with or constitute a default under these documents.

(c) Location. The State in which Debtor was originally and is currently organized is Texas.

(d) Collateral Locations. The Collateral is located solely at the Debtor’s offices, located at **10350 Crosscreek Terrace, San Diego, CA 92131**, at 985 E. State Hwy. 121, Ste. 617, Lewisville, Denton County, Texas 75057 and at such other locations of which Debtor may

give Creditor written notice.

(e) No Other Names. Debtor has not conducted business under any name except the name under which it has executed this Security Agreement.

(f) No Event of Default. No Event of Default exists.

(g) No Financing Statements. No financing statement describing all or any portion of the Collateral that has not lapsed or been terminated naming Debtor as debtor has been filed in any jurisdiction except financing statements naming Creditor as the secured party.

4. **Covenants.** From the date of this Security Agreement, and until this Security Agreement is terminated, Debtor agrees to the following:

(a) Inspection. Debtor will permit Creditor, by its representatives and agents, (1) to inspect the Collateral, (2) to examine and make copies of the records of Debtor relating to the Collateral, and (3) to discuss the Collateral and the related records of Debtor with, and to be advised as to the same by, Debtor's officers and employees (and, in the case of any receivable, with any person or entity that is or may be obligated on the receivable), all at the reasonable times and intervals as Creditor may determine, and all at Debtor's expense.

(b) Financing Statements and Other Actions; Defense of Title. Debtor will execute and deliver to Creditor all documents and take any other actions as may from time to time be requested by Creditor in order to maintain a first-perfected security interest in and, in the case of Investment Property, control of, the Collateral. Debtor will take any and all actions necessary to defend title to the Collateral against all persons and to defend the security interest of Creditor in the Collateral and its priority against any Lien not expressly permitted under this Security Agreement.

(c) Disposition of Collateral. Without Creditor's written consent, Debtor will not sell, lease or otherwise dispose of the Collateral.

(d) Liens. Without Creditor's written consent, Debtor will not create, incur, or suffer to exist any Lien on the Collateral except the security interest created by this Security Agreement.

(e) Change in Location or Name. Without Creditor's written consent, Debtor will not have any Collateral or proceeds or products of the Collateral at a location other than a location specified in Exhibit B.

(f) Other Financing Statements. Debtor will not authorize the filing of any financing statement naming it as debtor covering all or any portion of the Collateral.

5. **Default.**

(a) Event of Default. The occurrence of any one or more of the following events

constitutes an Event of Default:

- (1) Any Obligation is not paid when due under the terms of the Note.
- (2) Any representation or warranty made by or on behalf of Debtor under or in connection with this Security Agreement is materially false as of the date on which it is made.
- (3) Any material portion of the Collateral is transferred or otherwise disposed of, either voluntarily or involuntarily, in any manner not permitted by this Security Agreement or is lost, stolen, damaged, or destroyed.

(b) Remedies. On the occurrence of an Event of Default, Creditor may exercise any or all of the following rights and remedies:

- (1) Those rights and remedies provided in this Security Agreement or the Note.
- (2) Those rights and remedies available to a secured party under the Texas Business and Commerce Code (whether or not the Texas Business and Commerce Code applies to the affected Collateral) or under any other applicable law (including any law governing the exercise of a bank's right of setoff or a bankers' lien) when a debtor is in default under a security agreement.
- (3) The right to sell, lease, assign, grant an option or options to purchase, or otherwise dispose of all or part of the Collateral in one or more parcels at public or private sale, for cash, on credit, or for future delivery, and on such other terms as Creditor may deem commercially reasonable.

(c) Debtor's Obligations on Event of Default. On the request of Creditor after the occurrence of an Event of Default, Debtor will do any of the following:

- (1) Assembly of Collateral. Assemble and make available to Creditor the Collateral and all records relating to the Collateral at any place or any places specified by Creditor.
- (2) Secured-Party Access. Permit Creditor, by Creditor's representatives and agents, to enter any premises where all or any part of the Collateral, or the books and records relating to the Collateral, or both, are located, to take possession of all or any part of the Collateral and to remove all or any part of the Collateral.

6. Waivers, Amendments, and Remedies. No delay or omission of Creditor in exercising any right or remedy granted under this Security Agreement will impair such right or remedy or be construed to be a waiver of any Event of Default or an acquiescence in any Event of Default, and any single or partial exercise of any right or remedy will not preclude any other or further exercise

of that right or remedy or the exercise of any other right or remedy. No waiver, amendment, or other variation of the terms, conditions, or provisions of this Security Agreement will be valid unless it is in a writing signed by Creditor and then only to the extent specifically set forth in the writing. All rights and remedies contained in this Security Agreement or by law afforded are cumulative, and all are available to Creditor until the Obligations have been paid in full.

7. **Proceeds.** The proceeds of the Collateral will be applied by Creditor to payment of the Obligations in the following order unless a court of competent jurisdiction directs otherwise:

- (a) First, to the payment of all costs and expenses of Creditor incurred in connection with the collection and enforcement of the Obligations or of the security interest granted to Creditor under this Security Agreement.
- (b) Second, to the payment of the Obligations in the manner and order that Creditor in its sole discretion deems appropriate.
- (c) Third, any balance after all of the Obligations have been satisfied, to Debtor.

