FRANCHISE DISCLOSURE DOCUMENT

La Madeleine Franchising Company, Inc.
A Delaware Corporation
12201 Merit Drive, Suite 900
Dallas, TX 75251
(214) 696-6962
franchising@lamadeleine.com
www.lamadeleine.com

We offer franchises for full bakery & café and express bakery & café LA MADELEINE® restaurants (collectively, "la Madeleine Bakery & Cafés") specializing in the sale of fresh bakery goods, French-themed entrées, sandwiches, soups, salads, pastries, gourmet coffees, wine, and privately-labeled retail items such as soups, salad dressings and gourmet coffees.

The total investment necessary to begin operation of a la Madeleine Bakery & Café in a "Full Bakery & Café" prototype format is $1,230,360 to $2,254,160. This includes $42,860 to $56,460 that must be paid to us or our affiliates. The total investment necessary to begin operation of a la Madeleine Bakery & Café in an "Express Bakery & Café" prototype format is $448,250 to $856,360. This includes $20,000 to $56,460 that must be paid to us or our affiliates. The total investment necessary to begin operation of one existing la Madeleine Bakery & Café in a "Full Bakery & Café" prototype format under our refranchising program is $859,000 to $2,254,000 and will depend on the purchase price you negotiate with us. This includes $460,000 to $1,090,000 that must be paid to us or our affiliates. If you sign a Development Agreement to develop multiple la Madeleine Bakery & Cafés (we require a minimum of 2), the total investment necessary to begin operation of your first la Madeleine Bakery & Café under a Development Agreement covering 2 to 20 la Madeleine Bakery & Cafés (including the Development Fee) is $488,250 to $2,529,160. This includes $60,000 to $331,460 that must be paid to us or our affiliate. You will sign the Franchise Agreement for the first la Madeleine Bakery & Café covered by the Development Agreement once you have signed a lease at an approved site for that Bakery & Café.

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 us or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this disclosure 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, contact our Legal Department at legal@lamadeleine.com or the address and telephone number listed above.

The terms of your written contract (*i.e.*, your Development Agreement and Franchise Agreements) will govern your franchise relationship. Do not rely on the Disclosure Document alone to understand your contract. Read your entire 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.

Date of Issuance: April 27, 2026

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit G.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit J includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only la Madeleine business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a la Madeleine franchisee?	Item 20 or Exhibit G lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit H.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

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 development agreement require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Texas. 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 Texas than in your own state.

2. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

3. **Supplier Control**. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

4. **Financial Condition**. The guarantor's financial condition, as reflected in its financial statements (see Item 21), calls into question the guarantor's financial ability to provide services and support to you.

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.

THE FOLLOWING PROVISIONS APPLY ONLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW

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:

(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 protections 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:

(1) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(2) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(3) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(4) 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 $100,000.00, 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
Corporate Oversight Division
Attention: Franchise Section
670 G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48933
Telephone Number: (517) 335-7567

Despite subparagraph (f) above, we intend to enforce fully the provisions of the arbitration section contained in our Franchise Agreement. We believe that subparagraph (f) is unconstitutional and cannot preclude us from enforcing our arbitration section. You acknowledge that we will seek to enforce that section as written, and you will agree in the Franchise Agreement to abide by its terms.

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

This disclosure document describes LA MADELEINE® franchises. To simplify the language in this disclosure document, "we," "us" or "our" means La Madeleine Franchising Company, Inc., the Franchisor. "You" means the individual or company that signs a Franchise Agreement or Development Agreement with us. "Owners" means the individuals identified in the Franchise Agreement or Development Agreement as direct or indirect owners of your company; it also includes any other persons whom we may subsequently approve to acquire an interest in your business.

If the franchisee is a corporation, limited partnership, limited liability company, or other business entity, certain provisions of the Franchise Agreement and Development Agreement will apply to some or all of the Owners by virtue of the requirement that they personally guarantee the franchisee's obligations and agree to be personally bound. The personal obligations of the Owners are addressed in this disclosure document where appropriate. Except as specifically stated otherwise, "you" does not include the Owners of a franchisee that is a corporation, general or limited partnership, limited liability company or limited liability partnership.

We are a Delaware corporation incorporated on September 19, 2011. We do business under our corporate name and the name LA MADELEINE®. Our principal place of business is at 12201 Merit Drive, Suite 900, Dallas, Texas 75251. Exhibit H to this disclosure document lists our agents for service of process, to the extent that we have appointed agents in other states.

Our direct parent company is La Madeleine, Inc. ("LMI"), whose business address is the same as ours. LMI is a subsidiary of Le Duff America, Inc. ("LDA"), which in turn is owned by our ultimate parent company in North America, LDA Holding Company, Inc. ("LDA Holding"). LDA and LDA Holding are both Delaware corporations with the same business address as ours. LDA Holding is owned by Le Duff, Restauration, a French company whose affiliates also own several other restaurant and retail bakery concepts, as well as the Bridor commercial baking business.

Neither we nor LMI operate any la Madeleine Bakery & Café, but as of the date of this Disclosure Document, we have affiliates that operate la Madeleine Bakery & Cafés in Arizona, Maryland, New Mexico, Texas, and Virginia. We refer to the la Madeleine Bakery & Cafés operated by our affiliates as "company-owned" la Madeleine Bakery & Cafés for purposes of this disclosure document.

We began offering LA MADELEINE® franchises in October 2011. Neither we nor LMI has offered franchises in any other line of business. However, we have affiliates that offer other franchises and licenses around the world, as summarized in the table below:

Name and Address of Affiliate	Type of Business/Year Began Offering Franchises	Number of Franchises as of December 30, 2025
Holding Le Duff, S.A. Immeuble Heron Building 66 avenue du Maine, 75014 Paris, France	BRIOCHE DORÉE French Style Casual Food/1982	202 (excluding North America, the numbers for which are included below)
	LE FOURNIL DE PIERRE Traditional French Bakery and Pastry Shop/2007	1
	DEL ARTE Italian and Pizza Restaurant/2000	146
BD, LLC 12201 Merit Drive, Suite 900 Dallas, TX 75251	BRIOCHE DORÉE French Style Casual Food/2004	7
Threecaf Brands Canada, Inc. 3075 rue de Rouen, Montreal, QC H1W 3Z2	MICHEL'S BAKERY CAFÉ Continental Bakery Café/2002	2
	AU PAIN DORE French Style Casual Food/2017	8
	BRIOCHE DORÉE French Style Casual Food/2011	0

The LE FOURNIL DE PIERRE and DEL ARTE concepts have not been franchised in the USA.

Our affiliate, Gourmet Cuisine, Inc. ("GCI"), sells various products, including soups and salad dressings to a nationwide independent foodservice distributor, currently Sysco Corporation, for resale to our franchisees for use and resale in la Madeleine Bakery & Cafés. GCI's principal address is 214 S. Town East Boulevard, Mesquite, Texas 75149. Our affiliate, Bridor, Inc. ("Bridor"), sells bread products to Sysco Corporation for resale of those products to our franchisees for use and resale in la Madeleine Bakery & Cafés. Bridor's principal address is 2260 Industrial Way, Vineland, New Jersey 08360. We may use other distributors as well.

Our affiliate, LDA Management Company, Inc. ("LDAMC"), defines the technology strategy, designs technology architecture, negotiates contracts with vendors on behalf of all LDA stores and franchisees, provides consolidated invoicing for franchisees monthly where applicable, provides ongoing administration services for all systems (menu changes, new store setup), tests and deploys system upgrades ongoing, provides help desk and technical support services, provides new restaurant opening services (ordering, installation, scheduling, go-live), and provides information technology support and help desk services to our franchisees. You must use and pay for these services unless we specifically exempt you from this requirement. LDAMC has the same business address as us. You are required to enter into the Administrative Services

Agreement with LDAMC to govern LDAMC's provision of these technology services, the current form of which is attached to the Franchise Agreement (the "ASA").

Other than as described above, we do not have any affiliates that (i) provide products or services directly to our franchisees, or (ii) offer or have offered franchises for la Madeleine Bakery & Cafés or franchises in any other line of business.

The la Madeleine® Franchise

We offer franchises only to persons and business entities that meet our qualifications and are willing to undertake the investment and effort necessary to operate and grow the LA MADELEINE® business. We particularly seek existing successful multi-unit foodservice operators.

We offer two types of Bakery & Café prototypes: (i) "Full Bakery & Cafés" and (ii) "Express Bakery & Cafés". Full Bakery & Cafés provide our full menu offering and are generally located in suburban malls, strip centers, or mixed-use developments. Our Full Bakery & Cafés also offer a drive-thru option. Full Bakery & Cafés operate only from Traditional Locations (as defined below). Express Bakery & Cafés are similar in concept to Full Bakery & Cafés, but they differ in that they offer a limited menu and often operate in smaller-sized locations, sometimes in a multi-brand environment. Express Bakery & Cafés do not have a drive-thru option. Express Bakery & Cafés may, but need not, operate from Non-Traditional Facilities. A "Non-Traditional Facility" means a facility where the primary function is not a restaurant business, such as a performing arts center, arena, stadium, shopping mall, department store, retail store, including wholesale club, grocery store, supermarket, casino, amusement park, fairground, college or university, factory, hospital, penal institution, military base, airport, turnpike, limited access highway rest stop, or other transportation facility. We refer to la Madeleine Bakery & Cafés operating at locations other than Non-Traditional Facilities as "Traditional Locations." When operated from a Non-Traditional Facility, the needs of the host institution may have a substantial impact upon the operation of a la Madeleine Bakery & Café. Unless otherwise specified in this disclosure document, references to "la Madeleine Bakery & Cafés" include Full Bakery & Cafés and Express Bakery & Cafés.

We offer qualified persons and entities the right to develop a la Madeleine Bakery & Café at a site we approve (the "Premises") under our standard form of Franchise Agreement. Our current form of Franchise Agreement appears in Exhibit A to this disclosure document. We refer to the la Madeleine Bakery & Café you will operate under the Franchise Agreement as the "Café." To operate an Express Bakery & Café from a Non-Traditional Facility, we require that you sign a Franchise Agreement along with a Non-Traditional Addendum. Our current form of Non-Traditional Addendum appears in Exhibit C to this disclosure document.

We also offer qualified persons and entities the right to develop more than 1 la Madeleine Bakery & Café within a specified geographic area (the "Development Area") under our standard form of Development Agreement. Our current form of Development Agreement appears in Exhibit B to this disclosure document. Under the Development Agreement, you must develop a specified number of la Madeleine Bakery & Cafés by certain deadlines. We and you must agree on the number of la Madeleine Bakery & Cafés and the deadlines for developing and opening the agreed number of la Madeleine Bakery & Cafés. You must develop at least 2 la Madeleine Bakery & Cafés under a Development Agreement. If you do not have the required number of la Madeleine Bakery & Cafés open and in operation by the agreed-upon deadlines, we can terminate the Development Agreement entirely or reduce the Development Area. We refer to the la Madeleine Bakery & Cafés you develop under the Development Agreement as the "Bakery & Cafés." You must also enter into our then-current form of Franchise Agreement for each Bakery & Café. The

version that you must sign when you are ready to enter into a Franchise Agreement for each Bakery & Café may differ from the version in Exhibit A. You will sign the Franchise Agreement for the first la Madeleine Bakery & Café once you have signed a lease at an approved site for that Bakery & Café.

Refranchising program. We and our affiliates also offer a refranchising program under which our affiliates may sell existing company-owned Full Bakery & Cafés to qualified buyers for operation as a franchise. The form of Asset Purchase Agreement for the sale of a company-owned Full Bakery & Café appears in Exhibit D to this disclosure document. You and our affiliate may also sign a Letter of Intent before signing the Asset Purchase Agreement; the form of the Letter of Intent is also in Exhibit D.

As a condition of purchasing one or more company-owned la Madeleine Bakery & Cafés, we may require you to sign a Development Agreement in which you commit to open additional la Madeleine Bakery & Cafés in the same geographic area or in another market that we approve. If we require, you will sign the Development Agreement at the closing of your purchase of the company-owned stores, along with our standard form of Franchise Agreement for each acquired la Madeleine Bakery & Café. Because some of the terms of the standard Franchise Agreement do not apply to a business that is already open and operating, you will also sign an addendum to the Franchise Agreement ("Refranchising Addendum") for each Bakery & Café purchased which modifies the inapplicable terms. The form of the Refranchising Addendum is also in Exhibit D.

We may also require agreement on a remodeling plan as a condition of purchasing a company-owned la Madeleine Bakery & Café. If applicable, the remodeling requirements that you and we agree upon will be in an attachment to the Letter of Intent that you sign. The Refranchising Addendum will include the agreed deadline for completion of the remodeling.

As noted in the Asset Purchase Agreement, you will also sign other documents in connection with closing on the purchase of company-owned la Madeleine Bakery & Cafés, such as a lease assignment or sublease for each la Madeleine Bakery & Café and a bill of sale for tangible assets. These documents may vary from transaction to transaction.

* * *

All la Madeleine Bakery & Cafés operate according to a distinctive format, appearance, and set of specifications and operating procedures that we and our affiliates have developed and continue to develop (collectively, the "System"). Our mandatory and recommended standards, policies and procedures are represented in our confidential and proprietary training systems and materials (the "Manuals"), which may be available in hard copy, electronic or web based. We will give you access to the Manuals for the term of your franchise. We may change the Manuals and the elements of the System at any time without consultation with you.

You will sell food and beverage items at retail to the public for carry out and consumption on the premises of the Bakery & Café. In addition, we have established programs for catering, take-out, delivery, retail and wholesale food and beverage sales, which are mandatory for franchisees unless we expressly authorize you not to participate (collectively, "Off-Premises Programs"). Off- Premises Programs may include online, digital, mobile, and telephone ordering features, some of which may be operated by third parties. You must pay any fees and costs associated with participating in programs and comply with all other rules and procedures that we specify for each program.

