

FRANCHISE DISCLOSURE DOCUMENT



Le Macaron Development LLC
a Florida limited liability company
2300 Bee Ridge Road, #401
Sarasota, Florida 34239
941-586-1558

lemacaronfranchise@gmail.com

www.lemacaron-us.com

www.lemacaronfranchise.com

www.facebook.com/lemacaronfranchise/

www.instagram.com/lemacaronfrenchpastries/

You will operate a traditional pastry shop, permanent kiosk, mobile kiosk or food truck featuring a variety of signature macarons and other assorted French pastries, such as croissants, pains au chocolat, French madeleines, éclairs, pies, napoleons, meringues, and cakes, as well as chocolates, gelato, an assortment of domestic and European coffees, non-alcoholic (and in certain cases alcoholic) beverages, and related items under the name “LE MACARON FRENCH PASTRIES” (“Pastry Shop”).

The total investment necessary to begin operation of a LE MACARON FRENCH PASTRIES® franchised business ranges from \$154,180 to \$454,000 for a traditional pastry shop or permanent kiosk, or \$91,730 to \$139,500 for a mobile kiosk, or \$112,530 to \$147,000 for a food truck. This includes \$561,000 to \$1,234,000 that must be paid to the franchisor or its affiliate(s). If you elect to develop the minimum of three franchises under our multi-unit development program, then you will sign our area development agreement and pay us a development fee equal to \$99,000.

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 government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Rosalie Guillem at 2300 Bee Ridge Road, #401, Sarasota, Florida 34239, (941) 586-1558, lemacaronfranchise@gmail.com.

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

Issuance Date: July 22, 2024

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.

3.4. 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.

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.

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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.
- 4.5. **Turnover Rate.** During the last 3 years, a large number of franchised outlets (24) 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.

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public in areas that typically have high counts of foot traffic. There is active price competition among pastry shops, as well as competition for management personnel and for attractive commercial real estate sites suitable for pastry shops. You will compete with other full-service pastry shops, pastry sections of grocery providers, as well as competing catering and delivery services. Competitors may be locally-owned or large, regional or national chains. The pastry shop business is also affected by changes in consumer taste, demographics, traffic patterns, and economic conditions.

Industry-Specific Regulation

The pastry shop industry, including for both fixed-location and mobile shops, is heavily regulated. Many of the laws, rules, and regulations that apply to business generally, such as the Americans with Disabilities Act, Federal Wage and Hour Laws, and the Occupation, Health, and Safety Act, also apply to pastry shops. However, other laws, rules, and regulations have particular applicability to pastry shops.

The U.S. Food and Drug Administration, the U.S. Department of Agriculture, and state and local health departments administer and enforce laws and regulations that govern food preparation and service and pastry shop sanitation conditions. State and local agencies inspect shops to ensure that they comply with these laws and regulations.

In addition, the Menu Labeling Provisions of the Patient Protection and Affordable Health Care Act may require certain pastry shops and retail food establishments to post caloric information on menus and menu boards, and to provide additional written nutrition information available to consumers upon request.

The Federal Clean Air Act and various implementing state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide, and particulate matters, including caps on omissions from commercial food preparation. Some areas have also adopted or are considering proposals that would regulate indoor air quality.

Any person who drives your Pastry Truck must have a valid driver's license and each of your Pastry Trucks must be properly licensed. The requirements for these licenses may vary, depending on your location. Should your Pastry Truck be subject to a manufacturer's vehicle safety recall, you must immediately perform the required repairs, maintenance and/or inspections before using your Pastry Truck in the operation of your franchised business.

You should consider these laws and regulations when evaluating your purchase of a franchise. ~~You alone are responsible for investigating, understanding, and complying with all applicable laws, regulations, and requirements applicable to you and your Pastry Shop despite any advice or information that we may give you. You should consult with a legal advisor about whether these and/or other requirements apply to your Pastry Shop.~~

ITEM 2 BUSINESS EXPERIENCE

Rosalie Guillem – Chief Executive Officer

Rosalie Guillem and her daughter Audrey Guillem-Saba founded the LE MACARON FRENCH PASTRIES® concept in September 2009. Since January 2017, Rosalie Guillem has served as our Chief Executive Officer. Rosalie Guillem served as our Manager and President since our inception in June 2010 until December 2016. She has also served as the Manager and President of LM LLC since its inception in September 2009. She has served as the Manager of Le Macaron Winter Park, LLC since its inception in August 2011.

