

Special Risks to Consider About *This Franchise*

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution**. The franchise agreement and the area development agreement require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Florida. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Florida than in your own state.
2. **Supplier Control**. You must purchase all or nearly all inventory and supplies necessary to operate your business from franchisor, its affiliates, or from suppliers that franchisor designates at prices that may be higher than you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchised business.
3. **Financial Condition**. The franchisor's financial condition, as reflected in its financial statements (See Item 21, Exhibit A) calls into question the franchisor's financial ability to provide services and support to you.
4. **Unopened Franchises**. The Franchisor has signed a significant number of Franchise Agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you may also experience delays in opening your own outlet.
5. **Turnover Rate**. During the last 3 years, a large number of franchised outlets (294) were not renewed or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

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

Notwithstanding the foregoing, we will indemnify you against liability to a third party resulting from claims that your use of a Mark infringes trademark rights of a third party; provided, that we will not indemnify against the consequences of your use of the Marks unless the use is in accordance with the requirements of the Franchise Agreement and the System.

2. Choice of Forum and Law/Jury Trial. The following statement is added to Item 17:

~~Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial or requiring you to consent to liquidated damages, termination, penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or Franchise Agreement can abrogate or reduce (1) any of your rights as provided for in Minnesota Statutes, Chapter 80C, or (2) your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Minnesota Statute 80C.21 and Minnesota Rule 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 Statute 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.~~

3. General Release. The following statement is added to Item 17:

~~Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01—80C.22.~~

4. Notice of Termination/Transfer. The following statement is added to Item 17:

~~With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute § 80C.14, subdivisions 3, 4, and 5 which requires (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. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statute 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.~~

5. Injunctive Relief. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rule 2860.4400(J) also, a court will determine if a bond is required.~~Minnesota Rules 2860.4400J.~~

The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5.

Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statute 80C.12 Subd. 1(G). 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.

NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any

MINNESOTA AMENDMENT TO AREA DEVELOPMENT AGREEMENT

THIS AMENDMENT TO AREA DEVELOPMENT AGREEMENT (“**Amendment**”) dated _____, 20__ is intended to be a part of, and by this reference is incorporated into that certain Area Development Agreement (the “**Development Agreement**”) dated _____, 20__, by and between Le Macaron Development LLC (“**LMD**”), a Florida limited liability company, with its principal office in Sarasota, Florida, and _____ (“**you**” or “**Developer**”). Defined terms contained in the Development Agreement shall have the identical meanings in this Amendment.

1. ~~Notwithstanding anything to the contrary set forth in the Development Agreement, Franchisor will comply with Minn. Stat. Section 80C.12, Sub. 1(g), (the “Act”), which requires us to protect your right to use the trademarks, service marks and trade names and indemnify you from any loss, costs or expenses arising out of any claim, suit, or demand regarding the use of same. Minnesota considers it unfair to not protect the franchisee’s right to use the trademarks. Refer to Minnesota Statute 80C.12 Subd. 1(G). The franchisor will protect the franchisee’s rights to use the trademarks, service marks, trade names, logos, 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.~~

2. Notwithstanding anything to the contrary set forth in the Development Agreement, Franchisor will comply with Minnesota Statute 80C.14 Subd. 3-5, ~~Minn. Stat. Sec. 80C.14, Subs. 3, 4 and 5~~ which require ~~(, except in certain specified cases),~~ that a franchisee be given ~~ninety (90)~~ days’ notice of termination (with ~~sixty (60)~~ days to cure) and ~~one hundred eighty (180)~~ days’ notice for non-renewal of the Development Agreement, ~~and that consent to the transfer of the franchise will not be unreasonably withheld.~~

3. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. ~~Notwithstanding anything to the contrary set forth in the Development Agreement, any general release you are required to assent to shall not apply to any liability we may have under the Act.~~

4. Minnesota Statute 80C.21 and Minnesota Rule 2860.4400(J) ~~Minn. Stat. Section 80C.21 and Minn. Rule 2860.4400J~~ prohibit the franchisor from requiring litigation to be conducted outside of 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) ~~Development Agreement~~ can abrogate or reduce (1) any of franchisee’s rights as provided for in Minnesota Statute 80C ~~Minnesota Statutes, Chapter 80C,~~ or (2) franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

5. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rule 2860.4400(J) also, a court will determine if a bond is required.

6. The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5.

7. NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

85. No statement, questionnaire, or acknowledgment signed or agreed to by a developer in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed ~~in connection~~ with the franchise.

96. In the event of any conflict between the terms of this Amendment and the terms of the Development Agreement, the terms of this Amendment shall prevail.

107. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Act are met independently without reference to this Amendment.

MINNESOTA AMENDMENT TO FRANCHISE AGREEMENT

THIS AMENDMENT TO FRANCHISE AGREEMENT (“**Amendment**”) dated _____, 20__ is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the “**Agreement**”) dated _____, 20__, by and between Le Macaron Development LLC (“**LMD**”), a Florida limited liability company, with its principal office in Sarasota, Florida, and _____ (“**you**” or “**Franchisee**”). Defined terms contained in the Agreement shall have the identical meanings in this Amendment.

1. ~~Notwithstanding anything to the contrary set forth in the Agreement, Franchisor will comply with Minn. Stat. Section 80C.12, Subd. 1(g), (the “Act”), which requires us to protect your right to use the trademarks, service marks and trade names and indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of same. Minnesota considers it unfair to not protect the franchisee’s right to use the trademarks. Refer to Minnesota Statute 80C.12 Subd. 1(G). 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.~~

2. ~~Notwithstanding anything to the contrary set forth in the Agreement, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given ninety (90) days’ notice of termination (with sixty (60) days to cure) and one hundred eighty (180) days’ notice for non-renewal of the Agreement. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statute 80C.14 Subd. 3-5, which require (except in certain specified cases) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.~~

3. ~~Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. Notwithstanding anything to the contrary set forth in the Agreement, any general release you are required to assent to shall not apply to any liability we may have under the Act.~~

4. ~~Minn. Stat. Section 80C.21 and Minn. Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside of 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 Agreement can abrogate or reduce any of franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Minnesota Statute 80C.21 and Minnesota Rule 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 Statute 80C or (2) franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.~~

5. ~~The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rule 2860.4400(J) also, a court will determine if a bond is required.~~

6. ~~The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5.~~

7. ~~NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.~~

85. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any

statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed ~~in connection~~ with the franchise.

96. In the event of any conflict between the terms of this Amendment and the terms of the Agreement, the terms of this Amendment shall prevail.

107. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Act are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first shown above.

FRANCHISOR

LE MACARON DEVELOPMENT LLC
a Florida limited liability company

FRANCHISEE

a/an _____

By: _____
Rosalie Guillem, Chief Executive Officer

By: _____
Name: _____

Date: _____

Title: _____
Date: _____