Industry-Specific Laws

You must comply with all applicable federal, state and local laws and regulations when developing and operating a Bakery & Café, including those regulating the privacy and security of credit and debit card information and other sensitive consumer and employee information. We are not aware of any laws applicable to la Madeleine Bakery & Cafés that would not apply to restaurant and franchised businesses generally. You must obtain various permits and licenses and operational licenses which may include permits for patio seating, awnings, boilers and signage. You must also obtain an alcoholic beverage license in order to serve wine. In constructing and operating each Bakery & Café, you must comply with all applicable local, state, and federal laws, including health, sanitation, no smoking, service of alcohol, the sale and administration of gift cards, discrimination, employment, and sexual harassment laws. The Americans with Disabilities Act ("ADA") requires that public accommodations, including restaurants, be readily accessible to disabled persons. The ADA may affect your building construction, site elements, entrance ramps, doors, seating, bathrooms, drinking facilities, and the like.

Market and Competition

The market for the retail sale of food and beverage items like those offered in la Madeleine Bakery & Cafés is highly competitive. You will compete with other bakery-café concepts, coffee bars, quick-service restaurants, fast food restaurants, and grocery stores, including both local businesses and units of regional and national chains. Your competitors may include outlets of the brands operated by our affiliates, as described above in this item.

ITEM 2
BUSINESS EXPERIENCE

CEO and President – John Dillon

Mr. Dillon has been our CEO since May 2025 and our President and the President of La Madeleine de Corps, Inc. ("LMCI") in Dallas, Texas since January 2025. He also has served as the CEO of HMS Growth Partners, LLC in Dallas, Texas since January 2024. Prior to that, Mr. Dillon held several positions with Denny's in Dallas, Texas and Spartanburg, South Carolina from 2007 to December 2023, including President from June 2022 to December 2023 and Executive Vice President, Chief Brand Officer from 2018 to June 2022.

Vice President of Accounting and Finance – Laurie Boudreaux

Ms. Boudreaux has been our Vice President of Accounting and Finance since June 2014. She also served as our Senior Director of Finance from December 2021 to August 2023 and our Controller from August 2023 to July 2025.

CMO – Sarah Morris

Ms. Morris has served as our CMO since August 2025. She also currently provides marketing and other consulting services to various other brands. From March 2022 to July 2025, she was the CMO for Gala Capital Partners in Dallas, Texas. In July 2021, she founded Love, Liv Bakeshop in Dallas, Texas, for which she currently serves as the CEO. Sher serves in her present roles from her office in Dallas, Texas.

General Counsel – Lauren Fernandez

Ms. Fernandez has served as our General Counsel since March 2026. Since 2015, she also has been a principal in The Fernandez Company, serving as senior advisor and counsel to various other brands. In July 2019, she founded Full Course, for which she currently serves as the CEO. She serves in her present roles from her office in Atlanta, Georgia.

Vice President of Operations of LMCI – Chad Hawkes

Mr. Hawkes has been the Vice President of Operations for LMCI in Dallas, Texas since September 2022. Prior to that, he spent 21 years with a large Dallas-Ft. Worth, Texas-based Sonic Drive-In franchisee, Encore Restaurants, most recently as Vice President of Operations (from September 2018 to September 2022).

Senior Director of Purchasing – Ruthie Trevino

Ms. Trevino has served as our Senior Director of Purchasing since April 2025. She also leads the Le Duff supply chain team in Dallas, Texas. From September 2022 to March 2025, she served as our (and several of our sister brands') Director of Purchasing. From January 2018 to August 2022, she served as our (and several of our sister brands') Purchasing Manager.

Senior Director of Franchise Development of LDAMC – Mark Ramage

Mr. Ramage has been the Senior Director of Franchise Development for LDAMC in Dallas, Texas since March 2023. From August 2018 to March 2023, he served as the Chief Development Officer & Sales for 1Franchise Group, a franchise development consulting company that Mr. Ramage founded in Granbury, Texas. From January 2022 to September 2022, he also served as the Vice President of Franchise Development & Sales for Chicken Guy (a Guy Fieri brand) in Orlando, Florida. From July 2019 to April 2021, he was the Director of Franchise Sales/Development for Twin Peaks in Dallas, Texas.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this item.

ITEM 5
INITIAL FEES

Initial Franchise Fee and Development Fee

Initial Franchise Fee. Upon signing the Franchise Agreement, you will pay us an initial franchise fee ("Initial Franchise Fee"). If we grant you a franchise for a la Madeleine Bakery & Café at a Traditional Location, the Initial Franchise Fee is $40,000. If we grant you a franchise for

an Express Bakery & Café located at a Non-Traditional Facility, the Initial Franchise Fee is $20,000. The Initial Franchise Fee must be paid in full when you sign the Franchise Agreement.

Development Fee under Development Agreement. To sign a Development Agreement, you must agree to develop and operate at least 2 la Madeleine Bakery & Cafés. When you sign the Development Agreement, you will pay us a non-refundable fee ("Development Fee") in an amount determined from the chart below:

Number of la Madeleine Bakery & Cafés in Development Commitment	**Development Fee**
2 through 10	$40,000 for 1st la Madeleine Bakery & Café and $20,000 for each additional la Madeleine Bakery & Café
11 through 19	$40,000 for 1st la Madeleine Bakery & Café, $20,000 per la Madeleine Bakery & Café for Cafés 2 through 10, and $10,000 per la Madeleine Bakery & Café for Cafés 11 through 19
20 or more	$40,000 for 1st la Madeleine Bakery & Café, $20,000 per la Madeleine Bakery & Café for Cafés 2 through 10, $10,000 per la Madeleine Bakery & Café for Cafés 11–19, and $5,000 for any additional la Madeleine Bakery & Café

You will sign our then-current form of Franchise Agreement for the operation of each Bakery & Café as you develop them under the Development Agreement. We will apply the Development Fee to cover the Initial Franchise Fee in full for the first Bakery & Café that you open under your Development Agreement. For each subsequent Bakery & Café that you open under your Development Agreement, the Development Fee will be applied to subsequent Initial Franchise Fees when you sign each subsequent Franchise Agreement at the rate corresponding to the per-Bakery & Café amounts in the chart above, with the balance of the Initial Franchise Fee payable when you sign the Franchise Agreement.

Refranchising program. If you sign an Asset Purchase Agreement to acquire company-owned Full Bakery & Cafés, you will pay the purchase price for the acquired assets at the time and in the manner specified in the Asset Purchase Agreement. The purchase price will include the Initial Franchise Fees for the acquired Full Bakery & Cafés. You will sign a Franchise Agreement for each acquired Full Bakery & Café at the closing of the transaction. We may also require you to sign a Development Agreement and pay the Development Fee at the closing, in the amount determined from the chart above.

The Development Fee and the Initial Franchise Fee are fully earned upon receipt and are nonrefundable, even if you do not open the Bakery & Café, if you do not satisfactorily complete the requisite training, if contingencies in your lease are not satisfied, if you later close the Bakery & Café, or if the Franchise Agreement or Development Agreement is terminated for any reason. The Development Fee and the Initial Franchise Fees are uniform for franchisees; however, in certain unique circumstances in which we receive other consideration, we may reduce or waive a fee for a particular transaction. During our last fiscal year, we did not reduce or waive any Development Fee or Initial Franchise Fee as part of an Asset Purchase Agreement.

Initial Technology Administrative Fee

You must pay LDAMC for the Bakery & Café $2,860 as a one-time initial technology administrative fee for setting up technology services under the ASA (the "Initial Technology Administrative Fee"). The Initial Technology Administrative Fee is fully earned and non-refundable upon signing the ASA.

If you develop an Express Bakery & Café at a Non-Traditional Facility, you will not be required to enter into the ASA and pay the Initial Technology Administrative Fee listed above if the host facility has an equivalent technology suite, although we may require the Express Bakery & Café to use our required Technology Suite in the future.

Management Training Fee

If the Bakery & Café is your third or subsequent la Madeleine Bakery & Café that you operate, and we provide management training to you, then you must pay us a training fee equal to $3,600.

Grand Opening Marketing

You must conduct a grand opening of the Bakery & Café during the period beginning no less than 45 days before and ending 90 days after opening. If you operate the Bakery & Café from a Traditional Location, the minimum expenditure is $10,000. If you operate an Express Bakery & Café from a Non-Traditional Facility, the minimum grand opening expenditure is $5,000. We may require you to deposit this amount with us, so we may distribute the funds as necessary to conduct the grand opening marketing plan.

ITEM 6

OTHER FEES

Type of Fee	Amount	Date Due	Remarks
Standard Royalty(1)	5% of Gross Sales	Weekly	See note (2) for the definition of Gross Sales. See note (3) for an explanation of our direct debit program and Accounting Week.
Royalty for Full Bakery & Cafés acquired from our affiliates under the refranchising program	0%-5% of Gross Sales	Weekly	See note (2) for the definition of Gross Sales. We may predetermine an adjusted royalty rate for the company-owned Full Bakery & Cafés being offered for sale by our affiliates. These Full Bakery & Cafés have not previously been subject to a royalty. The reduced royalty rate may be in effect for a predetermined timeframe from the closing of your purchase of the Full Bakery & Café, after which the royalty rate will revert to the standard rate of 5%.

Type of Fee	Amount	Date Due	Remarks
Weekly Advertising Obligation ("WAO")	Except as set forth below, up to 4% of Gross Sales, currently: 2.25% of Gross Sales for Brand Marketing Fund ("BMF") and 1% of Gross Sales for Local Store Marketing ("LSM") For Express Bakery & Cafés at Non-Traditional Facilities, up to 1% of Gross Sales (currently, 0% of Gross Sales).	Weekly	See note (2) for the definition of Gross Sales. Subject to certain limitations, we may allocate the WAO among: (i) contributions to a fund that we administer for advertising and promotion of the LA MADELEINE brand (the "Brand Marketing Fund" or "BMF"); (ii) expenditures for Local Store Marketing; and (iii) contributions to an advertising cooperative (but we have no cooperatives as of the date of this disclosure document). We can change the allocation upon reasonable notice to franchisees. Express Bakery & Cafés operating at Non-Traditional Facilities are not required to make any expenditures for Local Store Marketing and will not contribute to any advertising cooperative (if applicable).
Ongoing Fees for Technology Suite	Currently, $2,500 per la Madeleine Bakery & Café (increases set by vendor)	Monthly	If a vendor does not allow for direct billing and/or ACH payments or otherwise charges LDAMC an ongoing fee, LDAMC will pay that vendor on your behalf and you must reimburse LDAMC for those amounts. Costs may vary based on the prototype of the la Madeleine Bakery & Café. An Express Bakery & Café located at a Non-Traditional Facility typically does not purchase the Technology Suite (unless the host facility does not maintain an equivalent technology suite) and is not required to reimburse LDAMC for these ongoing fees.
Administrative Fee	Currently, $418 per month, but may increase as new services, platforms, and technologies are added. Any time a new service, platform, and/or technology are added, we may increase this fee by up to 10%. We do not expect to increase this fee more than once per year.	Monthly	This estimate reflects the monthly service fees currently charged by LDAMC under the ASA for certain technology support services. If components of a New Technology Suite (as defined in Item 11) are implemented, LDAMC may terminate the ASA and require you to sign a new agreement for the new solutions and services. The actual service fees may be higher or lower than what is reflected in this Item. This fee generally does not apply to Express Bakery & Cafés operating at Non-Traditional Facilities unless the host facility does not maintain a technology suite that is equivalent to the Technology Suite, but there is a $10.00 monthly fee for

Type of Fee	Amount	Date Due	Remarks
			Express Bakery & Cafés at Non-Traditional Facilities to support management of user log-ins and services for accessing LDAMC training and communication, and labeling system platforms.
Late Fee and Interest	$100 per week plus interest at the rate of 1.5% per month or the maximum rate permitted by state law, whichever is less (“Default Rate”)	Upon demand, and if no demand, with payment of overdue amount	We can charge a late fee to compensate us for our administrative costs incurred in enforcing your obligation to pay us. We calculate interest from the date the payment was due until paid in full. Payments will be applied to any late fee first, then interest due, then the principal amount due.
Audit Fee	Actual cost of audit, including travel, lodging, wages and reasonable accounting and legal costs, plus interest on any underpayment at the Default Rate.	Upon demand	Payable only if examination or audit reveals an underpayment of Royalties of 2% or more. This is in addition to applicable interest and late fees.
Inspection Fee	Our actual costs and out-of-pocket expenses if we choose to conduct a quality assurance audit or inspection of the Bakery & Café.	Upon demand	You must pay any out-of-pocket costs incurred by us, our affiliates or our agents if we require an inspection or quality assurance audit of the Bakery & Café, including any costs related to re-inspecting the Bakery & Café to confirm that all deficiencies have been corrected.
Alternative Supplier	Our actual costs	Upon demand	If you obtain items from an alternative supplier (other than those approved by us) we may require you to reimburse us for our actual costs for testing and evaluating the products from such alternative supplier. These costs are payable whether or not we approve the supplier.

Type of Fee	Amount	Date Due	Remarks
Transfer Fee[4]	Under the Franchise Agreement, 50% of the then-current initial franchise fee for each Bakery & Café being transferred Under the Development Agreement, 50% of the then-current initial franchise fee for a Bakery & Café Under the Non-Traditional Addendum, $500	10 days before the Transfer closing date	Payable if you propose to sell or transfer your business (or a partial ownership interest).
Renewal Fee	50% of the then-current Initial Franchise Fee for la Madeleine Bakery & Cafés.	Upon the signing of the then-current form of Franchise Agreement	Upon expiration of your Franchise Agreement, if you choose to and are approved to continue operating the Bakery & Café, you must sign our then-current form of Franchise Agreement. The Development Agreement is not renewable.
Tech Checks	Our, LDAMC's or our designee's actual costs and out-of-pocket expenses to complete an audit	Annually	Our, LDAMC's or our designee's personnel will perform an annual audit of the technical stack requirements under the ASA, and you are responsible for reimbursing our, LDAMC's or our designee's actual costs and out-of-pocket expenses as a result of the audit.
Costs, Attorneys' Fees and Expenses	Our attorneys' fees, court costs, and certain expenses	Upon demand	The prevailing party to a suit or proceeding is entitled to recover its reasonable attorneys' fees, court costs and certain expenses from the other party.
Insurance	Actual cost of the insurance and our expenses	As incurred	Payable if you do not obtain required insurance and we elect to obtain it on your behalf. Our minimum insurance requirements are more fully described in Item 8.
Additional Training[5]	Currently, $600 per week (training class fee). This fee may increase proportionally if our costs increase.	Upon completion of training	If you request us to train additional persons in addition to those we train as provided for in Item 11, or if you fail to meet quality assurance standards, or we believe you and/or your employees need additional training, we will charge this additional operations training fee. Where additional training is provided onsite you must pay for all travel expenses of the trainers. See note 5 and Item 11 for more information.