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Transfer Fee (assignment to existing LE MACARON FRENCH PASTRIES® franchisee)	35% of the then-current initial franchise fee plus reimbursement of our costs.	With transfer application	Payable if you are assigning your interest in the Franchise Agreement or transferring all or substantially all of the assets in the Franchised Business to an existing LE MACARON FRENCH PASTRIES® franchisee. See Item 17 for more information about conditions on transfer.
Transfer Fee (assignment, transfer of all of substantially all assets, or transfer of controlling interest)	50% of the then-current initial franchise fee plus reimbursement of our costs.	With transfer application	Payable if you are assigning your interest in the Franchise Agreement, transferring all or substantially all of the assets of the Franchised Business, or your Owners are transferring a controlling interest. See Item 17 for more information about conditions on transfer.
Renewal Fee	10% of the then-current initial franchise fee.	Upon renewal	
Supplier Approval/Tests	Reasonable cost of inspection, if applicable, and reasonable cost of test	As invoiced	Before approving a supplier or vendor, we may require you to pay the cost of testing the supplier's products and inspecting its facilities. These costs include the salary expense for the individual(s) performing the evaluation, and the related travel, lodging, and dining costs.
Indemnification	An amount equal to the value of all losses and expenses that we incur. <u>Amount varies with circumstance.</u>	On demand	<u>You must reimburse and pay our damages, court costs, attorneys' fees, and related costs with respect to losses and expenses incurred by us arising or resulting from your operations.</u>
Audit Fee	Cost of audit	On demand	Audit costs must be reimbursed only if the audit was necessary because of your failure to report to us or the audit shows an understatement of revenues by 2% or more.

Area Development Agreement
And Estimated Initial Investment for Mobile Kiosk

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Development Fee (1)	\$99,000 (for three franchises)	Lump sum	When you sign the Area Development Agreement	Us
Estimated Initial Investment Range (14)	\$43,730 - \$89,060	As incurred	As incurred	Individual suppliers
TOTAL (15)	\$142,730 - \$188,060			

Area Development Agreement
And Estimated Initial Investment for Food Truck

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Development Fee (1)	\$99,000 (for three franchises)	Lump sum	When you sign the Area Development Agreement	Us
Estimated Initial Investment Range (14)	\$67,530 - \$101,560	As incurred	As incurred	Individual suppliers
TOTAL (15)	\$166,530 - \$200,560			

Notes:

Note 1. The initial franchise fee, opening fee, and development fee are considered fully earned and nonrefundable upon payment. The low range of the Initial Franchise Fee **in the amount of \$33,000** represents the proportionate share of the **\$99,000** Development Fee that applies to and satisfies the Initial Franchise Fee if you purchase the right to develop three franchises, which is the minimum number of franchises to be developed under the Area Development Agreement. The high range for the Initial Franchise Fee **in the amount of \$45,000** is the applicable fee if you purchase only one franchise. See Item 5 for more information on each of these fees.

Note 2. For a traditional pastry shop location, you must purchase or lease commercial retail space with 800 to 1,000 commercial square feet of space. Commercial real estate costs vary greatly depending on the geographic location of the space and whether it is located downtown, in airports, in enclosed malls, or in dense specialty shopping areas. The figures in the chart reflect a security deposit equal to one month's rent, utility deposits, plus base rent for the first three months, but do not include payment of common area maintenance charges or any other charges that may be imposed. As rental rates vary greatly by area, we