8. **General Provisions.**

- (a) **Binding Agreement.** This Security Agreement and all of its terms, provisions, and covenants will apply to, be binding on, and inure to the benefit of the parties and their respective successors and assigns.
- (b) **Survival of Representations.** All representations and warranties of Debtor contained in this Security Agreement will survive the execution and delivery of this Security Agreement.
- (c) **Expenses.** Debtor will reimburse Creditor for any and all out-of-pocket expenses and internal charges (including reasonable fees for attorneys, auditors, and accountants and reasonable time charges of attorneys, paralegals, auditors, and accountants who may be employees of Creditor) paid or incurred by Creditor in connection with the preparation, execution, delivery, administration, collection, and enforcement of this Security Agreement and in the audit, analysis, administration, collection, preservation, or sale of the Collateral (including the expenses and charges associated with any periodic or special audit of the Collateral). Any and all costs and expenses incurred by Debtor in the performance of actions required under the terms of this Security Agreement will be borne solely by Debtor.
- (d) **Headings.** The title of and section headings in this Security Agreement are for convenience of reference only, and do not govern the interpretation of any of the terms and provisions of this Security Agreement.
- (e) **Termination.** This Security Agreement continues in effect (despite the fact that from time to time there may be no Obligations outstanding) until (1) the Note has terminated according to its express terms and (2) all of the Obligations have been indefeasibly paid and performed in full and no commitments of Creditor that would give rise to any Obligations are outstanding.

(f) Entire Agreement. This Security Agreement embodies the entire agreement and understanding between Debtor and Creditor. All understandings, discussions, and agreements previously made between the Debtor and Creditor, written or oral, are superseded by this Security Agreement, and neither party is relying on any warranty, statement, or representation not contained in this Security Agreement.

(g) Governing Law. This Security Agreement will be governed by and interpreted under the laws of the State of Texas, regardless of any conflict-of-law rules, and any federal laws applicable to national banks.

9. **Notices.**

(a) Notices. All notices, consents, requests, approvals, demands, or other communication by any party to this Security Agreement must be in writing and will be deemed to have been validly served, given, or delivered (1) on the earlier of actual receipt or three business days after deposit in the U.S. mail (first-class, registered, or certified mail return receipt requested), (2) one business day after deposit with a nationally recognized overnight prepaid courier, or (3) when delivered, if hand-delivered by messenger. All notices must be sent to the party at the address indicated below:

Debtor:

Creditor:

Bloomin' Blinds Franchise Corp.
985 E State Hwy 121, Ste. 617
Lewisville, Texas 75057

(b) Change in Address for Notices. Each Debtor and Creditor may change the address for service of notice by providing written notice to the other parties.

EXECUTED _____.

DEBTOR:

CREDITOR:

Franchise Owner

BLOOMIN' BLINDS FRANCHISE CORP,
a Texas corporation

By: _____

By: Kelsey Stuart,
Authorized Representative

Exhibit A

All assets of Debtor, real and personal, tangible and intangible, existing or hereafter acquired.



Financing Addendum to Bloomin' Blinds Franchise Agreement

This Financing Addendum is to that franchise agreement between BLOOMIN BLINDS FRANCHISE CORP, A Texas Limited Liability Company ("Franchisor") and _____ ("Franchisee") dated _____. ("The Agreement") and Franchisor and Franchisee agree that the defined terms contained in the Agreement shall have the same meaning as used in this Addendum, and hereby further agree that notwithstanding any term of the Agreement to the contrary:

- In-House Financing: The Initial Franchise Fee is \$_____, of which \$_____ shall be due upon execution of the Agreement. Franchisor agrees to defer \$_____ (the "Deferral Amount") of the Initial Franchise Fee considering the following terms:
 - Franchisee executes a Promissory Note and Security Agreement for the Deferral Amount, and any of its owners execute a Personal Guaranty.
 - Monthly principal reduction payments in a minimum amount of \$_____. The full amount of principal payment will be deducted from the principal balance until the Note is paid in full.
 - During the time that any amount of balance remains under the Note, Franchisor has the right to raise all royalty percentages by 2% over amounts listed in the FDD. By example, during the time of a balance outstanding under the Note, the 6% and 3% royalties will be raised to 8% and 5%.
 - If Franchisee is more than 30 days late in payment for royalties or principal payments under the Note or under the Agreement, interest and penalties listed in the FDD and Franchise Agreement will be enforced.
 - If Franchisee is more than 60 days late in payment for royalties or principal payments under the Note or under the Agreement, Franchisor has the option to terminate the Agreement and all rights to the territory become the possession of Franchisor. In the event of a default during the time that a balance is owed, all assets and materials included in the purchase agreement shall be returned to Franchisor.

FRANCHISOR:

FRANCHISEE:

BLOOMIN BLINDS FRANCHISE CORP

By: _____
Kelsey Stuart

By: _____

EXHIBIT E
FINANCIAL STATEMENTS



A. ANDREW GLIANODIS

CERTIFIED PUBLIC ACCOUNTANT

BLOOMIN' BLINDS FRANCHISE CORP

DECEMBER 31, 2018 AND 2017

FINANCIAL STATEMENTS

BLOOMIN' BLINDS FRANCHISE CORP

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A. ANDREW GANIODIS
CERTIFIED PUBLIC ACCOUNTANT

March 7, 2019

INDEPENDENT AUDITORS' REPORT

Board of Directors and Members of
Bloomin' Blinds Franchise Corp:

REPORT ON FINANCIAL STATEMENTS

I have audited the accompanying balance sheet of Bloomin' Blinds Franchise Corp (a subchapter s-corporation) as of December 31, 2018 and 2017 and the related statements of operations, changes in stockholder's equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with generally accepted auditing standards as accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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, I express no such opinion.