Type of Fee	Amount	Date Due	Remarks
Indemnification	Our actual losses	As incurred	You must reimburse us and our affiliates for any liability, loss, cost, threat, suit or expense, including attorneys' fees, investigative fees and court costs that may arise out of the operation of your Bakery & Café, or your performance under any agreement with us without regard to our actions (other than our intentional and willful acts or omissions.)
Liquidated Damages	3 years' worth of projected royalty fees	Upon demand	Payable only if we terminate the Franchise Agreement based on your default.
Leadership Conference and/or quarterly meetings	We currently expect the registration fee to range between $2,500 to $3,000 per person. Costs may vary depending on a variety of factors, such as the length of the conference/meeting, venue selection, number of attendees, and required materials and supplies.	As incurred	We may require that you, your general managers and other employees we designate attend our annual or bi-annual conference. In addition, you or your designee may be asked to attend quarterly meetings in our offices at your expense.

NOTES TO CHART:

Except as otherwise indicated, you pay all fees and other continuing payments listed above to us. We refund no fees or other continuing payments. The table shows the fees that apply under our current Development Agreement, Franchise Agreement and where applicable, the Non-Traditional Addendum. The obligations payable to us are uniform as to all franchisees who receive this disclosure document, although some of the amounts may vary because of the nature of the obligation. We may negotiate the amount of certain fees in our sole discretion. In determining whether an adjustment is warranted, we consider such relevant factors as the size and experience of the franchisee, whether we have previously dealt with the franchisee, and market forces.

(1) Royalty Fee. The royalty fee is nonrefundable and must be paid weekly to us via the mandatory direct debit program we establish with your bank to allow for the electronic transfer of the royalty fee and your weekly BMF contribution. The 5% royalty rate applies to all franchised la Madeleine Bakery & Cafés, except for company-owned Full Bakery & Cafés sold through the refranchising program, as described in the chart.

(2) Gross Sales. "Gross Sales" is defined as all sales generated through the Bakery & Café, including fees for any products or goods you sell, whether for cash or credit (regardless of collectability, except as provided below) and income of every kind or nature related to the Bakery & Café, including, without limitation, revenues from the sale of branded or retail merchandise and food products, whether from sales on the Premises, by delivery (including GrubHub, Uber Eats, Postmates, Favor and DoorDash), from catering if the Bakery & Café provides the product, by online, internet or phone-app ordering (including

ezCater and Dinova) if picked up at the Bakery & Café or at wholesale (whether the sales method is permitted or not) and from the use of vending machines or similar arcade-like machines. In the event your business operations are interrupted and you receive business interruption insurance proceeds, then the amount of Gross Sales used by you to determine your loss will be deemed the Gross Sales for that period and deemed made when you receive the insurance proceeds. But, "Gross Sales" does not include any sales tax or other taxes you collect from customers for transmittal to the appropriate taxing authority. Gross Sales includes the retail value of all products sold in connection with the redemption of coupons, gift certificates, gift cards or vouchers; however, at the time such coupons, gift certificates, gift cards or vouchers are purchased, the retail price may be excluded from Gross Sales for the purpose of determining the amount of Gross Sales upon which fees are due. When calculating Gross Sales, you may deduct that portion of the normal full menu price of any item that you do not collect as a result of promotions we approve (whether local or system-wide, including coupons) and manager discounts (collectively, "Sales Discounts"), as well as discounted employee meals. Sales Discounts and discounted employee meals must be fully disclosed on all reports you submit to us, and we reserve the right, in our sole discretion, to disallow any Sales Discounts not meeting the requirements we set forth. We may modify our policies consistent with restaurant industry practices regarding revenue recognition, revenue reporting, and the inclusion in or exclusion of certain revenue from "Gross Sales" as circumstances, business practices, and technology change.

(3) Gross Sales – Express Bakery & Cafés at Non-Traditional Facilities. "Gross Sales" from Express Bakery & Cafés operating at Non-Traditional Facilities means the amount received by a franchisee for all sales of any food, beverages (including alcoholic beverages where permitted by law), or other products sold by the franchisee or any other person or entity in, or from the Express Bakery & Café for cash, credit or otherwise, including sales and services where the order originated in, at or from the Express Bakery & Café regardless of where delivery or performance is made, minus (i) non-branded, non-proprietary merchandise (e.g., newspapers); (ii) refunds to customers that were previously included in Gross Sales, (iii) coupons and other forms of discounts, the issuance of which have been pre-approved by us, such that only the cash or credit charge amount received in a sale will be included, (iv) sales, excise or similar taxes imposed by any governmental authority and collected from customers and paid out by the franchisee, and (v) the value of meals provided to employees working at the Express Bakery & Café, incident to their employment. In the event there is an interruption to your business operations and you receive business interruption insurance proceeds, then the amount of Gross Sales used by you to determine your loss will be deemed the Gross Sales for that period and deemed made when you receive the insurance proceeds. "Gross Sales" does not include any sales tax or other taxes you collect from customers. We may modify our policies consistent with restaurant industry practices regarding revenue recognition, revenue reporting, and the inclusion in or exclusion of certain revenue from "Gross Sales" as circumstances, business practices, and technology change.

(4) Bank Account. You must designate an account at a commercial bank for payment of weekly royalty fees and BMF contributions, along with any other amounts you may owe us. We will obtain payment by electronic debit to your account each week. Our Accounting Week currently begins on Wednesday and ends on Tuesday of each week, so we will debit your designated bank account on Wednesday for the royalties due for Gross Sales generated the prior seven (7) days, BMF contributions, and any other amounts you may owe us. You must keep the designated account balance sufficient to pay all royalty fees,

BMF contributions, and other amounts you may owe us. Failure to do so will be subject to the default provisions of your Franchise Agreement. You must reimburse any costs or expenses we incur as a result of your designated account being insufficient.

(5) Transfer Fee. The transfer fee will not apply if the transfer is to a corporation or other business entity you form solely for the convenience of ownership. The transfer fee is non-refundable and must be fully paid before the closing of the transfer. If you or any Owner desires to offer securities in a private offering, in addition to the regular transfer fee, you must pay a non-refundable fee of up to $10,000 to reimburse us for our costs and expenses associated with reviewing the proposed offering materials.

(6) Additional Training. This fee is payable if your training does not meet our training standards, if you require our assistance for new Bakery & Café opening associate training beyond your second opening, if you request that we train additional persons, if you request refresher training, if you request additional training, and/or if you fail to meet quality assurance standards and we require that you and/or your employees complete additional training. See Item 11 under "Training" for further information about our training program.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT – "Full Bakery & Café" Prototype				
Type of Expenditure[1]	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Initial Franchise Fee[2]	$40,000	Lump sum	Upon signing the Franchise Agreement	Us
Real Property[3]	Variable	Variable		Lessor
Design, Permitting Fees & Liquor License[4]	$56,000 to $75,000	As Arranged	As Incurred	Contractors and Government Agencies
Building and Leasehold Improvements[5]	$704,000 to $873,000	As Arranged	As Incurred	Contractors and Vendors
Optional Security Camera System	$0 to $10,000	As Arranged	As Incurred	Contractors and Vendors
Signage and Awnings[6]	$22,000 to $43,000	As Arranged	As Incurred	Vendors
Furniture, Fixtures & Equipment[7]	$271,000 to $407,000	As Arranged	As Incurred	Vendors
Technology Suite[8]	$43,800 to $107,800	As Arranged	As Incurred	Vendors
Initial Technology Administrative Fee [9]	$2,860	As Arranged	As Incurred	Our Affiliate
Site Work[10]	$0 to $300,000	As Arranged	As Incurred	Vendors

YOUR ESTIMATED INITIAL INVESTMENT – "Full Bakery & Café" Prototype				
Type of Expenditure[(1)]	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Start-up Inventory & Supplies[(11)]	$31,700 to $51,500	As Arranged	As Incurred	Sysco and Various Distributors
Grand Opening Advertising[(12)]	$10,000 to $30,000	As Arranged	As Arranged	Vendors, Printers, Media, or Us
Insurance[(13)]	$7,000 to $25,000	As Arranged	As Arranged	Insurance Company
Training & Managers' Salary[(14)]	$19,000 to $54,000	As Arranged	As Incurred	Hotels, Airlines, Vendors, etc., Your Manager
Utility Deposits/ Licenses[(15)]	$3,000 to $5,000	Lump Sum	As Incurred	Utility Companies, Government Agencies
Legal and Accounting[(16)]	$5,000 to $30,000	As Arranged	As Incurred	Attorney, Accountant
Additional Funds – 3 months[(17)]	$15,000 to $200,000	As Arranged	As Incurred	Vendors, Suppliers, Labor, Utilities, Landlord, etc.
Total (excluding real estate)	**$1,230,360 to $2,254,160**			

EXPLANATORY NOTES – FRANCHISED FULL BAKERY & CAFÉ:

(1) These estimates presume that you will establish the Bakery & Café in an existing building without a drive-thru. Costs included are based on open shop bidding practices with no premium built in for the cost of union labor. The estimated costs are for a new Full Bakery & Café.

(2) See Item 5 for details concerning the Initial Franchise Fee and the portions of the Development Fee credited toward Initial Franchise Fees, if applicable.

(3) We expect that you will lease a location for the Full Bakery & Café, which will vary in size between 2,500 to 3,500 square feet, generally for a facility located in a suburban mall, strip center, or mixed-use development. We will consider on a case-by-case basis a franchisee's request to convert an existing facility to a Full Bakery & Café, as well as sites that may be smaller or slightly larger than our prototype, provided that the site can be transformed to meet the standards and specifications of the System. The cost of purchasing or leasing and developing a suitable site varies widely depending on the size, type, and location of the Full Bakery & Café and the local real estate market.

(4) This range is representative of architectural design fees and building permit cost only and is only an average estimate. Additional construction fees such as tap/pro-rata fees, the costs of which are distributed to participants based on the authority of each city for items such as water and sewer usage fees, meter fees, environmental impact fees, electrical service fees, utility deposit fees, etc. and liquor license fees are not included. These costs

vary too widely to provide an accurate range. You should contact your state and local governmental agencies to inquire as to the amount and requirements of these items. You must comply with federal, state and local licensing requirements for the sale of alcoholic beverages and for the operation, if any, of gaming and lottery equipment. This range applies only to the average locality; however, some areas operate under a quota system for permits and the costs associated with obtaining a license in these areas can be extremely expensive and time consuming. Other permits may be required before you open your Full Bakery & Café.

(5) The estimate is for a typical Full Bakery & Café developed in a suburban shopping center with the premises delivered in "vanilla box" condition (that is, primed drywall ready to be painted, but without improvements). Typical improvements required include floor covering, wall covering, electrical modifications, partitions, installation of heating and cooling systems, painting, lighting, and other components typical of our trade dress. If the Bakery & Café is one of your first two la Madeleine Bakery & Cafés, you must engage an architect from our approved list to prepare preliminary and final architectural drawings and specifications for your Bakery & Cafés consistent with our representative plans for a Bakery & Café. In addition, if the Bakery & Café is one of your first two la Madeleine Bakery & Cafés, you must use a general contractor from our approved list or receive our written approval of your general contractor. We require that you employ or engage the services of a Project Manager consultant to help you through the construction process. If the Bakery & Café is your third or subsequent Bakery & Café that you own and operate, you can choose your own architect and general contractor, but we must approve the final drawings and specifications before you begin the permitting process. Your lessor may offer, or you may be able to negotiate, a tenant improvement allowance to reduce your cost of site improvements; our estimate reflects the past allowances for certain company-owned Full Bakery & Cafés, which averaged $35 to $75 per square foot or $140,000 to $300,000 based on 4,000 square feet. Costs are likely to vary and to be much higher if you wish to establish your Full Bakery & Café in an area or building where special requirements of any kind will apply (such as historical or architectural preservation). Costs are likely to vary and be much higher in urban settings or where the lessor provides a building in as-is condition. If you choose or are required to add specific design elements, these costs may increase beyond the estimate.

(6) This estimate includes both exterior and interior signage. Also included in the signage estimate are the costs for exterior awnings. The cost varies depending on the size and location of the signs and awnings.

(7) This estimate includes the associated equipment typically needed for a franchised Full Bakery & Café, including point of sale terminals/tablets, menu boards, loop, headsets and other related hardware, foodservice equipment and smallwares.

(8) This estimate includes the Technology Suite (including Managed Infrastructure, NCR Aloha Point of Sale and Kitchen Display System Platform, Digital Menu Boards, FreedomPay Credit Card Payment Platform, CrunchTime Back Office Platform, Transact BOHA Technologies, including Loyalty, Mobile App, Online & Mobile Ordering, Catering and Delivery). This estimate does not include tax and freight of the equipment.

(9) LDAMC charges you the Initial Technology Administrative Fee under the ASA in consideration of its initial set-up costs of the Technology Suite. A detailed description of the Technology Suite is included in Item 11.

(10) This estimate assumes the Bakery & Café will be located in an existing structure and does not include the costs for site preparation and site improvements relative to free-standing, ground-up locations. The low end of the range assumes that you lease a space that does not require any work to be performed outside of the walls of the leased premises. These costs may vary greatly depending on the condition of the land, environmental factors, and whether or not you will buy or lease the site.