Site Selection and Opening

When you sign the Franchise Agreement, if you have elected to open a traditional pastry shop or a permanent or mobile kiosk, we will agree on a “Site Selection Area” within which you may locate the Pastry Shop. You must acquire an acceptable site for the Pastry Shop by no later than the Control Date identified in the Franchise Agreement (which is generally three months after the date you sign the Franchise Agreement) (“Control Date”). For a food truck Pastry Shop, as you do not need to select a location, the designation of a Site Selection Area and Control Date is unnecessary and will therefore not be included in your Franchise Agreement. For a traditional pastry shop or a permanent or mobile kiosk, if you fail to acquire an acceptable site by the Control Date we may terminate the Franchise Agreement. For each proposed site that you identify, you must deliver to us a franchise site application in a form that we prescribe, including information about the site as we may reasonably request to perform our evaluation. We will accept or refuse to accept your proposed site within 30 days of receiving all requested information about the site. The criteria that we use to evaluate the site include general location and neighborhood, traffic patterns, parking, size, physical characteristics of existing buildings and lease terms. If you enter into an Area Development Agreement, you will enter into a separate Franchise Agreement for each Pastry Shop and the process for acquiring a Site Selection Area described above will be applicable for each Pastry Shop under the Area Development Agreement and then-current standards for Site Selection Areas will apply.

We anticipate that a LE MACARON FRENCH PASTRIES® Pastry Shop will open for business five to seven months in the case of traditional pastry shops or permanent or mobile kiosks or two to four months for food trucks, after the Franchise Agreement is signed or a franchisee pays consideration for the franchise. Factors which may affect the length of time between signing of the Franchise Agreement and opening for business include the time necessary to locate a location which we will accept; to obtain any financing you need; to obtain required permits and governmental agency approvals; to fulfill local ordinance requirements; to complete construction, remodeling, alteration, and improvement of the Pastry Shop, including the installation of fixtures, equipment, and signs; to complete our initial training program and to complete the hiring and training of personnel. Delay in construction may be caused by inclement weather, material or labor shortages, labor actions, slow deliveries, equipment shortages and similar factors.

When the site is selected, we will mutually agree on an “Opening Date” for the Pastry Shop, which will be no later than four months after site selection. If you fail to open the Pastry Shop by the Opening Date, we can terminate the Franchise Agreement.

ITEM 12 TERRITORY

Franchise Agreement

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

You will operate a traditional pastry shop, permanent kiosk, or mobile kiosk at a location that we have accepted, and you may relocate such Pastry Shop, only with our prior written consent. We will consent to relocation if your lease expires or terminates through no fault of yours, or if the Pastry Shop premises is destroyed or materially damaged by fire, flood, or other natural catastrophe and you are not in default of the Franchise Agreement or any other agreement with us. We may also charge you our then-current relocation fee.

Whether you elect to open and operate a traditional pastry shop, permanent kiosk, mobile kiosk, or food truck, we will mutually agree on a “Protected Area,” which will be identified in Attachment B to the Franchise Agreement. Your Protected Area may be defined by using zip codes, city or county lines, or other identifiable demarcation, but will exclude venues within the Protected Area that we consider “Captive

Markets”. Captive Markets include any facility serving a captive marketplace, such as department stores, supermarkets, shopping malls (defined as enclosed or open retail centers with gross leasable area in excess of 350,000 square feet), amusement/theme parks, airports, train stations, travel plazas, casinos, nightclubs, restaurants, public facilities, college and school campuses, arenas, stadiums, ballparks, parks, hospitals, office buildings, convention centers, airlines (in-flight services), military bases, and any other mass gathering events or locations, and facilities of any kind for which food and/or beverage service rights are contracted to a third party or parties (including designated roadways and adjacent facilities). If your Pastry Shop is located within a Captive Market, all or part of your Protected Area may, however, include a Captive Market venue, however this will be explicitly stated in Attachment B of your Franchise Agreement.

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

If you open a traditional pastry shop, permanent kiosk, or mobile kiosk, then, during the term of the Franchise Agreement, we will not own or operate, or grant anyone else the right to operate, a LE MACARON FRENCH PASTRIES® pastry shop, permanent kiosk, or mobile kiosk within the Protected Area, except in Captive Markets.