-1-

An audit also includes evaluating appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

OPINION

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bloomin' Blinds Franchise Corp (a subchapter s-corporation) as of December 31, 2018 and 2017 and the results of operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in dark ink, appearing to read "A. Andrew Gianiodis CPA". The signature is fluid and cursive, with the letters "A", "I", and "Q" being particularly prominent.

A. Andrew Gianiodis

Certified Public Accountant

Bloomin' Blinds Franchise Corp

Balance Sheet December 31, 2018 and 2017

	2018	2017
Assets		
Current assets		
Cash	\$ 66,051	\$ 25,113
Miscellaneous receivables	60,611	
Prepaid expenses	16,475	-
Total Current Assets	<u>143,137</u>	<u>25,113</u>
Fixed assets		
Equipment	94,765	166,052
Building	107,468	
Accumulated depreciation	<u>(87,718)</u>	<u>(64,179)</u>
Total fixed assets	<u>114,515</u>	<u>101,873</u>
Total Assets	<u><u>\$ 257,652</u></u>	<u><u>\$ 126,986</u></u>
Liabilities & Equity		
Current liabilities		
Accounts payable	\$ 38,915	\$ -
Due to Affiliate	-	51,854
	<u>38,915</u>	<u>51,854</u>
Long-term liabilities		
Notes	<u>37,454</u>	<u>71,814</u>
Total liabilities	<u>76,369</u>	<u>123,668</u>
Owners' Equity		
Owners' Equity	<u>181,283</u>	<u>3,318</u>
Total equity	<u>181,283</u>	<u>3,318</u>
Total liabilities and equity	<u><u>\$ 257,652</u></u>	<u><u>\$ 126,986</u></u>

See accompanying notes

Bloomin' Blinds Franchise Corp
Statement of Operations
Years ending December 31, 2018 and 2017

	2018	2017
Revenues		
Franchise revenues	\$ 511,520	\$ 498,813
Franchise royalties	412,271	313,823
Services	254,942	-
Other revenue	336,129	16,150
Total revenue	<u>1,514,862</u>	<u>828,786</u>
Expenses		
Bank charges	8,946	3,987
Commissions	37,281	40,850
Computer expenses	51,747	72,025
Franchise expenses	44,318	83,915
Insurance	41,164	35,575
Licenses	8,815	6,725
Marketing	251,504	161,286
Miscellaneous	7,738	4,102
Office expenses	32,067	16,768
Payroll & taxes	108,806	23,409
Professional fees	30,086	10,651
Rent and occupancy expenses	26,986	29,281
Repairs	11,991	21,229
Training	9,436	5,474
Travel, meals & entertainment	58,305	30,165
Vehicle expenses	18,150	9,359
Total expenses	<u>747,340</u>	<u>554,801</u>
Operating Income	<u>767,522</u>	<u>273,985</u>
Interest expense	45,081	2,818
Gain on sale of assets	43,905	-
Taxes	1,771	-
Depreciation	15,000	22,000
Net Income	<u>\$ 749,575</u>	<u>\$ 249,167</u>

See accompanying notes

Bloomin' Blinds Franchise Corp

Statement of Changes in Owner's Equity Years ending December 31, 2018 and 2017

	Total Equity
Owners' Equity at January 1, 2017	\$ 77,150
Dividends	(322,999)
Net Income	<u>249,167</u>
Owners' equity at December 31, 2017	<u><u>\$ 3,318</u></u>
Owners' Equity at January 1, 2018	\$ 3,318
Dividends	(571,610)
Net Income	<u>749,575</u>
Owners' equity at December 31, 2018	<u><u>\$ 181,283</u></u>

See accompanying notes

Bloomin' Blinds Franchise Corp
Statement of Cash Flows
Years ending December 31, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Net income	\$ 749,575	\$ 249,167
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation & amortization	15,000	22,000
Gain on sale of assets	43,905	-
Changes in assets and liabilities		
Current assets	(77,086)	-
Current liabilities	(12,939)	13,540
Net cash provided by operating activities	718,455	284,707
Cash flows from investing activities:		
Purchase of fixed assets	(71,547)	(103,143)
Proceeds from notes payable, net	(34,360)	71,814
Net cash provided by investing activities	(105,907)	(31,329)
Cash flows from financing activities:		
Dividends	(571,610)	(322,999)
Net cash provided by investing activities	(571,610)	(322,999)
Net change in cash	40,938	(69,621)
Cash - beginning of year	25,113	94,734
Cash - end of year	\$ 66,051	\$ 25,113
Supplemental Disclosures		
Interest Paid	\$ 45,081	\$ 2,818
Income Taxes Paid	\$ 1,771	\$ -

See accompanying notes

BLOOMIN' BLINDS FRANCHISE CORP
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND NATURE OF BUSINESS

The Company was incorporated under the laws of the State of Texas for the purpose of offering franchise opportunities to entrepreneurs who want to own their own Bloomin' Blinds franchise.

BASIS OF PRESENTATION

The financial statements are presented on the accrual basis of accounting.

REVENUE RECOGNITION

Initial franchise fees will be recorded as income when the company provides substantially all the initial services agreed upon in the franchise agreement or when the franchise has commenced operations, whichever comes first. If the fee is received over a period of time and the Company has no reasonable basis for estimating the collectability of the fee, the Company will use the installment method of recognition of the initial fee as revenue.

Monthly royalty fees will be recognized when paid by the franchisee.

COMPANY INCOME TAXES

The Company, with the consent of its stockholders, has elected to be an s-corporation. In lieu of corporation income taxes, the stockholder(s) of an s-corporation is taxed based on its proportionate share of the Company's taxable income. Therefore, no provision or liability for income taxes has been included in these financial statements.