(11) This estimate is for inventory and supplies in quantities typically sufficient for pre-opening and training operations of a franchised Full Bakery & Café.

(12) You must conduct a grand opening of your Full Bakery & Café during the period beginning no less than 45 days before and ending 90 days after opening. The grand opening must adhere to our prescribed grand opening marketing plan. You may have additional expenses for promotional materials. The minimum required grand opening expenditure is currently $10,000, but you may exceed the minimum required expenditure. This expenditure is in addition to the WAO described in Item 6.

(13) This estimate is for the first year's premiums for insurance meeting our current requirements. Insurance costs will vary depending upon the size and location of the Full Bakery & Café, your claims history, and other factors. See Item 8 for further information about your obligations with respect to insurance.

(14) If the Bakery & Café is your first la Madeleine Bakery & Café, then within 30 days before the Bakery & Café opens for business, you (or your approved Lead Operator), your general manager, and up to three other management personnel must complete our management training program to our satisfaction. This is an estimate of the cost of your and your trainees' lodging, meals, travel expenses, wages, and uniforms and includes an estimate for the Managers' salary during training and before opening your Bakery & Café. Please see Item 11 for further details on training.

(15) Some utility companies may require you to provide deposits or pay installation charges for utility services, including electrical, gas, water, sanitation, and telephone service. Local, municipal, county, and state regulation may require that you obtain licenses and permits to operate.

(16) You may also wish to use an attorney to assist you in lease negotiations and/or to form an entity to own the franchise. This is the estimated cost of basic legal and accounting services.

(17) This is an estimate of the additional funds you will need during the initial period of operation, which we define as three months from the opening of the Full Bakery & Café. The estimate includes items such as rent, payroll costs, food costs, utilities, licenses and permits. The estimate does not include royalties, Brand Fund contributions, or any compensation that you may choose to pay yourself. We relied on the experience of our affiliates in formulating the estimate of additional funds.

YOUR ESTIMATED INITIAL INVESTMENT – "Express Bakery & Café" Prototype				
Type of Expenditure[1]	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Initial Franchise Fee[2]	$20,000 to $40,000	Lump Sum	Upon signing the Franchise Agreement (and, if applicable, Non-Traditional Addendum)	Us
Real Property[3]	Variable	Variable		Lessor
Design, Permitting Fees & Liquor License[4]	$18,200 to $26,800	As Arranged	As Incurred	Contractors and Government Agencies
Building and Leasehold Improvements[5]	$119,200 to $160,800	As Arranged	As Incurred	Contractors and Vendors
Signage[6]	$5,350 to $6,400	As Arranged	As Incurred	Vendors
Furniture, Fixtures & Equipment[7]	$221,500 to $294,500	As Arranged	As Incurred	Vendors
Technology Suite[8]	$0 to $43,000	As Arranged	As Incurred	Vendors
Initial Technology Administrative Fee[9]	$0 to $2,860	As Arranged	As Incurred	Our Affiliate
Site Work[10]	$0 to $5,000	As Arranged	As Incurred	Vendors
Start-up Inventory & Supplies[11]	$10,000 to $13,000	As Arranged	As Incurred	Sysco and Various Distributors
Grand Opening Advertising[12]	$5,000 to $10,000	As Arranged	As Arranged	Vendors, Printers, Media, or Us
Insurance[13]	$7,000 to $25,000	As Arranged	As Arranged	Insurance Company
Training & Managers' Salary[14]	$19,000 to $54,000	As Arranged	As Incurred	Employees, Hotels, Airlines, Vendors, etc., Your Manager
Utility Deposits/ Licenses[15]	$3,000 to $5,000	Lump Sum	As Incurred	Utility Companies, Government Agencies
Legal and Accounting[16]	$5,000 to $30,000	As Arranged	As Incurred	Attorney, Accountant

YOUR ESTIMATED INITIAL INVESTMENT – "Express Bakery & Café" Prototype				
Type of Expenditure[(1)]	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Additional Funds – 3 months[(18)]	$15,000 to $140,000	As Arranged	As Incurred	Vendors, Suppliers, Employees, Utilities, Landlord, etc.
Total (excluding real estate)	**$448,250 to $856,360**			

EXPLANATORY NOTES – EXPRESS BAKERY & CAFÉ:

(1) Express Bakery & Cafés operate using a fast-casual format and offer limited menus and cooking platforms that rely on a large grab-and-go design for suburban, urban, or Non-Traditional Facilities where the focus of the menu is a grab-and-go format. The estimates for Express Bakery & Cafés are based on our bids for the equipment, buildout, and construction of spaces of approximately 986 to 2,327 square feet.

(2) See Item 5 for details concerning the Initial Franchise Fee. Depending on the location of the Express Bakery & Café, you may be required to sign our Non-Traditional Addendum, which would reduce the Initial Franchise Fee from $40,000 to $20,000.

(3) We expect that Express Bakery & Cafés will vary in size between 600 and 2,500 square feet. The cost of leasing a suitable site varies widely depending on the size, type, and location of the Express Bakery & Café and the local real estate market.

(4) This range is representative of architectural design fees and building permit cost only and is only an average estimate. Additional construction fees such as tap/pro-rata fees, the costs of which are distributed to participants based on the authority of each city for items such as water and sewer usage fees, meter fees, environmental impact fees, electrical service fees, utility deposit fees, etc. and liquor license fees are not included. These costs vary too widely to provide an accurate range. You should contact your state and local governmental agencies to inquire as to the amount and requirements of these items. You must comply with federal, state, and local licensing requirements for the sale of alcoholic beverages and for the operation, if any, of gaming and lottery equipment. This range applies only to the average locality; however, some areas operate under a quota system for permits and the costs associated with obtaining a license in these areas can be extremely expensive and time-consuming. Other permits may be required before you may open the Express Bakery & Café.

(5) The estimate for an Express Bakery & Café developed in a host facility is based on an Express Bakery & Café developed in a Walmart facility with the premises delivered in "vanilla box" condition (that is, primed drywall ready to be painted, but without improvements). Typical improvements required include floor covering, wall covering, electrical modifications, partitions, installation of heating and cooling systems, painting, lighting, and other components typical of our trade dress. Unless we waive the requirement, you must engage an architect from our approved list to prepare preliminary

and final architectural drawings and specifications for your Express Bakery & Cafés. In addition, if the Bakery & Café is one of your first two la Madeleine Bakery & Cafés, you must use a general contractor from our approved list or receive our written approval of your general contractor. After your second Bakery & Café is built and operational, you can choose your own architect and general contractor, but we must approve the final drawings and specifications before you begin the permitting process. Your lessor may offer, or you may be able to negotiate, a tenant improvement allowance to reduce your cost of site improvements. Costs are likely to vary and to be much higher if the host facility is in an area or building where special requirements of any kind will apply (such as historical or architectural preservation). Costs are likely to vary and be much higher in urban settings or where the lessor provides premises in as-is condition. If you choose or are required to add specific design elements, these costs may increase beyond the estimate.

(6) This estimate includes both exterior and interior signage. The cost varies depending on the size and location of the signs.

(7) This estimate includes the equipment typically needed for an Express Bakery & Café, including foodservice equipment and smallwares. This estimate includes the cost of walk-in coolers, freezers, and HVAC equipment, which are required when operating an Express Bakery & Café with an average cost of $80,000 to $120,000.

(8) This estimate includes the Technology Suite (including Managed Infrastructure, NCR Aloha Point of Sale and Kitchen Display System Platform, Digital Menu Board, FreedomPay Credit Card Payment Platform, CrunchTime Back Office Platform, Transact BOHA Technologies, and the Digital Platform, including Loyalty, Mobile App, Online & Mobile Ordering, Catering and Delivery). An Express Bakery & Café located at a Non-Traditional Facility is not currently required to purchase the Technology Suite if the host facility has an equivalent technology suite, although we may require that Express Bakery & Café to use our required technology suite in the future. If the host facility does not have an equivalent technology suite, we may require the Express Bakery & Café to purchase the Technology Suite. If you are required to purchase the Technology Suite, this estimate does not include tax and freight of the equipment.

(9) If the Express Bakery & Café operates at a Non-Traditional Facility, you are not required to enter into the ASA or pay the Initial Technology Administrative Fee listed above if the facility has a technology suite equivalent to the Technology Suite, although we may require the Express Bakery & Café to use our required technology suite in the future. If the Non-Traditional Facility does not have an equivalent technology suite, we may require the Express Bakery & Café to purchase the Technology Suite and pay the Initial Technology Administrative Fee listed above.

(10) This estimate is to allow for atypical site conditions or restrictions that you may encounter in a facility.

(11) This estimate is for inventory and supplies in quantities typically sufficient for the first week of operation of an Express Bakery & Café.

(12) You must conduct a grand opening of your Express Bakery & Café during the period beginning no less than 45 days before and ending 90 days after opening. If you operate the Express Bakery & Café from a Non-Traditional Facility, the minimum grand opening expenditure is reduced from $10,000 to $5,000.

(13) This estimate is for the first year's premiums for insurance meeting our current requirements. Insurance costs will vary depending upon the size and location of the Express Bakery & Café, your claims history, and other factors. See Item 8 for further information about your obligations with respect to insurance.

(14) Within 30 days before your Express Bakery & Café opens for business, you (or your approved Lead Operator), your general manager, and up to three other management personnel must complete our management training program to our satisfaction. This is an estimate of the cost of your and your trainees' lodging, meals, travel expenses, wages, and uniforms and includes an estimate for the Managers' salary during training and before opening your Express Bakery & Café. Please see Item 11 for further details on training.

(15) Some utility companies may require you to provide deposits or pay installation charges for utility services, including electrical, gas, water, sanitation, and telephone service. Local, municipal, county, and state regulation may require that you obtain licenses and permits to operate.

(16) You may also wish to use an attorney to assist you in lease negotiations and/or to form an entity to own the franchise. This item is the estimated cost of basic legal and accounting services.

(17) This is an estimate of the additional funds you will need during the initial period of operation, which we define as three months from the opening of the Express Bakery & Café. The estimate includes items such as rent, payroll costs, food costs, utilities, licenses, and permits. The estimate does not include royalties, Brand Fund contributions, or any compensation that you may choose to pay yourself. We relied on the experience of our operating company affiliates in formulating the estimate of additional funds.

YOUR ESTIMATED INITIAL INVESTMENT – Refranchised Full Bakery & Café				
Type of Expenditure(1)	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Purchase Price(2)	$400,000 to $1,000,000	Lump Sum	Upon signing the Asset Purchase Agreement	Us
Earnest Money(3)	$20,000 to $50,000	Lump Sum	Upon signing the Asset Purchase Agreement	Us
Initial Franchise Fee(4)	$40,000	Lump sum	Upon signing the Franchise Agreement	Us
Real Property(5)	Variable	Variable		Lessor
Leasehold Remodeling Improvements(6)	$350,000 to $850,000	As Arranged	As Incurred	Contractors and Vendors
Insurance(7)	$7,000 to $25,000	As Arranged	As Arranged	Insurance Company
Utility Deposits/ Licenses(8)	$3,000 to $5,000	Lump Sum	As Incurred	Utility Companies, Government Agencies

YOUR ESTIMATED INITIAL INVESTMENT – Refranchised Full Bakery & Café				
Type of Expenditure[1]	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Purchase Price[2]	$400,000 to $1,000,000	Lump Sum	Upon signing the Asset Purchase Agreement	Us
Earnest Money[3]	$20,000 to $50,000	Lump Sum	Upon signing the Asset Purchase Agreement	Us
Legal and Accounting[9]	$5,000 to $30,000	As Arranged	As Incurred	Attorney, Accountant
Training & Managers' Salary[10]	$19,000 to $54,000	As Arranged	As Incurred	Hotels, Airlines, Vendors, etc., Your Manager
Additional Funds – 3 months[11]	$15,000 to $200,000	As Arranged	As Incurred	Vendors, Suppliers, Labor, Utilities, Landlord, etc.
Total (excluding real estate)	**$859,000 to $2,254,000**			

EXPLANATORY NOTES – REFRANCHISED FULL BAKERY & CAFÉ:

(1) These estimates presume that you acquire one company-owned Full Bakery & Café from our affiliate.

(2) The estimated purchase price that you agree to pay may include a component for goodwill and/or going concern value. The asset purchase agreement price includes the associated equipment, point of sale terminals/tablets, menu boards, loop, headsets and other related hardware, foodservice equipment and smallwares. Additionally, the technology suite (including Managed Infrastructure, NCR Aloha Point of Sale and Kitchen Display System Platform, Digital Menu Boards, FreedomPay Credit Card Payment Platform, CrunchTime Back Office Platform, Transact BOHA Technologies, including Loyalty, Mobile App, Online & Mobile Ordering, Catering and Delivery), inventory and supplies, and petty cash at the Full Bakery & Café is included. The estimated purchase price will vary depending on a variety of factors, including the location and size of the Full Bakery & Café, the age and condition of the equipment and fixtures, the local market conditions and competition, and required renovations and/or upgrades.

(3) Earnest Money, which is typically included in the purchase price of the Full Bakery & Café, is detailed separately on the table above and is non-refundable.

(4) See Item 5 for details concerning the Initial Franchise Fee and the portions of the Development Fee credited toward Initial Franchise Fees, if applicable. This amount is usually included in the purchase price of the Full Bakery & Café, but has been detailed separately in the table above.

(5) Location leases for the Full Bakery & Café, which will vary in size between 2,500 to 4,000 square feet, generally for a facility located in a suburban mall, strip center, or mixed-use development. The cost of purchasing or leasing and developing a suitable site varies widely depending on the size, type, and location of the Full Bakery & Café and the local real estate market.