If you open a Pastry Truck, during the term of the Franchise Agreement, we will not own or operate, or grant anyone else the right to operate, a LE MACARON FRENCH PASTRIES® food truck within the Protected Area, including in Captive Markets.

You have the right to cater and deliver in your Protected Area in compliance with catering and delivery guidelines and standards we set from time to time, however we do reserve the right to limit or prohibit the provision of catering and delivery services outside of your Protected Area. This applies to any online, mobile, or digital ordering and/or third-party delivery service program we establish from time to time.

We reserve to ourselves all other rights, including the right to own and operate and to grant others the right to own and operate LE MACARON FRENCH PASTRIES® Pastry Shops outside the Protected Area, regardless of their proximity to the Protected Area, and in Captive Markets located within and outside the Protected Area. We also have the right to distribute products and services identified by the Marks, such as pre-packaged product, through alternative channels of distribution including grocery stores, supermarkets, convenience stores, restaurants, and via mail order, catalog sales, and/or the Internet, and to make deliveries or cater, or permit other franchisees to make deliveries or cater, within your Protected Area. Currently, our ultimate parent, MM, is in the initial stages of planning to sell to restaurants, wholesale, miniature macarons prepared by LMC under a different trademark. Nothing in the Franchise Agreement prohibits us from (a) owning, acquiring, establishing, operating, or granting franchise rights for one or more other businesses under a different trademark or service mark (*i.e.*, a mark other than LE MACARON FRENCH PASTRIES®), whether or not the business is the same as or competitive with LE MACARON FRENCH PASTRIES® Pastry Shops; or (b) owning, operating, or franchising one or more businesses offering products or services other than macarons under the name LE MACARON FRENCH PASTRIES® or some derivative of the Marks. We have the right to advertise our products and services through any channels both within and outside of your Protected Area. We are not required to compensate you if we exercise any of the rights specified above inside your Protected Area.

There are no circumstances that permit us to modify your territorial rights under the Franchise Agreement. We do not grant you any options or rights of first refusal to acquire additional franchises. We do not require that you meet a minimum sales quota.

Delivery and Catering

We grant you the right to offer both delivery and catering services, currently, within and outside of your Protected Area, but not within the Protected Area of another System franchisee in accordance with any

your delivery and/or catering needs which adds minimal additional costs to the business or may be a pass-through charge to the customer. We may set guidelines and standards, such as additional equipment or vehicles, in connection with providing catering and delivery services, and may also modify the geographic area in which you provide such services, in particular, if the area you service is granted as a Protected Area to another franchisee. You may not solicit or accept orders outside of your Protected Area without our prior consent.

Area Development Agreement

You will not receive an exclusive territory. You may face competition from other franchisees or company-owned businesses adjacent to your Development Area or from other channels of distribution or competitive brands that we control.

Under the Area Development Agreement, we grant you the right to develop and operate three LE MACARON FRENCH PASTRIES® Pastry Shops at sites in a specified Development Area. You may develop, at your discretion, whichever type of Pastry Shop, whether a traditional pastry shop, permanent kiosk, mobile kiosk, and food truck. The Development Area will also be identified on Attachment B to the Area Development Agreement, and may be described in terms of cities, counties, states, or some other designation. We do not grant you any options or rights of first refusal to acquire additional development areas. The Development Area for each Pastry Shop under the Area Development Agreement will be subject to the then-current standards for territories.

During the term of the Development Agreement, we will not own or operate, or grant anyone else the right to establish and operate, a LE MACARON FRENCH PASTRIES® Pastry Shop within the Development Area, except in Captive Markets. We reserve to ourselves all other rights, including the right: (a) to own and operate and to grant others the right to own and operate Pastry Shops outside the Development Area, regardless of their proximity to the Development Area; (b) to own and operate and grant others the right to own and operate Pastry Shops, and license the use of the Marks and System, in "Captive Markets" within and outside the Development Area; and (c) the right to distribute products and services identified by the Marks, such as LE MACARON FRENCH PASTRIES® branded food products, clothing, souvenirs, and novelty items, through alternative channels of distribution including mail order, catalog sales, department stores, retail stores, supermarkets, and/or Internet sales.