NOTE 2 DISCLOSURE ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company estimates that the fair value of all financial instruments at December 31, 2018 and 2017, as defined in FASB 107, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The estimated fair value amounts have been determined by the Company using available market information and appropriate valuation methodologies. Considerable judgment is required in interpreting market data to develop the estimates of fair value, and accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

BLOOMIN' BLINDS FRANCHISE CORP
NOTES TO FINANCIAL STATEMENTS

NOTE 3 FRANCHISE AGREEMENT

The terms of the Company's franchise agreement will be as follows:

- A. The Company will grant the right to use the Company name, trademark and system in the franchisee's franchise development business.
- B. The franchisee is obligated to pay a non-refundable initial franchise fee.
- C. The franchisee is obligated to pay a monthly royalty fee. Certain other fees are also outlined in the agreement.

NOTE 4 SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 6, 2019, the date that the financial statements were available to be issued.



A. ANDREW GIANIODIS

CERTIFIED PUBLIC ACCOUNTANT

CONSENT OF THE INDEPENDENT AUDITOR

Ladies and Gentlemen:

A. Andrew Gianiodis, CPA hereby consent to the use in the Franchise Disclosure Document issued by Bloomin' Blinds Franchise Corp ("Franchisor") on March 7, 2019, as it may be amended, of our report dated March 6, 2019, the financial statements of Franchisor for the years ending December 31, 2018 and 2017.

A. Andrew Gianiodis, CPA



A. ANDREW GIANIODIS

CERTIFIED PUBLIC ACCOUNTANT

BLOOMIN' BLINDS FRANCHISE CORP

DECEMBER 31, 2017 AND 2016

FINANCIAL STATEMENTS

279 Niagara Falls Blvd. Amherst, New York 14226 716 – 510-6068

BLOOMIN' BLINDS FRANCHISE CORP

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NOTES TO FINANCIAL STATEMENTS.....	6 - 7



A. ANDREW GLANIODIS
CERTIFIED PUBLIC ACCOUNTANT

March 26, 2018

INDEPENDENT AUDITORS' REPORT

Board of Directors and Members of
Bloomin' Blinds Franchise Corp:

REPORT ON FINANCIAL STATEMENTS

I have audited the accompanying balance sheet of Bloomin' Blinds Franchise Corp (a subchapter s-corporation) as of December 31, 2017 and 2016 and the related statements of operations, changes in stockholder's equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with generally accepted auditing standards as accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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, I express no such opinion.

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An audit also includes evaluating appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

OPINION

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bloomin' Blinds Franchise Corp (a subchapter s-corporation) as of December 31, 2017 and 2016 and the results of operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in dark ink, appearing to read "A. Andrew Gianiodis CPA". The signature is fluid and cursive, with the letters "CPA" written in a slightly more formal, blocky style at the end.

A. Andrew Gianiodis

Certified Public Accountant

279 Niagara Falls Blvd. Amherst, New York 14226 716 – 510-6068

Bloomin' Blinds Franchise Corp

Balance Sheet December 31, 2017 and 2016

	2017	2016
Assets		
Current assets		
Cash	\$ 25,113	\$ 94,734
Miscellaneous Receivable	-	-
Total Current Assets	<u>25,113</u>	<u>94,734</u>
Fixed assets		
Equipment	166,052	62,909
Accumulated depreciation	<u>(64,179)</u>	<u>(42,179)</u>
Total fixed assets	<u>101,873</u>	<u>20,730</u>
Total Assets	<u><u>\$ 126,986</u></u>	<u><u>\$ 115,464</u></u>
Liabilities & Equity		
Current liabilities		
Due to Affiliate	<u>\$ 51,854</u>	<u>\$ 38,314</u>
Long-term liabilities		
Notes	<u>71,814</u>	<u>-</u>
Total liabilities	<u>123,668</u>	<u>38,314</u>
Owners' Equity		
Owners' Equity	<u>3,318</u>	<u>77,150</u>
Total equity	<u>3,318</u>	<u>77,150</u>
Total liabilities and equity	<u><u>\$ 126,986</u></u>	<u><u>\$ 115,464</u></u>

See accompanying notes

Bloomin' Blinds Franchise Corp
Statement of Operations
Year ending December 31, 2017 and 2016

	2017	2016
Revenues		
Franchise revenues	\$ 498,813	\$ 374,376
Franchise royalties	313,823	-
Other revenue	16,150	-
Total revenue	<u>828,786</u>	<u>374,376</u>
Expenses		
Bank charges	3,987	387
Commissions	40,850	-
Computer expenses	72,025	19,229
Franchise expenses	83,915	-
Insurance	35,575	-
Licenses	6,725	
Marketing	161,286	98,264
Miscellaneous	1,974	3,044
Office expenses	16,768	7,160
Payroll & taxes	23,409	22,840
Professional fees	10,651	4,616
Rent and occupancy expenses	29,281	-
Repairs	21,229	-
Training	5,474	-
Travel, meals & entertainment	30,165	28,632
Uniforms	2,128	3,983
Vehicle expenses	9,359	-
Total expenses	<u>554,801</u>	<u>188,155</u>
Operating Income	<u>273,985</u>	<u>186,221</u>
Interest expense	2,818	871
Depreciation	22,000	42,179
Net Income	<u>\$ 249,167</u>	<u>\$ 143,171</u>

See accompanying notes

Bloomin' Blinds Franchise Corp
Statement of Changes in Owner's Equity
Year ending December 31, 2017 and 2016