(6) As noted in Item 1, you may be required to remodel the acquired Full Bakery & Café as a condition of the acquisition. Typical improvements required include floor covering, wall covering, electrical modifications, partitions, installation of heating and cooling systems, painting, lighting, and other components typical of our trade dress. If the Bakery & Café is one of your first two la Madeleine Bakery & Cafés, you must engage an architect from our approved list to prepare preliminary and final architectural drawings and specifications for your Bakery & Cafés consistent with our representative plans for a Bakery & Café. In addition, if the Bakery & Café is one of your first two la Madeleine Bakery & Cafés, you must use a general contractor from our approved list or receive our written approval of your general contractor. We require that you employ or engage the services of a Project Manager consultant to help you through the construction process. If the Bakery & Café is your third or subsequent Bakery & Café that you own and operate, you can choose your own architect and general contractor, but we must approve the final drawings and specifications before you begin the permitting process. Your lessor may offer, or you may be able to negotiate, a tenant improvement allowance to reduce your cost of site improvements; our estimate reflects the past allowances for certain company-owned Full Bakery & Cafés, which averaged $35 to $75 per square foot or $140,000 to $300,000 based on 4,000 square feet. Costs are likely to vary and to be much higher if you wish to establish your Full Bakery & Café in an area or building where special requirements of any kind will apply (such as historical or architectural preservation). Costs are likely to vary and be much higher in urban settings or if you choose or are required to add specific design elements, these costs may increase beyond the estimate.

(7) This estimate is for the first year's premiums for insurance meeting our current requirements. Insurance costs will vary depending upon the size and location of the Full Bakery & Café, your claims history, and other factors. See Item 8 for further information about your obligations with respect to insurance.

(8) Some utility companies may require you to provide deposits or pay installation charges for utility services, including electrical, gas, water, sanitation, and telephone service. Local, municipal, county, and state regulation may require that you obtain licenses and permits to operate.

(9) You may also wish to use an attorney to assist you in lease negotiations and/or to form an entity to own the franchise. This is the estimated cost of basic legal and accounting services.

(10) If the Bakery & Café is your first la Madeleine Bakery & Café, then within 30 days before the Bakery & Café opens for business, you (or your approved Lead Operator), your general manager, and up to three other management personnel must complete our

management training program to our satisfaction. This is an estimate of the cost of your and your trainees' lodging, meals, travel expenses, wages, and uniforms and includes an estimate for the Managers' salary during training and before opening your Bakery & Café. Please see Item 11 for further details on training.

(11) This is an estimate of the additional funds you will need during the initial period of operation, which we define as three months from the purchase date of the Full Bakery & Café. The estimate includes items such as rent, payroll costs, food costs, utilities, licenses and permits. The estimate does not include royalties, Brand Fund contributions, or any compensation that you may choose to pay yourself. We relied on the experience of our affiliates in formulating the estimate of additional funds.

YOUR ESTIMATED INITIAL INVESTMENT – Development Agreement				
Type of Expenditure	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Development Fee(1)	$60,000 to $315,000	Lump sum	Upon signing the Development Agreement	Us
Estimated Initial Investment for First Bakery & Café (excluding real estate) (2)	$428,250 to $2,214,160			
Total (excluding real estate) (3)	**$488,250 to $2,529,160**			

EXPLANATORY NOTES – DEVELOPMENT AGREEMENT:

(1) The Development Fee for each la Madeleine Bakery & Café varies depending on the number of Bakery & Cafés you commit to open, as described in Item 5. The low end of the range assumes you agree to develop 2 Bakery & Cafés and the high end of the range assumes you agree to develop 20 Bakery & Cafés.

(2) This estimate reflects the low-end investment for an Express Bakery & Café and the high-end estimate for a Full Bakery & Café, minus the Initial Franchise Fee for the first Bakery & Café (which is included in the Development Fee). For each Bakery & Café that you develop under an Area Development Agreement, you will execute a Franchise Agreement and incur the initial investment expenses for the development of a single la Madeleine Bakery & Café as described in the first two tables of this Item 7. Your initial investment for your second and subsequent Bakery & Café likely will be higher than the estimates listed in the table for your first Bakery & Café due to inflation and other economic factors that may vary over time.

(3) Before signing the Development Agreement, you may incur additional legal, accounting and other fees for reviewing the Development Agreement. These costs are not included in the table above.

* * *

The amounts noted in Item 7 as payable to us are not refundable.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate and maintain the Bakery & Café in strict conformance with the methods, standards, and specifications that we prescribe periodically in the Manuals or otherwise in writing. We have the right to require that all current and future food and beverage items, ingredients, supplies, equipment, furnishings, smallwares, wall art, décor items, merchandise, promotional items, information technology services, third-party audits for food quality and safety, credit card processing services, and other products and services that you purchase for operation of or sale in the Bakery & Café: (a) meet specifications that we establish from time to time; (b) be purchased only from suppliers that we have expressly approved; and/or (c) be purchased only from a designated supplier (which may be us or an affiliate or a buying cooperative that we organize). To the extent that we have established specifications, require approval of suppliers, and require you to use our named designated suppliers for particular items, we will provide the requirements to you in writing. If we elect to name ourselves or an affiliate as the designated supplier for a particular item, you must purchase all of your requirements of the item from us or the affiliate. As of the issuance date of this disclosure document, except for LDAMC, Bridor, and GCI as described below, neither we nor any of our affiliates is an approved supplier of any products or services to our franchisees. If we do not require you to use a designated supplier or approved supplier for a particular item, you may purchase the item from any vendor you choose, so long as your purchases conform to our standards and specifications.

Foodservice Distributors. You must use the foodservice distributors we periodically designate for most of your food, produce, and supplies.

Smallwares Distributor. You must use the smallwares distributor we periodically designate for all of your smallwares, including any and all proprietary smallwares and disposables.

Proprietary Food Items. Certain food and beverage items in the Bakery & Café are proprietary. We may develop other proprietary food items in the future besides those described below. If we do so, you must begin purchasing and using only the proprietary items, even if you have previously purchased similar items from another source, to protect the proprietary recipes and manufacturing methods and to ensure the quality, uniformity, and distinctiveness of our product offerings. As of the date of this disclosure document, our proprietary food items are:

Bread Products. You must obtain all of your bread products from a supplier that we approve. Our affiliate, Bridor, is one of the approved suppliers of bread products.

Soups, Jams and Salad Dressings. You must purchase all soups, jams, and salad dressings from a supplier we approve. As of the date of this disclosure document, our affiliate, GCI, is the only approved supplier of these products.

Coffee. You must purchase all coffee and espresso from a supplier we designate and/or approve.

Pastries and Viennoisserie. You must purchase pastries and viennoisserie items from a supplier we approve. We currently divide the production of these items between multiple vendors. Our affiliate, Bridor, is one of the approved suppliers of bread products.

Soft Drinks and Bottled Beverages. You must purchase all fountain-based beverages, soft drinks, and bottled beverages from our designated supplier.

Lease. If you lease the site for the Bakery & Café, you must submit the proposed lease to us for approval before you sign it. We will require the landlord to sign an agreement with us providing us certain rights. A template of this agreement is attached to the Development Agreement as Exhibit E. See Item 11 under the heading "Site Selection" for more details. If you or an affiliate owns the site for the Bakery & Café, you must execute a written lease agreement and execute Exhibit E.

Design and Construction. If this Bakery & Café is the first or second la Madeleine Bakery & Café you own and operate, you must engage an architect from our approved list to prepare preliminary and final architectural drawings and specifications for the Bakery & Café consistent with our representative plans for a la Madeleine Bakery & Café. In addition, if the Bakery & Café is the first or second la Madeleine Bakery & Café, you must use a general contractor from our approved list or receive our written approval of your general contractor. If the Bakery & Café is the third or subsequent Bakery & Café you own and operate, you can choose your own architect and general contractor, but we must approve the final drawings and specifications before you begin the permitting process.

Equipment and Fixtures. We have identified specific brands and preferred suppliers for all of the foodservice equipment and fixture items required for a la Madeleine Bakery & Café. If the Bakery & Café is your first or second la Madeleine Bakery & Café you own and operate, we require you to purchase equipment through an approved consolidator. If the Bakery & Café is your third or any subsequent la Madeleine Bakery & Café, and we do not require you to use a consolidator, you may purchase the recommended brands from any wholesaler or distributor that we have approved.

Technology Suite and Help Desk. You must purchase and install the Technology Suite that we specify for la Madeleine Bakery & Cafés only from our designated vendors. For a new la Madeleine Bakery & Café opening, the contents of the Technology Suite that you must purchase will be determined at the time you order the systems. If the Bakery & Café is a new la Madeleine Bakery & Café, you must purchase and install our Technology Suite before opening the Bakery & Café. If the Bakery & Café is an existing Full Bakery & Café you acquire from our affiliate under the refranchising program, you must purchase and install our Technology Suite within an agreed time after the transaction closes. LDAMC provides specific requirements for technology solutions to all of the affiliated brands identified in Item 1 in order to achieve scale for volume discounts and to centralize implementation, optimize support and administration.

You must sign the ASA with LDAMC for technology support services for the Technology Suite. If new components of the Technology Suite are implemented in the future, LDAMC may terminate the ASA and require you to sign an amendment or new agreement for the new solutions and services.

The requirements above will not apply to an Express Bakery & Café if it operates at a Non-Traditional Facility, unless the host facility does not have a technology suite equivalent to the Technology Suite, although we may require the Express Bakery & Café to use our required technology suite in the future. If the host facility does not have an equivalent technology suite, we may require the Express Bakery & Café to purchase the Technology Suite and sign the ASA.

Gift Card Processing. You must use a designated vendor for gift card processing.

Wi-Fi Network. You must provide complimentary Wi-Fi access for customers at the Bakery & Café. The Wi-Fi network is part of the LDAMC managed infrastructure suite. You must obtain Wi-Fi from the vendor we designate.

Background Music. You must use a designated media system for your background music, and you may only broadcast soundtracks that we have approved for use in the Bakery & Café. We will evaluate audio specifications for new la Madeleine Bakery & Cafés on a case-by-case basis, but each must provide an experience that is substantially similar to sound levels in our affiliates' existing restaurants.

Insurance. At a minimum, you must maintain, at your sole expense, general liability insurance against all types of liability, including bodily injury, property damage, advertising and personal injury coverage, and products/completed operations coverage, ($1,000,000 per occurrence with general aggregate of $2,000,000). This includes medical payments coverage that must have a per occurrence liability limit of $5,000 per la Madeleine Bakery & Café location. You must also maintain crime and employee dishonesty insurance (minimum per occurrence of $10,000 per la Madeleine Bakery & Café for crime-related portion and $50,000 per la Madeleine Bakery & Café for the employee dishonesty-related portion). As more fully described in the Manuals provided to you, you must also comply with statutory workman's compensation insurance, and any other compulsory employer-employee deductions, and will, upon request, provide evidence of the same. You must also maintain automobile liability insurance at a single limit of not less than $1,000,000. If you sell alcoholic beverages from the Bakery & Café, you must obtain liquor liability insurance in the amount of $1,000,000 per occurrence per la Madeleine Bakery & Café. You must also obtain an umbrella policy with minimum limits of $1,000,000 per occurrence and an aggregate limit of $1,000,000 per la Madeleine Bakery & Café. You must also obtain employment practices liability insurance at a single limit of not less than $1,000,000. You must also maintain data privacy/cyber liability insurance, including first-party coverage (forensics, investigation, notification, credit monitoring, loss of business income, crisis management) and third-party coverage, with coverage limits of no less than $1,000,000 per occurrence. We and our affiliates must be named as additional insureds under your policies. You must also carry sufficient other insurance to maintain the continuity of the Bakery & Café and protect our and our affiliates' interests including the building, leasehold improvements, inventory, equipment and business interruption. You must submit proof of insurance to us at the start of each renewal period and on any request by us.

We may increase the amounts of coverage required and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, new risks, changes in the law or standards of liability, higher damage awards or other relevant changes in circumstances. All public liability and property damage policies must contain a waiver by the insurance company of subrogation rights against us and our affiliates, officers, directors, owners, employees, successors and assigns. If you fail to maintain the required coverage, we may obtain insurance on your behalf. If we do so, you must reimburse us for the cost of insurance, plus a

reasonable fee for our services. All insurance policies must be written by an insurance carrier or insurance carriers with a Best's Insurance Guide rating of "A" or better.

Guest Satisfaction Program. You must offer a guest satisfaction survey on your guest receipts and catering invoices. The current program, which we may change with reasonable notice, is administered by Service Management Group, a vendor based in Kansas City, Missouri. The program offers one free pastry per guest who completes the retail survey and $10 credit per client who completes the catering survey. SMG is not one of our affiliates.

Accounting Services. Your annual financial statements must be reviewed by an independent certified public accountant. We do not designate or approve suppliers of accounting services.

Quality Assurance Audits. You must submit to culinary, administrative, quality of operations, and sanitation audits and safety inspections by us and third-party auditors that we may select, if applicable. We and our third-party auditors may, at any time, access the Bakery & Café for the purpose of assessing compliance with our standards, specifications, requirements and instructions or for any other reason. We will attempt to minimize any disruptions to the operation of the Bakery & Café during these audits. We may change the vendor and the inspection schedule at any time. This is in addition to our own right to inspect the premises and operations at any time. We or our designee may re-inspect your Bakery & Café to confirm that all deficiencies have been corrected.

Pest Control and Cleaning Chemicals. You must contract for monthly interior and exterior pest service by a certified (licensed and bonded) company and purchase all cleaning chemicals in your restaurant from our approved vendor, which is currently Ecolab (not an affiliate).

Supplier Approval Process

If we require you to use an approved supplier or distributor for a particular item, but you wish to purchase the item from a source that we have not approved, you may submit a written request for approval of the supplier or distributor, unless it is an item for which we have designated a specific vendor. We will furnish a copy of the relevant standards and specifications to the proposed supplier, provided that the proposed supplier signs a confidentiality agreement. To obtain approval, proposed suppliers must demonstrate the ability to meet our standards and must possess adequate quality controls and capacity to supply your needs promptly and reliably. However, we have no obligation to approve any specific supplier or any minimum number of suppliers for any item, and any proposed supplier relationship must not jeopardize the availability of any special pricing or other benefits offered by existing suppliers based on system-wide purchases. We may require you to reimburse us for our costs of reviewing a proposed supplier, which you must pay whether or not we approve the supplier. We may require that the proposed supplier allow our representatives to inspect the supplier's facilities.