Nothing in the Development Agreement prohibits us from (a) owning, acquiring, establishing, operating, or granting franchise rights for one or more other businesses under a different trademark or service mark (*i.e.*, a mark other than LE MACARON FRENCH PASTRIES), whether or not the business is the same as or competitive with LE MACARON FRENCH PASTRIES® Pastry Shops; or (b) owning, operating, or franchising one or more businesses offering products or services other than those provided at LE MACARON FRENCH PASTRIES® Pastry Shops under the name LE MACARON FRENCH PASTRIES® or some derivative of the Marks. We are not required to compensate you if we exercise any of the rights specified above inside your Development Area.

If you fail to meet any of your obligations under the Area Development Agreement, including the development obligations, we may (i) terminate or reduce the size of the Development Area, or (ii) reduce the number of Pastry Shops which you may establish under the Development Schedule. There are no other circumstances that permit us to modify your territorial rights under the Area Development Agreement.

~~You will not receive an exclusive territory. You may face competition from other franchisees or company-owned businesses adjacent to your Development Area or from other channels of distribution or competitive brands that we control.~~

Provisions	Section in Franchise Agreement	Summary
of the franchise		interest in or relationship or association with any shop that offers macarons as a menu item at any location within the U.S., its territories or commonwealths, or any other country, province, state or geographic area in which we or our affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks; no diversion of any present or prospective customer of ours to a competitor <u>(subject to state law)</u> .
r. Non-competition covenants after the franchise is terminated or expires	Section 15.2	Neither you nor your Owners may own, maintain, advise, operate, engage in, be employed by, make loans to, or have any interest in a shop (whether mobile, online/digital, or stationary) that offers macarons as a menu item at your former Pastry Shop location (or within your Protected Area if you operate a Pastry Truck), or within a 10-mile radius of your former Pastry Shop, or within the Protected Area of a Pastry Truck operating under the System, or within a 10-mile radius of any other LE MACARON FRENCH PASTRIES® Pastry Shop for a period of two years following expiration, termination or transfer. If you are a multi Pastry Shop operator, this restriction does not affect your right to continue to operate your remaining Pastry Shops for which you have a valid Franchise Agreement with us <u>(subject to state law)</u> .
s. Modification of the agreement	Sections 18.1 and 18.2	Must be in writing and signed by all parties
t. Integration/merger clause	Section 18.1	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any other representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 19.2	Claims, controversies or disputes from or relating to the Franchise Agreement must be mediated, except for actions seeking injunctive relief and actions we bring which are related to or based on our Marks or Confidential

Provision	Section in Area Development Agreement	Summary
		<p>proposed transfer for our consideration and consent. You and your Owners must sign a general release, and all of your monetary obligations to us must be satisfied on or before the date of transfer. You or the new developer must refurbish each Pastry Shop as we determine necessary to meet the then-current System image requirements. You or the new developer must pay the related Transfer Fee.</p> <p>The new developer must: meet our current qualifications; sign our then-current form of area development agreement which may be materially different from your Area Development Agreement; and sign our then-current form of guaranty and personal undertaking.</p> <p>Additional requirements apply to business entities. (See also “r” below.)</p>
n. Franchisor’s right of first refusal to acquire Developer’s business	Section 8.9	We may match any offer to purchase your business.
o. Franchisor’s option to purchase Developer’s business	Not applicable	Not applicable
p. Death or disability of Developer	Section 8.10	Same requirements as for a transfer in “m” above. If your interest is not transferred within six months following your (or a major member, partner or shareholder’s) death or legal incapacity, your Area Development Agreement may be terminated.
q. Non-competition covenants during the term of the Agreement	Section 10.1	Neither you nor your Owners may have any involvement in any pastry business (other than a LE MACARON FRENCH PASTRIES® Pastry Shop operated under a valid Franchise Agreement with us) located within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which we or our affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks <u>(subject to state law)</u> .