	Total Equity
Owners' Equity at January 1, 2016	\$ 8,248
Dividends	(74,269)
Net Income	<u>143,171</u>
Owners' equity at December 31, 2016	<u><u>\$ 77,150</u></u>
Owners' Equity at January 1, 2017	\$ 77,150
Dividends	(322,999)
Net Income	<u>249,167</u>
Owners' equity at December 31, 2017	<u><u>\$ 3,318</u></u>

See accompanying notes

Bloomin' Blinds Franchise Corp
Statement of Cash Flows
Year ending December 31, 2017 and 2016

	2017	2016
Cash flows from operating activities:		
Net income	\$ 249,167	\$ 143,171
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation & amortization	22,000	42,179
Changes in assets and liabilities		
Current assets	-	1,000
Current liabilities	13,540	35,117
Net cash provided by operating activities	<u>284,707</u>	<u>221,467</u>
Cash flows from investing activities:		
Purchase of fixed assets	(103,143)	(62,909)
Proceeds from notes payable, net	71,814	-
Net cash provided by investing activities	<u>(31,329)</u>	<u>(62,909)</u>
Cash flows from financing activities:		
Dividends	(322,999)	(74,269)
Net cash provided by investing activities	<u>(322,999)</u>	<u>(74,269)</u>
Net change in cash	(69,621)	84,289
Cash - beginning of year	94,734	10,445
Cash - end of year	<u>\$ 25,113</u>	<u>\$ 94,734</u>
Supplemental Disclosures		
Interest Paid	2,818	871
Income Taxes Paid	-	-

See accompanying notes

BLOOMIN' BLINDS FRANCHISE CORP
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND NATURE OF BUSINESS

The Company was incorporated under the laws of the State of Texas for the purpose of offering franchise opportunities to entrepreneurs who want to own their own Bloomin' Blinds franchise.

BASIS OF PRESENTATION

The financial statements are presented on the accrual basis of accounting.

REVENUE RECOGNITION

Initial franchise fees will be recorded as income when the company provides substantially all the initial services agreed upon in the franchise agreement or when the franchise has commenced operations, whichever comes first. If the fee is received over a period of time and the Company has no reasonable basis for estimating the collectability of the fee, the Company will use the installment method of recognition of the initial fee as revenue.

Monthly royalty fees will be recognized when paid by the franchisee.

COMPANY INCOME TAXES

The Company, with the consent of its stockholders, has elected to be an s-corporation. In lieu of corporation income taxes, the stockholder(s) of an s-corporation is taxed based on its proportionate share of the Company's taxable income. Therefore, no provision or liability for income taxes has been included in these financial statements.

NOTE 2 DISCLOSURE ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company estimates that the fair value of all financial instruments at December 31, 2017 and 2016, as defined in FASB 107, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The estimated fair value amounts have been determined by the Company using available market information and appropriate valuation methodologies. Considerable judgment is required in interpreting market data to develop the estimates of fair value, and accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

BLOOMIN' BLINDS FRANCHISE CORP
NOTES TO FINANCIAL STATEMENTS

NOTE 3 FRANCHISE AGREEMENT

The terms of the Company's franchise agreement will be as follows:

- A. The Company will grant the right to use the Company name, trademark and system in the franchisee's franchise development business.
- B. The franchisee is obligated to pay a non-refundable initial franchise fee.
- C. The franchisee is obligated to pay a monthly royalty fee. Certain other fees are also outlined in the agreement.

NOTE 4 SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 26, 2018, the date that the financial statements were available to be issued.

EXHIBIT F

OPERATING MANUAL TABLE OF CONTENTS

<u>Manual Section</u>	<u>Number of Pages</u>
A - Introduction.....	16
B - Establishing a Bloomin' Blinds Business	49
C - Managing a Bloomin' Blinds Location.....	41
D - Personnel.....	79
E - Daily Procedures	149
F - Advertising	35
 Total Number of Pages	 369

EXHIBIT G

CURRENT AND FORMER FRANCHISEES

Current Franchisees

Names of all current franchisees and the address and telephone number of each of their outlets:

Scott Lacey	(602) 908-1153	2647 Teakwood Pl	Chandler	AZ	85249
Tom Gowans	(925) 437-7879	1630 N. Main St #128	Walnut Creek	CA	94596
Doug Nielsen	(909) 244-2977	10346 Southridge Dr	Alta Loma	CA	91737
Audris Hung	(714) 579-5937	41 Woodleaf	Irvine	CA	92614
Maroun Khater	(858) 952-8288	10350 Crosscreek Terrace	San Diego	CA	92131
Steve Zhamkochyan	(818) 438-2004	8118 Rhodes Ave	N. Hollywood	CA	91605
Mark Duncan	(520) 405-9899	3961 W 126th Ave	Broomfield	CO	80020
Michael Quintana	(512) 788-6887	2315 Willow Tree Grove #104	Colorado Springs	CO	80910
Ed Weatherford	(303) 653-6000	9551 Bexley Dr	Highlands Ranch	CO	80126
Ronit Paer	(917) 359-7364	4509 Carambola Cir S	Coconut Creek	FL	33066
Michael Imses	(813) 493-4914	2802 Maple Brook Loop	Lutz	FL	33558
Fraser Rowe	(727) 495-9431	1832 N. Washington Ave	Clearwater	FL	33755
Kyle Shriver	(678) 536-9286	935 Interstate Ridge Dr, Suite B	Gainesville	GA	30501
Roxie Craycraft	(425) 283-2626	1401 Ashwood Dr	Evans	GA	30809
Jason Gold	(208) 440-8505	671 Dreyfuss Ln	Meridian	ID	83646
Trey Allen	(620) 200-5968	3106 Cornell Dr	Hutchinson	KS	67502
Derek Carter	(417) 840-6963	1721 Highlandville Rd	Ozark	MO	65721
Nilesh (Neal) Patel	(662) 801-5551	2902 Dawkins Dr	Southaven	MS	38672
Richard Smith	(919) 714-1133	1706 Evergreen Ave	Goldsboro	NC	27530
Steve Barber	(336) 830-4556	4117 Shadetree Dr	Winston Salem	NC	27107
Tim Bobier	(704) 533-3697	PO Box 1908	Lincolton	NC	28093
Dave Hagen	(701) 552-0918	1513 30th Ave S	Fargo	ND	58103
Adam Benincasa	(631) 219-0881	80 Cirlce Drive West	Patchogue	NY	11772
Derek Whitmore	(918) 902-9711	6717 E 131st Pl South	Bixby	OK	74008
Lanny Hatt	(503) 440-7441	91507 Smith Lake Rd	Warrenton	OR	97146
Charles Towe	(843) 327-1062	1224 Pressley Rd	Charleston	SC	29412
Jeff Angel	(843) 424-4361	3628 Paradise Estates Dr	Conway	SC	29526
Justin Myers	(605) 351-0876	26080 485th Ave	Valley Springs	SD	57068