We generally will give you written notice of approval or disapproval of the proposed supplier within 90 days after receiving your request and completion of evaluation and testing, if required. You may not sell or offer for sale any products or services of the proposed supplier until you receive our written approval.

We may revoke approval of particular vendors if we determine that the vendor or its products or services no longer meet our standards. Upon receipt of written notice of revocation, you must stop buying from the disapproved vendor. In addition, if we revoke our approval of the

products because they fail to meet our standards, you may be required not to use your remaining inventory of those products.

Revenue from Required Purchases

Our affiliate, LDAMC, will derive revenue from (i) service fees paid by franchisees for technology support services under the ASA, and (ii) payments made by franchisees to reimburse LDAMC for fees LDAMC pays directly to the vendors of the Technology Suite.

For the fiscal year ending December 30, 2025, LDAMC received (i) $217,225 from required service fees for technology support services under the ASA, and (ii) $304,159 from franchisees' reimbursements for ongoing costs charged by vendors of the Technology Suite. LDAMC collected the payments referenced in (ii) as a pass through for suppliers of the Technology Suite and did not earn a profit.

Our affiliates, Bridor and GCI, derive revenue from the sale of food products to our national foodservice distributor for resale to franchisees. Franchisees pay the same freight on board ("FOB") price and delivered price into distribution for Bridor and GCI products as the company-owned la Madeleine Bakery & Cafés pay. For the fiscal year ending December 30, 2025, our affiliate Bridor had revenue of $2,611,290, and our affiliate GCI had revenue of $5,227,209, in each case from franchisees' required purchases of goods and services. Our affiliates received this revenue either directly from franchisees or from third party suppliers.

We and our affiliates have negotiated FOB and delivered pricing into distribution on a majority of our core and peripheral items. Our franchisees can participate in these programs on the same basis as company-owned locations.

We and/or our affiliates may derive revenue based on your purchases and leases, including from charging you for products and services that we or our affiliates provide to you and from promotional allowances, volume discounts and other payments made to us by suppliers and/or distributors that we designate or approve for some or all of our franchisees. We and our affiliates may use all amounts received from suppliers and/or distributors, whether or not based on your or other franchisees' actual or prospective dealings with them, without restriction for any purposes we or our affiliates deem appropriate. Certain approved suppliers currently or may in the future pay to us and/or an affiliate compensation or otherwise provide us and/or an affiliate with sales incentives or rebates in amounts based on our franchisees' purchases. Currently, approved suppliers pay us and our affiliates sales incentives and payments for food and beverage items as either (i) a flat amount per pound, gallon or case (or other specified measure) purchased by franchisees or (ii) a flat amount based on increases to sales volume percentages of the suppliers' total sales to our franchisees.

During the 2025 fiscal year, we received a total of $289,018 (2.9% of our overall revenue of $10,002,128) in contributions from these vendors, which we allocated to our annual leadership conference, as well as other conferences and meetings attended by franchisees.

None of our officers owns an interest in any supplier.

We estimate that 90% to 100% of your total purchases and leases in establishing the Bakery & Café and 65% to 80% of your total purchases and leases in operating the Bakery & Café will be subject to at least one of the restrictions described in this item.

As of the date of this disclosure document, there are no purchasing cooperatives or distribution cooperatives in our franchise system. We do not provide material benefits to franchisees based on their purchases of particular products or services or 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	Section 4 of Franchise Agreement; Section 4 of Development Agreement	Items 5, 7, 8, 11 and 12
b. Pre-opening purchases/ leases	Sections 7 and 9 of Franchise Agreement	Items 5, 7, 8, 11 and 12
c. Site development and other pre-opening requirements	Sections 4, 7, 9 and 15 of Franchise Agreement	Items 5, 6, 7, 8, 11 and 12
d. Initial and ongoing training	Section 5 of Development Agreement; Section 8 of Franchise Agreement; Paragraph 8 of Refranchising Addendum	Items 6, 7 and 11
e. Opening	Section 7 of Franchise Agreement; Paragraphs 4, 7 and 11 of Refranchising Addendum	Item 11
f. Fees	Sections 3 and 8 of Development Agreement; Sections 3, 6, 14, and 16 of Franchise Agreement; Paragraphs 5 and 6 of Refranchising Addendum; and Paragraph C(2), C(3), and C(6) of the Non-Traditional Addendum	Items 5, 6 and 7
g. Compliance with standards and policies/Operating Manuals	Section 6 of Development Agreement; Sections 9, 10 and 11 of Franchise Agreement	Items 11 and 14
h. Trademarks and proprietary information	Sections 10, 11 and 12 of Franchise Agreement; Paragraphs 3 and 9 of Refranchising Addendum	Items 13 and 14
i. Restrictions on products/ services offered	Section 9 of Franchise Agreement	Items 8 and 16
j. Warranty and guest service requirements	Section 9 of Franchise Agreement	Not applicable
k. Territorial development and sales quotas	Section 1 and Exhibits A and B of Development Agreement	Item 1 and 12

Obligation	Section in Agreement	Disclosure document item
l. Ongoing product/service purchases	Section 9 of Franchise Agreement	Items 6, 7 and 8
m. Maintenance, appearance and remodeling requirements	Sections 3 and 9 of Franchise Agreement; Paragraph 12 of Refranchising Addendum	Item 11
n. Insurance	Section 15 of Franchise Agreement	Items 6, 7 and 8
o. Advertising	Section 14 of Franchise Agreement; Paragraph 10 of Refranchising Addendum; Paragraph C(5) of the Non-Traditional Addendum	Items 6 and 11
p. Indemnification	Section 15 of Development Agreement; Section 23 of Franchise Agreement	Item 6
q. Owner's participation/ management/staffing	Section 12 of Development Agreement; Sections 9 and 20 and Exhibit A of Franchise Agreement	Items 11 and 15
r. Records and reports	Sections 9 and 13 of Franchise Agreement	Item 6
s. Inspections and audits	Sections 9 and 13 of Franchise Agreement	Items 6 and 11
t. Transfer	Section 8 of Development Agreement; Section 16 of Franchise Agreement; Section C(6) of the Non-Traditional Addendum	Item 17
u. Renewal	Section 3 of Franchise Agreement; Section C(2) of the Non-Traditional Addendum	Item 17
v. Post-termination obligations	Sections 10 and 12 of Development Agreement; Sections 12, 18 and 19 of Franchise Agreement	Item 17
w. Non-competition covenants	Sections 10 and 11 of Development Agreement; Section 19 of Franchise Agreement	Item 17
x. Dispute resolution	Section 20 of Development Agreement; Sections 27, 28 and 29 of Franchise Agreement	Item 17
y. Other – Personal Guarantee	Exhibit D of the Development Agreement; Exhibit B to Franchise Agreement	Item 15

ITEM 10
FINANCING

We do not offer direct or indirect financing to franchisees. We will not guarantee your promissory note, lease, or other obligation.

ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, MANUALS AND TRAINING

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

Pre-Opening Obligations

Before your first Bakery & Café opens, we will:

a) Provide site selection guidelines and criteria. (Section 4 of the Development Agreement; Section 4 of the Franchise Agreement)

b) Review sites you propose for the Bakery & Café, as described in more detail below. (Section 4 of the Development Agreement; Section 4 of the Franchise Agreement)

c) Provide on-site evaluations, if we deem them advisable, in response to your request for our acceptance of a proposed site. (Section 4.2.2 of the Franchise Agreement)

d) Provide one set of our prototypical plans for the construction and layout of a la Madeleine Bakery & Café. (Section 5.1 of the Franchise Agreement)

e) Review your complete set of preliminary and final drawings and specifications, and notify you of our approval or rejection of them. (Section 7.1 of the Franchise Agreement)

f) Provide access to the Manuals for the term of the Agreement. (Section 5.2 of the Franchise Agreement)

g) As discussed in Item 8, identify the food and beverage products, ingredients, packaging materials, menus, signs, fixtures, Technology Suite, equipment, furniture, supplies, opening inventory, smallwares, wall art, décor items, and other products and services that you must use to develop and operate the Bakery & Café, the minimum standards and specifications that you must satisfy, and the designated and approved suppliers from whom you must or may buy or lease these items (which may be limited to and/or include us, our affiliates, and/or other specified exclusive sources). We do not provide equipment, signs, fixtures, opening inventory or supplies to you directly, nor do we deliver or install these items on your behalf, but we may do so in the future. (Sections 7.3, 9.1 and 9.5 – 9.9 of the Franchise Agreement)

h) Provide la Madeleine Bakery & Café Management Training. See below under "Training." (Sections 5.3 and 8 of the Franchise Agreement). In addition, for an Express Bakery & Café located at a Non-Traditional Facility, upon reasonable request, we will provide a reasonable amount of training or assistance to additional personnel at your sole cost and expense. (Section 4 of the Non-Traditional Addendum)

i) If the Bakery & Café is one of the first 2 la Madeleine Bakery & Cafés you develop, provide our then-current on-site opening assistance, which typically lasts 2 weeks at each Bakery & Café. For an Express Café at a Non-Traditional Facility, however, we will provide on-site support for a period of one week before the grand opening. Thereafter, we will provide pre-opening and opening supervision and assistance as we deem advisable. (Section 5.4 of the Franchise Agreement). We will not, however, provide opening assistance with respect to any company-owned la Madeleine Bakery & Cafés you purchase from our affiliate because the Bakery & Café will be in operation at the time you sign the Franchise Agreement.

We will have no pre-opening obligations with respect to any company-owned Bakery & Cafés you purchase from our affiliates, because the Bakery & Café will be in operation at the time you sign the Franchise Agreement. If we decide it is necessary, we will provide you with initial training within 30 days after you begin operating the Bakery & Café.

Continuing Obligations

After the Bakery & Café opens, we will:

a) Administer the Brand Marketing Fund, as described below in this Item 11 in the section entitled "Advertising." (Section 14.3 of the Franchise Agreement; Section 5 of the Non-Traditional Addendum)

b) Make available to you for purchase any advertising and promotional materials or support that we may produce independently from the Brand Marketing Fund. (Section 5.6 of the Franchise Agreement)

c) Provide advice and written materials concerning techniques of managing and operating the Bakery & Café. (Section 5.7 of the Franchise Agreement)

d) At your request, review any proposed supplier to determine whether the supplier and its products or services meet our standards. (Section 9.7 of the Franchise Agreement)

e) Defend you against any claim that your use of the Proprietary Marks (as defined in Item 13) or the Works (as defined in Item 14) infringes the rights of third parties. (Section 10.5 of the Franchise Agreement)

Site Selection

The procedure for securing a location for the Bakery & Café is outlined in Section 4 of the Franchise Agreement and Section 4 of the Development Agreement. We do not generally own and lease the premises to you. Before acquiring a site by lease or purchase and within 60 days of signing the Franchise Agreement, you must submit any information that we reasonably request

to evaluate the proposed site. In order to accomplish this, you will provide us with information regarding your potential site, together with fully executed site control documentation, related addenda, a preliminary site plan, and a site investigation report (SIR). The criteria that we evaluate in the site approval process include visibility, traffic counts, traffic patterns, demographics, available parking, limitations on alcohol licensing, and local competition. We will provide the standard site selection assistance for the Bakery & Café. We may physically review your proposed sites and provide on-site evaluations, if we deem them advisable. Within 30 days after we receive all requested information for a proposed site, we will approve or reject the proposed site in writing. The site that we approve will be designated as the "Premises" in Exhibit A to the Franchise Agreement. If we reject your proposed site, we will encourage you to submit alternative site(s). We may terminate the Franchise Agreement if you fail to locate, and submit for our approval, a lease for the premises within the time periods described above. Except as stated above, there is no time period in which you must locate a site under the Franchise Agreement.

At your own expense, you must identify and obtain a site for each new Bakery & Café developed under a Development Agreement. Before acquiring a site by lease or purchase, you must submit to us information and materials about the proposed site including the lease and the lease terms, the landlord's contact information, the land acquisition terms, demographic criteria and preliminary site plans showing building orientation, pad size, parking layout and other information, as we request to evaluate the site. Information for each Bakery & Café and the request for approval should be submitted to us by the date listed in the Development Schedule. Within 30 days after we receive all requested information and materials, we will approve or reject the proposed site.

If we approve the proposed site, after we receive all of the required information from you necessary to prepare the Franchise Agreement, including the physical address of the site, we will issue the Franchise Agreement and the site will be known as the "Premises" referred to in the Franchise Agreement. You must return the executed Franchise Agreement, along with a completed set of all required exhibit documents, within 30 days of your receipt of the Franchise Agreement or we can withdraw our approval of the site. The terms of the Franchise Agreement will govern the development, build-out and opening of the Bakery & Café. We will use our then-current standards for sites when evaluating a proposed site for the Bakery & Café, including the Protected Area (as defined in Item 12) for the Bakery & Café.

Any binding commitment to purchase or lease the site must be made contingent upon our approval of the site and the preliminary site drawings. You must submit a copy of the proposed lease or purchase agreement for the site to us for approval. If applicable, you must also obtain a fully executed current version of the Agreement Regarding Leased Location by Tenant/Franchisee (see Attachment G to the Franchise Agreement) and submit a copy of the fully signed lease and an originally signed Agreement Regarding Leased Location by Tenant/Franchisee to us within 10 days after its execution (Franchise Agreement Section 4.4.). Failure to obtain and deliver to us an original fully signed Agreement Regarding Leased Location by Tenant/Franchisee may be treated by us as a default.

We will have no site selection obligations with respect to any company-owned la Madeleine Bakery & Café you purchase from our affiliate, because the Bakery & Café will be in operation at the time you sign the Franchise Agreement.

Construction

We will provide you with one set of our prototypical plans for the construction and layout of a la Madeleine Bakery & Café. Within 30 days after receipt of the complete set of drawings and specifications, we will review them and either approve or reject them. You cannot start the permitting process for the Bakery & Café until we have approved the drawings and specifications, and once they have been approved they cannot be changed without our written consent. You must construct the Bakery & Café and install all furniture, fixtures, equipment, and signs in accordance with the plans and specifications that we have approved. You are responsible for obtaining all zoning, operational, health, and any other necessary permits or licenses at your own expense.