Provision	Section in Area Development Agreement	Summary
r. Non-competition covenants after the Agreement is terminated or expires	Section 10.2	Except for the LE MACARON FRENCH PASTRIES® Pastry Shops you have developed and continue to operate under a valid Franchise Agreement with us, neither you nor your Owners may own, maintain, advise, operate, engage in, be employed by, make loans to, or have any interest in a shop that offers macarons as a menu item at your former Pastry Shop location or within a 10-mile radius of your former Pastry Shop or within a 10-mile radius of any other LE MACARON FRENCH PASTRIES® Pastry Shop for a period of two years following expiration, termination or transfer <u>(subject to state law)</u> .
s. Modification of the Area Development Agreement	Sections 13.1 and 13.2	Must be in writing and signed by all parties
t. Integration/merger clause	Section 13.1	Only the terms of the Area Development Agreement and other related written agreements are binding (subject to applicable state law). Any other representations or promises outside of the disclosure document and Area Development Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 14.2	Claims, controversies or disputes from or relating to the Area Development Agreement must be mediated, except for actions seeking injunctive relief and actions we bring which are related to or based on our Marks or Confidential Information.
v. Choice of forum	Sections 14.2 and 14.3	Mediation at the AAA offices in the city in which we maintain our principal place of business at the time the mediation is initiated. Venue for any other proceeding is the court in which we maintain our principal place of business at the time the action is initiated (subject to applicable state law).
w. Choice of law	Section 14.1	Subject to applicable state law, the Area Development Agreement is to be interpreted and construed under Florida law (without giving effect to any conflict of laws) except that any law regulating the offer or sale of franchises, business opportunities or similar interests or governing the relationship between us and you will not apply unless its jurisdictional requirements are met independently.

LE MACARON DEVELOPMENT LLC
STATE SPECIFIC ADDENDA TO DISCLOSURE DOCUMENT

FOR THE STATE OF CALIFORNIA

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

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 DISCLOSURE DOCUMENT AT LEAST 14 DAYS PRIOR TO EXECUTION OF AGREEMENT.

The California Corporations Code, Section 31125, requires that we give you a disclosure document, approved by the Department of Financial Protection and Innovation, prior to solicitation of a proposed material modification of your Franchise Agreement. The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the Cartwright Act.

Item 3 of the Disclosure Document is supplemented by the following:

Neither the franchisor nor any person identified in Item 2 of the Disclosure Document is subject to any current effective order of any national securities association or national securities exchange as defined in the Securities Exchange Act of 1934, U.S.C.A., 78a *et. seq.*, suspending or expelling such persons from membership in such association or exchange.

Item 17 of the Disclosure Document is supplemented by the following:

California Business and Professions Code, Section 20000 through 20043 provides rights to the franchisee concerning termination, transfer or nonrenewal of a franchise. If the Area Development Agreement or Franchise Agreement contain a provision that is inconsistent with the law, the law will control.

You must sign a release if you renew or transfer your franchise. California Corporations Code voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

The Area Development Agreement and ~~Franchise Agreement contain a covenant not to compete that extends beyond expiration or termination of the agreements. This provision may not be enforceable under California law.~~ the Franchise Agreement contain a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.

The Area Development Agreement and Franchise Agreement provide for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101 *et seq.*).

The Area Development Agreement and Franchise Agreement require application of the laws of Florida. This provision may not be enforceable under California law.

The Franchise Agreement requires binding arbitration. The arbitration will occur in the county where Franchisor maintains its principal business address at the time of arbitration and each party to the arbitration is responsible for their own costs and expenses of arbitration, including legal and filing fees. 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

The Franchise Agreement and the Area Development Agreement contain a provision requiring you to waive your right to punitive or exemplary damages against the franchisor or any of its representatives, limiting your recovery to actual damages. Under California Corporations Code section 31512, these provisions are not enforceable in California for any claims you may have under the California Franchise Investment Law.

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.