Gerald Foster	(931) 538-0274	3404 E Henderson Way	Clarksville	TN	37042
Chris Rowland	(615) 473-3436	4608 Billingsgate Rd	Antioch	TN	37013
Mike Autrey	(512) 649-6560	214 Adriana Ln	Hutto	TX	78634
Deann Martin	(972) 490-4100	985 TX-121 Bus, Suite 617	Lewisville	TX	75007
Javier Lopez	(214) 799-5526	10124 Sailboard Dr	McKinney	TX	75070
Cesar Diaz	(214) 862-6218	6421 Bluebird Meadows Dr	Joshua	TX	76058
Rachel Barker	(214) 609-5286	3001 Lakeway Dr	Rowlett	TX	75088
Narender Byru	(214) 425-6017	2510 Valley View Dr	Corinth	TX	76210
Robert Thomas	(682) 777-1852	7421 River Park	McKinney	TX	75071
Bill Kobe	(512) 487-2072	10515 Eddystone Dr	Houston	TX	77043
Dallas Schultz	(631) 219-0881	109 Little Ivy Ln	Montgomery	TX	77316
Karen Parker	(703) 587-9138	44655 Saranac St	Ashburn	VA	20147
Edy Dumitrescu	(425) 484-9433	600 155th AVE	Bellevue	WA	98007
Josh Schroeckenthaler	(414) 254-7416	1005 W. El Patio Ln	Mequon	WI	53092
Curtis David	(403) 703-4407	493 Hawkstone Dr NW	Calgary	Alberta	T3G-3R2

Former Franchisees

Name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date:

Traci Halky
533 Greenway Drive
North Palm Beach, FL
(203) 278-2291

Denise Turley*
P.O. Box 1828
Longview, TX
(214) 697-7564

Stacy Johnson
5392 W. Apline Brook Cir.
Salt Lake City, UT
(801) 678-0948

Corle Drayton*
2600 Watermark Boulevard #118303
Oklahoma City, OK
(612) 232-1578

Curtis Coomes
5461 Plainview Road
Midlothian, TX
(214) 457-9143

*Closed during 2019

EXHIBIT H

STATE ADDENDA TO DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department Of Business Oversight, prior to a solicitation of a proposed material modification of an existing franchise.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE OFFERING CIRCULAR.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF BUSINESS OVERSIGHT NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

ALL THE OWNERS OF THE FRANCHISE WILL BE REQUIRED TO EXECUTE PERSONAL GUARANTEES. THIS REQUIREMENT PLACES THE MARITAL ASSETS OF THE SPOUSES DOMICILED IN COMMUNITY PROPERTY STATES – ARIZONA, CALIFORNIA, IDAHO, LOUISIANA, NEVADA, NEW MEXICO, TEXAS, WASHINGTON AND WISCONSIN AT RISK IF YOUR FRANCHISE FAILS.

1. The following paragraph is added to the end of Item 3 of the Disclosure Document:

Neither franchisor nor any person or franchise broker in Item 2 of this disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

2. The following paragraph is added to the end of Item 6 of the Disclosure Document:

With respect to the Late Fee described in Item 6, this Item is amended to disclose that the maximum rate of interest permitted under California law is 10%.

3. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

The Franchise Agreement requires franchisee to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of that law or any rule or order thereunder is void.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Lewisville, TX, with the costs being borne equally by Franchisor and Franchisee. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires application of the laws of Texas. This provision may not be enforceable under California law.

4. The following paragraph is added to the end of Item 19 of the Disclosure Document:

The earnings claims figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Bloomin' Blinds business. Franchisees or former franchisees, listed in the offering circular, may be one source of this information.

FLORIDA ADDENDUM TO DISCLOSURE DOCUMENT

For the state of Florida, we have executed an Area Representative Agreement with Traci Halky under which Ms. Halky acts as our representative to solicit prospective franchisees and to provide support before, during and after a Florida franchisee begins operations.

Traci Halky – Area Representative. Traci Halky has been our Area Representative for the State of Florida in North Palm Beach, Florida, since April 2017, through her company The Shingle, LLC. She has also operated a Bloomin' Blinds franchise since April 2017. From April 2009 until April 2017, she was Senior Counsel, Employment & HR Compliance, for Dycom Industries, Inc. Palm Beach Gardens, Florida.