Time to Opening

You must open the Bakery & Café within 16 months after signing the Franchise Agreement. The typical time for a new la Madeleine Bakery & Café to open is 16 months after we and you sign the Franchise Agreement. The actual time will vary depending on the availability of financing, the type of retail development in which the Bakery & Café is to be located, and the time you need to obtain the necessary permits and licenses for the construction and operation of the Bakery & Café. None of these factors are within our control.

Advertising

Other than administering the Brand Marketing Fund as described below, we do not have an obligation to conduct advertising on your behalf or to spend any amount on advertising in an area or territory where you or the Bakery & Café is located. As noted in Item 6, franchised la Madeleine Bakery & Cafés have a WAO (as defined in Item 6) in an amount not to exceed 4% of Gross Sales (1% of Gross Sales for franchised Express Bakery & Cafés operating at Non-Traditional Facilities). Subject to the limitations described below, we will allocate the WAO among: (i) contributions to the Brand Marketing Fund ("BMF"); (ii) expenditures for Local Store Marketing; and (iii) contributions to a Cooperative (no Cooperative currently exists). We can change the allocation upon reasonable notice to franchisees.

Brand Marketing Fund. The Brand Marketing Fund (including any earnings on unspent funds) will be used to maximize general public recognition, acceptance, and patronage of la Madeleine Bakery & Cafés. We are not obligated to make Brand Marketing Fund expenditures for you which are equivalent or proportional to your contribution, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Brand Marketing Fund.

As part of the WAO, franchisees must contribute up to 4% of Gross Sales to the Brand Marketing Fund. As of the date of this disclosure document, the required contribution is 2.25% of Gross Sales for Bakery & Cafés at Traditional Facilities. We may increase the percentage, but the required contribution will not exceed 4% of Gross Sales for Bakery & Cafés operating at Traditional Locations. In addition, for an Express Bakery & Café located at a Non-Traditional Facility, you must contribute the amount we periodically require, up to 1% of Gross Sales (currently 0%). Other franchisees on prior forms of franchise agreement may contribute to the Brand Marketing Fund at a different rate.

We may direct all advertising, media placement, marketing and public relations programs and activities financed by the Brand Marketing Fund, with final discretion over strategic direction, creative concepts, materials and endorsements used, and the geographic, market and media

placement and allocation. We may use the Brand Marketing Fund to pay various costs and expenses as we determine. We may use Brand Marketing Fund contributions to develop materials and programs that will be used principally to solicit new franchise sales. Part of the la Madeleine website is devoted to franchise sales. We expect to use less than 1% of Brand Marketing Fund for these purposes. We may change or dissolve the Brand Marketing Fund. Currently, we do not have an advertising council composed of franchisees.

Our affiliates that operate company-owned la Madeleine Bakery & Cafés contribute to the Brand Marketing Fund at the same rate as franchisees. We are not required to have the Brand Marketing Fund audited, and we do not currently plan to do so. We will provide you with an annual accounting of the receipts and disbursements of the Brand Marketing Fund if you request it in writing, but we are not required to provide an accounting as to amounts spent for any individual franchisee or la Madeleine Bakery & Café location. Funds not spent in the year contributed remain in the Brand Marketing Fund for use in subsequent years.

During the fiscal year that ended December 30, 2025, 10.1% of the expenditures from the Brand Marketing Fund were for production and brand fulfillment, 34.4% were for media, digital, social and loyalty, 13.8% were for administrative expenses, 7.2% were for research and innovation, 31.9% were for public relations and agency services, and 2.6% for other (gift card-related expenditures, marketing tools, and miscellaneous).

Local Store Marketing. As part of the WAO, franchisees must spend weekly an amount we require up to 2% of Gross Sales (currently, 1% of Gross Sales) for local advertising and promotion of the Bakery & Café ("Local Store Marketing" or "LSM") consistent with our requirements and exclusions. For an Express Bakery & Café located at a Non-Traditional Facility, you are not required to spend a minimum amount for Local Store Marketing. At our request, you must provide us supporting documentation evidencing your Local Marketing expenditures. We must approve all Local Store Marketing as described below.

Joint Marketing Programs and Cooperatives. We may establish: (1) co-marketing programs in which we and franchisees will join with suppliers or other third parties to cross-promote goods and services; (2) joint marketing efforts in which multiple franchisees contribute to a specific ad or event; and/or (3) local or regional marketing co-operatives ("Cooperatives") that pool funds of franchisees on an ongoing basis to jointly promote the Proprietary Marks and the la Madeleine Bakery & Cafés of the members. You must participate in each applicable joint marketing program and comply with the rules of the program. There are currently no Cooperatives or other joint marketing programs. However, we may require that local or regional advertising cooperatives be formed, changed dissolved or merged. The following provisions will apply to Cooperatives:

- We may designate any geographic area or set of common characteristics for purposes of establishing a Cooperative. If a Cooperative is applicable to the Full Bakery & Café, you must become a member and begin contributing (in addition to the Brand Marketing Fund contribution). You will not have to contribute to more than one Cooperative for the Bakery & Café at the same time. We (or our affiliates, as the case may be) will become a member of any Cooperative that is applicable to a la Madeleine Bakery & Café owned by us or our affiliates.

- Each Cooperative will adopt a cooperative agreement governing the organization and operation of the Cooperative, subject to our approval. If the members of the Cooperative do not sign an agreement within a reasonable time, you will sign our

recommended form of Cooperative Agreement. We may change the form of organization, governing documents, and manner of operation of any Cooperative. No changes in the bylaws or other governing documents of a Cooperative may be made without our prior written consent.

- Each Cooperative will be organized for the exclusive purpose of developing, administering, and executing advertising programs for the members of the Cooperative. No advertising or promotional plans or materials may be used by a Cooperative or furnished to its members without our prior approval as described below.

- You and each other member of the Cooperative must contribute weekly to the Cooperative all or a portion of the required Local Store Marketing expenditure, as determined by the membership. The required contribution will not exceed 2% of Gross Sales unless approved by a unanimous vote of eligible members of the Cooperative. Your obligation for Local Store Marketing will be reduced by the amount of your contributions to the Cooperative.

We may grant any franchisee an exemption for any length of time from the requirement of membership in a Cooperative, and/or from the obligation to contribute (including a reduction, deferral or waiver of the contribution), upon written request stating reasons that we deem sufficient to support the exemption. Our decision concerning any request for exemption will be final. If we grant an exemption to a franchisee, the franchisee will be required to spend on Local Store Marketing the amount the franchisee otherwise would have been required to contribute to the Cooperative.

Grand Opening. Franchisees must conduct grand opening marketing activities during the period beginning no less than 45 days before and ending 90 days after the Bakery & Café opens. You must spend a minimum of $10,000 ($5,000 for an Express Bakery & Café located at a Non-Traditional Facility) to conduct grand opening marketing activities. Brand Marketing Fund expenditures will not be allocated to grand openings. We may require you to deposit these funds with us so we may distribute them as necessary to conduct the grand opening marketing plan.

Approval Requirement. All advertising and promotion by you and by any Cooperative must be in the type of media and format that we approve, must be conducted in a dignified manner, and must conform to our standards and requirements. You or the Cooperative must submit written samples of all proposed advertising and promotional plans and materials for our approval at least 30 days before their intended use, unless the plans and materials were prepared by us or have been approved by us within the last twelve months.

Corporate Names, Proprietary Marks, Electronic Marketing and Electronic Communications. Unless we have agreed to it in writing, you may not use, register, maintain, or sponsor any URL, domain name, social networking platform, blog, messaging system, email account, username, corporate name, assumed name, text address, mobile application, loyalty program, or other electronic or non-electronic, mobile or Internet presence that uses or displays any of the Proprietary Marks (or any derivative or abbreviation thereof) or that promotes any products or services of the Bakery & Café. The use of any electronic medium constitutes advertising and promotion and is subject to our approval as described above and requires your compliance with our standards, protocols, and restrictions. In all cases, we will have sole discretion and control over any profile(s) using or relating to the Proprietary Marks, or that display the Proprietary Marks, that are maintained on social/digital media outlets.

Promotional Activities. You must, at your own cost, participate in and comply with the terms of special promotional events and activities that we prescribe for Bakery & Café franchisees generally or in specific geographic areas or for specific types of venues. If required by our agreement with a supplier, you may have to purchase a certain number of products from the supplier in connection with a promotion and you might not be able to use or sell all of the products.

Computer System and Cash Register Requirements

Other than as provided below, you must purchase and install in the Bakery & Café, at your own expense, the Technology Suite that we specify in writing from time to time. Our specifications may evolve over time and, in some cases, required items may only be available through us and/or designated suppliers.

The following systems comprise the current Technology Suite:

- Managed Infrastructure (network, internet, telecom, WIFI, Secure management firewall and network switch);
- Point of Sale (POS) and Kitchen Display System (KDS) Platform;
- Credit Card Payment Platform;
- Digital Menu Boards (interior and exterior drive-thru locations);
- Back Office System platform used for food and labor management, and fully-managed, standardized la Madeleine Bakery & Café level email;
- LDAMC's designated email system, including email addresses;
- Drive-thru required software and hardware;
- Digital Platform, including Loyalty, Mobile App, Online & Mobile Ordering, Catering, Carry-Out, Delivery and other integrated third-party software that will represent the la Madeleine menu to guests and take orders for entry into the on-site POS system (we will routinely review and may modify our selection of these solutions);
- Hardware Depot Maintenance Support Services; and
- La Madeleine Technology Support Services, which includes comprehensive technical support with the LDAMC IT Help Desk Team.

The Technology Suite collects transaction data used to generate pertinent information, including transaction counts, product mix, and average check. You must transmit data to us at the times we specify and give us independent access to your systems (and provide us with any usernames and passwords necessary for that purpose). There are no contractual limitations on our ability to access the information and data contained in your systems. We and our affiliates may retain the information and use it internally without restriction. We also may share it with other franchisees, our investors, lenders, and suppliers.

The estimated cost of the Technology Suite is $43,800 to $107,800 per Bakery & Café for software, hardware, configuration, installation, and cabling of the POS, KDS, back office, drive-thru and payment systems. We estimate recurring fees for each system to be $2,500 per month. LDAMC requires that you pay these recurring fees for the Technology Suite directly to the vendors of the Technology Suite where direct billing and/or ACH payments are available. If a vendor does not allow for direct billing and/or ACH payments or otherwise charges LDAMC an ongoing fee, LDAMC will pay that vendor on your behalf and you must reimburse LDAMC for those amounts. These fees include hosting, maintenance, administration, hardware lease (for the managed network), and support services. You must promptly update and upgrade your computer hardware and software systems as we require, at your expense. There is no contractual limitation on the frequency and cost of this obligation.

Other than as provided below, all franchisees must sign the ASA with LDAMC, the current form of which is attached to the Franchise Agreement in Exhibit A to this disclosure document. Under the ASA, LDAMC provides technical support, administration of data content (including menu items, prices, kitchen routing, inventory products, location address, and hours of operation), and help desk services for the Technology Suite used in la Madeleine Bakery & Cafés. LDAMC will charge you a monthly Administrative Fee for these services of approximately $418. Our, LDAMC's and/or our designee's representatives will also conduct annual audits of your technical stack to ensure you are in compliance with the ASA. You will be responsible to reimburse us, LDAMC or our designee's out-of-pocket expenses to conduct such annual audits. If we implement a new technology suite in the future (the "New Technology Suite"), you must purchase and install the new systems when they are made available. If a New Technology Suite is implemented, LDAMC may terminate the ASA and require you to sign a new agreement for the new solutions and services (see Items 5, 6, 7, 8 and 11). Except as stated in this Item, neither we nor our affiliates or third parties have any contractual obligation to provide ongoing maintenance, repairs, upgrades, or updates.

The foregoing requirements do not apply to an Express Bakery & Café located at a Non-Traditional Facility, unless the host facility does not have a technology suite equivalent to the Technology Suite, although we may require the Express Bakery & Café to use our required technology suite in the future. If the host facility does not have an equivalent technology suite, we may require the Express Bakery & Café to purchase the Technology Suite and sign the ASA.

We established a secure SharePoint site for franchisees that we require you to use for training, reference materials, communications, or other purposes as we direct from time to time. Participation in the Learning Management System is mandatory unless we expressly authorize you not to participate. Your user license to the SharePoint site will be covered by the LDA.

We have several vendor partners we use to support our customer loyalty program and online ordering platform (Thanx, Inc.) and catering program (Olo). We built out an integration utilizing Olo to connect third-party delivery service providers including Grubhub, Uber Eats, Postmates, and DoorDash (where available or supported by the vendor). You must pay service fees directly to Thanx, Olo, Grubhub, Uber Eats, Postmates, Favor (if applicable), and DoorDash and other integrated third-party software and vendors that will represent the la Madeleine menu to guests and take orders for entry into the on-site POS system. The POS/KDS system is a prerequisite to the new Digital Platform systems. You must participate in these programs and any other online guest engagement programs we specify.

You must use our standard email address and email system. At no time should you use any back-office computers to store data or information that is not related to the Bakery & Café. All back office machines are configured to support data related to the Bakery & Café only.

Manuals

The table of contents for the Manuals or training and operations portal appears in Exhibit E of this disclosure document. The Manuals contain a total of 69 pages.

Training

We require that all la Madeleine Bakery & Cafés be staffed by at least 3 trained and certified individuals who have completed, to our satisfaction, our approved management training program ("Management Training"). Management Training requires 6 weeks to complete. One of these individuals must be a general manager who must be onsite the majority of the working days in a month. Other management personnel may include assistant managers, associate managers, shift leaders, or any other individual who may be responsible for running daily operations at the Bakery & Café and who has completed Management Training.