For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

OUR WEBSITE CAN BE FOUND AT www.lemacaron-us.com. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

FOR THE STATE OF ILLINOIS

Item 5 is supplemented by the following:

Based on our current financial condition, the Illinois Attorney General's Office has imposed a financial assurance requirement that requires us to defer your obligation to pay the initial fees due to us under the Franchise Agreement until we have completed all of our pre-opening obligations to you and you have commenced doing business. If we enter into an Area Development Agreement with you, we will defer collection of the Development Fee until we have completed our pre-opening obligations to you and you have commenced doing business at your first Pasty Shop.

Item 17 is supplemented by the following:

Section 705/4 of the Illinois Franchise Disclosure Act of 1987 ("Act") provides that any provision in the Franchise Agreement or Area Development Agreement which designates venue outside of Illinois is void with respect to any cause of action which is otherwise enforceable in Illinois; however, the Franchise Agreement and Area Development Agreement may provide for arbitration in a forum outside of Illinois.

Illinois law shall apply to and govern any claim between the parties under the Franchise Agreement that alleges violation of the Act.

The conditions under which your franchise can be terminated and your rights on renewal may be affected by Illinois law, 815 ILCS 705/19 and 705/20.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

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

The Franchise Agreement and the Area Development Agreement contain a provision requiring you to waive your right to punitive or exemplary damages against the franchisor or any of its representatives, limiting your recovery to actual damages. Under California Corporations Code section 31512, these provisions are not enforceable in California for any claims you may have under the California Franchise Investment Law.

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.

OUR WEBSITE CAN BE FOUND AT www.lemacaron-us.com. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

FOR THE STATE OF ILLINOIS

Item 5 is supplemented by the following:

Based on our current financial condition, the Illinois Attorney General's Office has imposed a financial assurance requirement that requires us to defer your obligation to pay the initial fees due to us under the Franchise Agreement until we have completed all of our pre-opening obligations to you and you have commenced doing business. If we enter into an Area Development Agreement with you, we will defer collection of the Development Fee until we have completed our pre-opening obligations to you and you have commenced doing business at your first Pasty Shop.

Item 17 is supplemented by the following:

Section 705/4 of the Illinois Franchise Disclosure Act of 1987 ("Act") provides that any provision in the Franchise Agreement or Area Development Agreement which designates venue outside of Illinois is void with respect to any cause of action which is otherwise enforceable in Illinois; however, the Franchise Agreement and Area Development Agreement may provide for arbitration in a forum outside of Illinois.

Illinois law shall apply to and govern any claim between the parties under the Franchise Agreement that alleges violation of the Act.

The conditions under which your franchise can be terminated and your rights on renewal may be affected by Illinois law, 815 ILCS 705/19 and 705/20.

~~Item 21 of the disclosure document is supplemented by the following:~~

~~A copy of our unaudited balance sheet as of April 30, 2015, and unaudited income statement for the period January 1, 2015 through April 30, 2015, are provided on the following page.~~

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

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

CALIFORNIA 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 “Area 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 Area Development Agreement shall have the identical meanings in this Amendment.

1. The California Department of Financial Protection and Innovation requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORP. CODE Section 31000 et seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq., (collectively, the “Act”). To the extent that the Area Development Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

2. Sections 20000 through 20043 of the California Business and Professions Code provide rights to you concerning nonrenewal and termination of the Area Development Agreement. The Federal Bankruptcy Code also provides rights to you concerning termination of the Area Development Agreement upon certain bankruptcy-related events. To the extent the Area Development Agreement contains a provision that is inconsistent with these laws, these laws will control.

3. For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Area Development Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

43. 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.

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

DEVELOPER

a/an _____

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

ILLINOIS 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 “Area 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 Area Development Agreement shall have the identical meanings in this Amendment.