HAWAII ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Hawaii only, this Disclosure Document is amended as follows:

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Registered agent in the state authorized to receive service of process:

Commissioner of Securities
335 Merchant Street
Honolulu, Hawaii 96813

Registration of franchises or filings of offering circulars in other states. As of the date of filing of this Addendum in the State of Hawaii:

1. A franchise registration is effective or an offering circular is on file in the following states: _____
2. A proposed registration or filing is or will be shortly on file in the following states:

3. No states have refused, by order or otherwise to register these franchises.
4. No states have revoked or suspended the right to offer these franchises.
5. The proposed registration of these franchises has not been withdrawn in any state.

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, as amended (the “Act”), this Disclosure Document is amended as follows:

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Act provides that any provision in a franchise agreement that designates jurisdiction of venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Maryland only, this Disclosure Document is amended as follows:

The following is added to Item 17:

The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

You have the right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

The Franchise Agreement provides for termination upon bankruptcy of the franchisee. This provision may not be enforceable under federal bankruptcy law.

MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Minnesota only, this Disclosure Document is amended as follows:

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- Item 6 of the FDD and Section of 4.9(d) of the Franchise Agreement is hereby amended to limit the Insufficient Funds Fee to \$30 per occurrence pursuant to Minnesota Statute 604.113.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.
- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, which states "No action may be commenced pursuant to this Section more than three years after the cause of action accrues."

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE

INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

In the State of New York only, this 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 A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY ST. 21ST FLOOR, NEW YORK, NY 10005. 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 an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending

action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (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 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 that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to 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), titled **“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 thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of Item 17(d), titled **“Termination by franchisee”**:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the “Summary” section of Item 17(j), titled **“Assignment of contract by franchisor”**:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

8. The following is added to the end of the “Summary” sections of Item 17(v), titled **“Choice of forum”**, and Item 17(w), titled **“Choice of law”**: The foregoing choice of law should not be

considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of North Dakota only, this Disclosure Document is amended as follows:

THE SECURITIES COMMISSIONER HAS HELD THE FOLLOWING TO BE UNFAIR, UNJUST OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES (NDCC SECTION 51-19-09):

1. Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute.
2. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.
3. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
4. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
5. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.
6. Waiver of Trial by Jury: Requiring North Dakota Franchises to consent to the waiver of a trial by jury.
7. Waiver of Exemplary and Punitive Damages: Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damage.
8. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.
9. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
10. Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

RHODE ISLAND ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Rhode Island only, this Disclosure Document is amended as follows:

Item 17, summary columns for (v) and (w) are amended to add the following:

Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of a state other than Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

In the Commonwealth of Virginia only, this Disclosure Document is amended as follows:

The following statements are added to Item 17(h):

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement do not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to the franchisee under the franchise, that provision may not be enforceable.

Item 17(t) is amended to read as follows:

Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.

WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT

(See Exhibit H for Washington Addendum to Disclosure Document and Rider to Franchise Agreement)

EXHIBIT I

STATE ADDENDA TO FRANCHISE AGREEMENT

ILLINOIS RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Bloomin Blinds Franchise Corp, a Texas corporation (“BBF”) and _____, a _____ (“Franchisee”).

1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Illinois Act” means the Illinois Franchise Disclosure Act of 1987.

2. **Governing Law and Jurisdiction.** Notwithstanding any provision of the Agreement to the contrary, the Agreement is governed by Illinois law. The parties irrevocably submit to the jurisdiction and venue of the federal and state courts in Illinois, except for matters which the Agreement provides will be resolved by arbitration.

3. **Limitation of Claims.** No action can be maintained to enforce any liability created by the Illinois Act unless brought before the expiration of 3 years from the act or transaction constituting the violation upon which it is based, the expiration of 1 year after Franchisee become aware of facts or circumstances reasonably indicating that Franchisee may have a claim for relief in respect to conduct governed by the Illinois Act, or 90 days after delivery to the Franchisee of a written notice disclosing the violation, whichever shall first expire.

4. **Waivers Void.** Notwithstanding any provision of the Agreement to the contrary, any condition, stipulation, or provision purporting to bind Franchisee to waive compliance with any provision of the Illinois Act or any other law of the State of Illinois is void. This Section shall not prevent Franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

5. **Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

BLOOMIN BLINDS FRANCHISE CORP

By: _____

Name: _____

Title: _____

Date: _____

INDIANA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Bloomin Blinds Franchise Corp, a Texas corporation (“BBF”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Indiana Acts” means the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act.

2. Certain Provisions Modified. Any provision of the Agreement which would have any of the following effects is hereby modified to the extent required for the Agreement to be in compliance with the Indiana Acts:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or services or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor.

(2) Allowing the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted the franchisee by the franchise agreement; or, if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee.

(4) Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

(5) Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subsection (5) does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase

notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6).

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subsection (7) includes any material violation of the franchise agreement.

(8) Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the franchisee to participate in any (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials; or (D) display decorations or materials; at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

BLOOMIN BLINDS FRANCHISE CORP

By: _____

Name: _____

Title: _____

Date: _____

MARYLAND RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Bloomin Blinds Franchise Corp, a Texas corporation (“BBF”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Maryland Franchise Law” means the Maryland Franchise Registration and Disclosure Law, Business Regulation Article, §14-206, Annotated Code of Maryland.

2. Releases, Estoppels and Waivers of Liability. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Law.

3. Statute of Limitations. Any provision of the Agreement which provides for a period of limitations for causes of action shall not apply to causes of action under the Maryland Franchise Law, Business Regulation Article, §14-227, Annotated Code of Maryland. Franchisee must bring an action under such law within three years after the grant of the franchise.

