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# Comasters Law Firm and Notary Public

Your Ref: N92862

Our Ref: JL:MM:FLOO8032-06 Sarah Man / Ming-Yee Ma / Jeffrey Lee

7 May 2007

## By Post

Ms Sharon Clancy / Mr Scott Gregson  
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Principal Lawyer, Migration Agent 9371719

2004 – Tenth Year of Service

Dear Madam / Sir

### **Third Line Forcing Notification The Flood Company Australia Pty Limited trading as Goodwood & Co Franchise Business**

We act for The Flood Company Australia Pty Limited (ACN 003 024 600), and refer to your fax dated 27 March 2007 requesting a *list of approved suppliers* for The Flood Company Australia Pty Limited trading as Goodwood & Co (the Franchisor). It is noted that legal immunity conferred by the third line forcing notification came into force on 5 April 2007.

As previously stated, the Franchisor wishes to maintain a high quality of services to be offered by the Franchisees to consumers by requiring the Franchisees to buy and use particular paints and surface coats. After further consideration of the franchise business, the Franchisor has remodelled its plan and now no longer wishes to appoint any *third party suppliers*. The Franchisor shall ensure that it alone will be able to supply all the paints and surface coats the Franchisees will need.

In the event that the Franchisor is unable to supply a particular stock, the Franchisor will itself purchase those items directly from The Flood Company USA ("Flood USA"). Flood USA will be able to provide the closest products available to the Franchisees' requirements, thus ensuring a high standard of products is maintained. It should be noted that Flood Australia (an independent company) manufactures paint and surface coats under licence from Flood USA. Flood USA is owned by Akzo Nobel, which is currently the largest paint manufacturer in the world. Because of its size, Flood USA will be able to meet the demand for products required by the Franchisees. Use of Flood USA's products would therefore minimise disruption to the Franchisees' businesses in the event that the Franchisor itself is unable to supply a particular stock.

In a worst case scenario where Flood USA is unable to supply the stock to the Franchisor, the Franchisor will purchase similar products directly from its competitors and then distribute these products to the Franchisees. These competitors would include Orica Limited, Taubmans Paints Pty Ltd and Watty Limited.

### **Conclusion**

The Franchisor shall ensure that it will be able to supply all the paints and surface coats the Franchisees will need. The Franchisees will not be asked to obtain any paint and surface coats products from *any third party supplier*.

Yours faithfully

A handwritten signature in black ink, appearing to be a stylized 'C' followed by a flourish.

**Comasters Law Firm and Notary Public**