1. The Illinois Attorney General's Office requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987 (“FDA”), 815 ILCS 705/1-44. To the extent that this Area Development Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. ~~Illinois Franchise Disclosure Act paragraphs 705/19 and 705/20 provide rights to you concerning nonrenewal and termination of this Area Development Agreement. If this Area Development Agreement contains a provision that is inconsistent with the Act, the Act will control. Illinois law governs the Development Agreement.~~
- b. ~~Any release of claims or acknowledgments of fact contained in the Area Development Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act shall be void and are hereby deleted with respect to claims under the Act. Section 19 of the Illinois Franchise Disclosure Act sets forth the conditions and notice requirements for termination of a franchise agreement.~~
- c. ~~If this Area Development Agreement requires litigation to be conducted in a forum other than the State of Illinois, the requirement is void with respect to claims under the Illinois Franchise Disclosure Act. Section 20 of the Illinois Franchise Disclosure Act sets forth the conditions of non-renewal of a franchise agreement, along with the compensation requirements.~~
- d. ~~If this Area Development Agreement requires that it be governed by a state's law, other than the State of Illinois, to the extent that such law conflicts with the Illinois Franchise Disclosure Act, Illinois law governing claims arising under the Act will control. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.~~
- e. ~~If this Area Development Agreement requires a jury trial waiver, to the extent that such provision conflicts with the Illinois Franchise Disclosure Act, the Act will control.~~
- ef. Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.

2. Payment of the Development Fee will be deferred until LMD has met its initial obligations to Developer, and Developer has commenced doing business at its first Pastry Shop. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to LMD’s financial conditions.

3. 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.

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

~~5. 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.~~

[The Signature Page Follows]

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

DEVELOPER

a/an _____

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

CALIFORNIA 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 “**Franchise 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 Franchise Agreement shall have the identical meanings in this Amendment

1. The California Department of Financial Protection and Innovation requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORP. CODE Section 31000 et seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq., (collectively, the “**Act**”). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

2. Sections 20000 through 20043 of the California Business and Professions Code provide rights to you concerning nonrenewal and termination of the Franchise Agreement. The Federal Bankruptcy Code also provides rights to you concerning termination of the Franchise Agreement upon certain bankruptcy-related events. To the extent the Franchise Agreement contains a provision that is inconsistent with these laws, these laws will control.

3. The Franchise Agreement requires you to execute 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 any franchise to waive compliance with any provision of that law or any rule or order is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). California Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (California Business and Professions Code 2000 through 20043).

4. For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

5.4. 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.

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: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

ILLINOIS 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 “**Franchise 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 Franchise Agreement shall have the identical meanings in this Amendment.

1. The Illinois Attorney General's Office requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987 (“**FDA**”), 815 ILCS 705/1-44. To the extent that this Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. ~~Illinois Franchise Disclosure Act paragraphs 705/19 and 705/20 provide rights to you concerning nonrenewal and termination of this Franchise Agreement. If this Franchise Agreement contains a provision that is inconsistent with the Act, the Act will control. Illinois law governs the Franchise Agreement.~~
- b. ~~Any release of claims or acknowledgments of fact contained in the Franchise Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act shall be void and are hereby deleted with respect to claims under the Act. Section 19 of the Illinois Franchise Disclosure Act sets forth the conditions and notice requirements for termination of a franchise agreement.~~
- c. ~~If this Franchise Agreement requires litigation to be conducted in a forum other than the State of Illinois, the requirement is void with respect to claims under the Illinois Franchise Disclosure Act. Section 20 of the Illinois Franchise Disclosure Act sets forth the conditions of non-renewal of a franchise agreement, along with the compensation requirements.~~
- d. ~~If this Franchise Agreement requires that it be governed by a state's law, other than the State of Illinois, to the extent that such law conflicts with the Illinois Franchise Disclosure Act, Illinois law governing claims arising under the Act will control. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.~~
- e. ~~If this Franchise Agreement requires a jury trial waiver, to the extent that such provision conflicts with the Illinois Franchise Disclosure Act, the Act will control.~~
- ef. Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.

2. Payment of the Initial Franchise Fee will be deferred until LMD has met its initial obligations to Franchisee, and Franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to LMD’s financial conditions.

3. 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.

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

~~5. 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.~~

[The Signature Page Follows]

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: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____