4. Jurisdiction. Franchisee does not waive its right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

5. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

BLOOMIN BLINDS FRANCHISE CORP

By: _____

Name: _____

Title: _____

Date: _____

MINNESOTA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Bloomin Blinds Franchise Corp, a Texas corporation (“BBF”) and _____, a _____ (“Franchisee”).

1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Minnesota Act” means Minnesota Statutes, Sections 80C.01 to 80C.22.

2. **Amendments.** The Agreement is amended to comply with the following:

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non- renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee’s rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee’s right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- Item 6 of the FDD and Section of 4.9(d) of the Franchise Agreement is hereby amended to limit the Insufficient Funds Fee to \$30 per occurrence pursuant to Minnesota Statute 604.113
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.
- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, and therefore the applicable provision of the Agreement is amended to state “No

action may be commenced pursuant to Minnesota Statutes, Section 80C.17 more than three years after the cause of action accrues.”

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

BLOOMIN BLINDS FRANCHISE CORP

By: _____

Name: _____

Title: _____

Date: _____

NEW YORK RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Bloomin Blinds Franchise Corp, a Texas corporation (“BBF”) and _____, a _____ (“Franchisee”).

1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. **Waivers Not Required.** Notwithstanding any provision of the Agreement to the contrary, Franchisee is not required to assent to a release, assignment, novation, waiver or estoppel which would relieve BBF or any other person from any duty or liability imposed by New York General Business Law, Article 33.

3 **Waivers of New York Law Deleted.** Any condition, stipulation, or provision in the Agreement purporting to bind Franchisee to waive compliance by BBF with any provision of New York General Business Law, or any rule promulgated thereunder, is hereby deleted.

4. **Governing Law.** Notwithstanding any provision of the Agreement to the contrary, the New York Franchises Law shall govern any claim arising under that law.

5. **Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

BLOOMIN BLINDS FRANCHISE CORP

By: _____

Name: _____

Title: _____

Date: _____

NORTH DAKOTA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Bloomin Blinds Franchise Corp, a Texas corporation (“BBF”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Amendments. The Agreement (and any Guaranty Agreement) is amended to comply with the following:

- (1) Restrictive Covenants: Every contract by which Franchisee, any Guarantor, or any other person is restrained from exercising a lawful profession, trade, or business of any kind is subject to NDCC Section 9-08-06.
- (2) Situs of Arbitration Proceedings: Franchisee and any Guarantor are not required to agree to the arbitration of disputes at a location that is remote from the site of Franchisee’s business.
- (3) Restrictions on Forum: Franchisee and any Guarantor are not required to consent to the jurisdiction of courts outside of North Dakota.
- (4) Liquidated Damages and Termination Penalties: Franchisee is not required to consent to liquidated damages or termination penalties.
- (5) Applicable Laws: The Agreement (and any Guaranty Agreement) is governed by the laws of the State of North Dakota.
- (6) Waiver of Trial by Jury: Franchisee and any Guarantor do not waive a trial by jury.
- (7) Waiver of Exemplary and Punitive Damages: The parties do not waive exemplary and punitive damages.
- (8) General Release: Franchisee and any Guarantor are not required to sign a general release upon renewal of the Agreement.
- (9) Limitation of Claims: Franchisee is not required to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
- (10) Enforcement of Agreement: The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney’s fees.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

BLOOMIN BLINDS FRANCHISE CORP

By: _____

Name: _____

Title: _____

Date: _____

RHODE ISLAND RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Bloomin Blinds Franchise Corp, a Texas corporation (“BBF”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Jurisdiction and Venue. Any provision of the Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under Rhode Island Franchise Investment Act.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

BLOOMIN BLINDS FRANCHISE CORP

By: _____

Name: _____

Title: _____

Date: _____

**WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT
AND
RIDER TO FRANCHISE AGREEMENT**

The state of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitation period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Collection of the initial fees will be deferred under the franchisor has fulfilled its pre-opening obligations and the franchise is open for business.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

BLOOMIN BLINDS FRANCHISE CORP

By: _____

Name: _____

Title: _____

Date: _____

RECEIPT

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

If Bloomin Blinds Franchise Corp offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If Bloomin Blinds Franchise Corp does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (which are listed in Exhibit A).

The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Kelsey Stuart	985 TX-121 Business, Suite 617, Lewisville, TX 75057	214-995-1062

Issuance Date: March 7, 2019

I received a disclosure document dated March 7, 2019, that included the following Exhibits:

- A. State Administrators and Agents for Service of Process
- B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
- C. Form of General Release
- D. Form of Financing Documents
- E. Financial Statements
- F. Operating Manual Table of Contents
- G. Current and Former Franchisees
- H. State Addenda to Disclosure Document
- I. State Addenda to Franchise Agreement

Signature: _____

Print Name: _____

Date Received: _____

Keep This Copy For Your Records

RECEIPT

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

If Bloomin Blinds Franchise Corp offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If Bloomin Blinds Franchise Corp does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (which are listed in Exhibit A).

The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Kelsey Stuart	985 TX-121 Business, Suite 617, Lewisville, TX 75057	214-995-1062

Issuance Date: March 7, 2019

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- E. Financial Statements
- F. Operating Manual Table of Contents
- G. Current and Former Franchisees
- H. State Addenda to Disclosure Document
- I. State Addenda to Franchise Agreement

Signature: _____

Print Name: _____

Date Received: _____

Return this copy to us.

**Bloomin Blinds Franchise Corp
985 TX-121 Business, Suite 617, Lewisville, TX 75057**