A minimum of 3, but up to 5 total individuals are permitted to attend our Management Training at no additional fee, including your Lead Operator, general manager and other management personnel that you designate and we approve. Your expenses will include the cost of travel, lodging, meals, and the wages of your employees. Training will take place in a la Madeleine Bakery & Café that we select at our discretion as a certified training facility ("Certified Training Café") in the Dallas/Fort Worth Metroplex ("DFW"). You must pay all expenses of your trainees to come to our Certified Training Café.

You may send additional individuals to our Management Training on a space-available basis, but we may charge a training fee for additional trainees and/or for individuals who we may require to re-take training due to failure of our certification program. The current fee for this additional training is $600 per week, plus expenses (transportation, lodging, and meals).

MANAGEMENT TRAINING – Full Bakery & Café

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
WEEK 1 Franchisee orientation • History/Culture • Hospitality • Service Style • Food Safety	16	34	Certified Training Café we designate and/or our Corporate Office in DFW

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
WEEK 2 Back of House Training • Prep/Bake • Sandwich • Sauté	0	50	Certified Training Café we designate and/or our Corporate Office in DFW
WEEK 3 Front of House Training • Salad • Cashier • Bakery/To Go • Dish/Bus	0	50	Certified Training Café we designate and/or our Corporate Office in DFW
WEEK 4 Administrative • Office Management Tools • Food Management • Labor Management	16	34	Certified Training Café we designate and/or our Corporate Office in DFW
WEEK 5 Shift Management & Catering • Local Store Marketing • Catering	16	34	Certified Training Café we designate and/or our Corporate Office in DFW
WEEK 6 Shift Management • Shift management in bakery & café with similar service style	0	50	Certified Training Café we designate and/or our Corporate Office in DFW
Total	**48***	**252**	

* Training shall occur under the guidance and supervision of Chad Hawkes and Richard Watts.

* If you request or we require, a seventh week of training may be added at no additional cost to you. Any additional training beyond 7 weeks will be at our additional training fee and will be discussed prior to completion of week 5.

MANAGEMENT TRAINING– Express Bakery & Café

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
WEEK 1 Franchisee orientation • History/Culture • Hospitality • Service Style • Food Safety • Hospitality	16	34	Certified Training Café we designate and/or our Corporate Office in DFW
WEEK 2 Back of House Training Prep/Bake • Sandwich • Sauté	0	50	Certified Training Café we designate and/or our Corporate Office in DFW
WEEK 3 Front of House Training • Salad • Cashier • Bakery/To Go • Dish/Bus	0	50	Certified Training Café we designate and/or our Corporate Office in DFW
WEEK 4 Shift Management • Shift management in bakery & café with similar service style	0	50	Certified Training Café we designate and/or our Corporate Office in DFW
WEEK 5 Administrative (if necessary) • Office management tools • Food Management • Labor Management	16	34	Certified Training Café we designate and/or our Corporate Office in DFW

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
WEEK 6 Shift Management & Catering (if necessary) • Local Store Marketing • Catering • Olo	16	34	Certified Training Café we designate and/or our Corporate Office in DFW
Total	**16/48***	**184/252***	
* Training will occur under the guidance and supervision of Chad Hawkes and Richard Watts. * Express/Non-Traditional Facility locations require 4 weeks of field training in DFW. We may require an additional 2 weeks of training depending on the needs of the Express/Non-Traditional Facility location that we will arrange prior to the beginning of training.			

Management training is led by Chad Hawkes, Vice President of Operations and Richard Watts, Director of Training. Mr. Hawkes has 28 years of restaurant operations experience, and joined our brand in 2022. Mr. Watts has over 18 years of restaurant operations experience, including 16 with our brand. Other instructors under the supervision of Mr. Hawks and Mr. Watts generally have at least 3 years of restaurant operations experience. Our Certified Training Cafés are also staffed with certified training managers and hourly associates.

If the Bakery & Café is your first la Madeleine Bakery & Café, we will schedule initial Management Training to be completed at least 60 days before opening the Bakery & Café. Your Lead Operator, general manager, and at least one other individual must complete and become certified in Management Training prior to opening your first Bakery & Café. If the Bakery & Café is your second la Madeleine Bakery & Café, we will also offer Management Training at least 30 days prior to the opening of the Bakery & Café in the same manner as described above. Management Training is offered only in English. The instructional materials may include handouts, the Manual, quizzes, and checklists, as well as online learning materials. We conduct Management Training as needed for new franchisees.

If the Bakery & Café is the third or subsequent la Madeleine Bakery & Café that you or your affiliates own and operate, the training of your general managers and assistant managers will be your responsibility. You can fulfill this obligation by paying us to train your management personnel at one of our Certified Training Cafés, or you can train them in one of your la Madeleine Bakery & Cafés that we have approved as a Certified Training Café. Assuming that you train these individuals, you must confirm to us in writing that you have trained these individuals, except for any personnel who have previously completed and have been certified in our Management Training. Your training programs must be led by a general manager that we have certified to administer a training program. The content and administration of your training program must adhere to the standards of our certified Management Training. We or a third-party designee may, from time to time, perform audits to ensure that your management team is adhering to our standards.

If your training program does not meet our training standards, and you do not cure the situation in a timely manner, we may send a trainer to train your employees or we may require that you send your employees to one of our Certified Training Cafés. Your cost for this additional training is currently $600 per week, plus expenses (transportation, lodging, and meals).

We may require your management personnel to attend and pass additional training programs at your expense. If any of the preceding individuals ceases active management or employment, a qualified replacement must complete Management Training as outlined above before commencing employment. We must approve your replacement Lead Operator. We may implement a program to certify a minimum of 1 person in each Bakery & Café that would be trained at an expert level of baking of our proprietary signature items. This program may require annual re-certification, which could include online or in-person training. We may require travel to a Certified Training Café for such training, but do not anticipate the annual cost to exceed $1,000 annually.

We may designate employees who must attend and complete, to our satisfaction, additional training programs that we require from time to time. In addition, if you fail to adhere to the standards and procedures prescribed in the Manuals for a specific quality assurance program (including such things as guest satisfaction surveys, mystery shopper reports, observation of food preparation areas and processes), we may require you and/or your employees at your expense to complete additional training at the Bakery & Café or at a location that we designate, at your expense, including our trainer's fee (currently, $600 per week), plus travel, meals and lodging.

ITEM 12
TERRITORY

Franchise Agreement. Each Franchise Agreement is granted for a specific site that we approve (the "Premises"). You must operate the Bakery & Café only at the Premises. You may not relocate the Bakery & Café without our prior written approval to relocate, which we may withhold in our sole discretion. We will consider a variety of factors, including the viability of the existing location, demographics of the proposed new location, the proximity of other la Madeleine Bakery & Cafés and competitors to the proposed new location, and your record of compliance with your obligations.

So long as you are in compliance with the Franchise Agreement, we will not establish within the "Protected Area" defined in the Franchise Agreement, or franchise others to establish, new la Madeleine Bakery & Cafés, except at Non-Traditional Locations (as described below). 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. We expect that the Franchise Agreement typically will define the Protected Area as a radius of three (3) miles from the front door of the Premises. In urban areas, however, the Protected Area may be smaller.

Except for the rights expressly granted to you under the Franchise Agreement, we and our affiliates, retain all our rights and discretion anywhere in the world with respect to the Proprietary Marks, la Madeleine Bakery & Cafés and the System, including the following:

a) the right to operate, and to grant others the right to operate, la Madeleine Bakery & Cafés located anywhere outside the Protected Territory under any terms and conditions we deem appropriate and regardless of proximity to the Bakery & Café and the Protected Area;

b) the right to establish and operate, and to grant to others the right to establish and operate, businesses offering similar or dissimilar products and services through similar or alternative channels of distribution, at any locations inside or outside the Protected Area under trademarks or service marks other than the Proprietary Marks and on any terms and conditions we deem appropriate;

c) the right to provide, offer and sell, and to grant others the right to provide, offer and sell, products and services that are identical or similar to and/or competitive with those products and services provided at la Madeleine Bakery & Cafés, whether identified by the Proprietary Marks or other trademarks or service marks, through alternative distribution channels (including, without limitation, the internet or similar electronic media, supermarkets, specialty food stores, convenience stores, wholesale clubs, retail food stores, and department stores) both inside and outside the Proprietary Marks and on any terms and conditions we deem appropriate;

d) the right to operate, and to grant others the right to operate, at Non-Traditional Locations under the LA MADELEINE® name or any other name, within and outside of the Protected Area on any terms and conditions we deem appropriate;

e) the right to acquire the assets or ownership interests of one or more businesses providing products and services the same as or similar to those provided at la Madeleine Bakery & Cafés, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Protected Area);

f) the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at la Madeleine Bakery & Cafés, or by another business, even if such business operates, franchises and/or licenses competitive businesses in the Protected Area; and

g) the right to use the LA MADELEINE® brand in other lines of business besides the operation of restaurants, anywhere in the world.

We have no obligation to compensate you in connection with any of the activities listed above. Without limiting the foregoing, we and our affiliates may use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales within the Protected Area using the Proprietary Marks or other trademarks without compensating you.

You receive the right to sell food and beverage items at retail to the public for carry-out and/or consumption on the Premises. Your customers can come from outside of the Protected Area, but the Franchise Agreement does not authorize you to sell products through other channels of distribution, such as grocery and other retail stores, the Internet, catalog sales, telemarketing, or other direct marketing outside of the Protected Area. We may permit you to market through the Internet and other electronic means, but we may approve and control any electronic, mobile or Internet presence that uses or displays any of our Proprietary Marks or any derivative thereof.

We do not grant you any options, rights of first refusal, or similar rights to acquire additional franchises under the Franchise Agreement.

Development Agreement. The Development Agreement is granted for a specific geographic area within which you may develop la Madeleine Bakery & Cafés (the "Development Area") at sites that we approve based on our then-current standards. Other than the Protected Area under the Franchise Agreement, we do not provide you any territory. We will negotiate the boundaries of the Development Area with you. We focus on various factors, including natural and political boundaries, population density, advertising markets, the proximity of other la Madeleine Bakery & Cafés and/or development areas, and other relevant geographic and demographic factors in negotiating the Development Area. The Development Agreement will include, as an exhibit, a description of the negotiated Development Area. You may not modify the Development Area without our prior written approval, which we may withhold in our sole discretion. You and we will also agree on the number of la Madeleine Bakery & Cafés that you will develop in your Development Area and the pace at which you must build them.

While the Development Agreement is in effect, we will not establish within the Development Area, or franchise others to establish, new la Madeleine Bakery & Cafés of the type that you may develop within the Development Area, except at Non-Traditional Locations (as described below). 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.

Except for the rights expressly granted to you under the Development Agreement, we and our affiliates retain all our rights and discretion anywhere in the world with respect to the Proprietary Marks, la Madeleine Bakery & Cafés and the System, including the following:

(a) To own, acquire, establish, operate and franchise or license others to operate la Madeleine Bakery & Cafés located outside of the Development Area;

(b) To own, acquire, establish, operate, and franchise or license others to operate outlets at Non-Traditional Locations under the LA MADELEINE® name or any other name, whether inside or outside of the Development Area;

(c) To develop, manufacture, have manufactured, market, sell and distribute, at retail or wholesale, and license others to manufacture, sell or distribute, packaged food products or any other goods or services under the LA MADELEINE® mark or any other name or mark, through any channel of distribution other than a la Madeleine Bakery & Café, including the Internet, supermarkets, specialty food stores, convenience stores, wholesale clubs and retail food stores, anywhere in the world; and

(d) To use the LA MADELEINE® brand in other lines of business besides the operation of restaurants, anywhere in the world.

We have no obligation to compensate you in connection with any of the activities listed above. Without limiting the foregoing, we and our affiliates may use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales within the Development Area using the Proprietary Marks or other trademarks without compensating you.

Your right to develop Bakery & Cafés in the Development Area is contingent on satisfaction of the development schedule attached to your Development Agreement (the "Development Schedule"). The Development Schedule sets out the number of Bakery & Cafés

that you must develop and the dates by which they must be open. If you fail to meet the Development Schedule, we can terminate your right to develop new Bakery & Cafés in the Development Area or reduce the size of the Development Area.

If the Development Agreement is terminated or expires, we can own, operate, franchise, and license others to operate la Madeleine Bakery & Cafés in the Development Area.

Off-Premises Programs. We have established Off-Premises Programs, either on our own or in conjunction with one or more outside vendors. Off-Premises Programs may be mandatory or optional for franchisees and may include online and telephone ordering features. If we establish a mandatory Off-Premises Program or you choose to participate in a voluntary program, you agree to pay the fees and costs associated with participation and to comply with all other rules and procedures that we specify for the program in the Manual or otherwise in writing. You may have to purchase equipment, including a delivery vehicle, in order to participate in an Off-Premises Program. We may define service areas for Off-Premises Programs that differ from your Protected Area.

Unless we have expressly authorized it, you may not sell products or services through any channel or facility other than to retail customers for consumption on the Premises or for personal carry-out consumption, including any Off-Premises Programs, food trucks, carts, kiosks, or temporary locations. We impose no other restrictions on you concerning the guests you may serve from the Bakery & Café, but you may not sell to competitors, warehouses or to any entity or at wholesale without our written permission.

Catering Program. We have established an Off-Premises Program for catering. Participation in this program is mandatory unless we expressly authorize you not to participate. Under the current rules of this program, you will have the exclusive right to provide catering services from the Bakery & Café to locations within the Protected Area. You may also provide catering services outside of the Protected Area on a non-exclusive basis, provided that the Bakery & Café is located within the distance limits that we set for catering services based on quality and safety parameters and it doesn't interfere with another franchisee's exclusive rights. If multiple la Madeleine Bakery & Cafés are able to provide catering services in the same non-exclusive area, we may establish rules and policies to coordinate their activities and prevent customer confusion.

Although you can provide catering services outside of the Protected Area under the above conditions, you may not directly solicit catering customers outside of the Protected Area without our permission. "Direct solicitation" includes, but is not limited to, solicitation in person, by telephone, by mail, by e-mail, through the Internet or other electronic means, and by distribution of brochures, business cards or other materials. If any direct solicitation of catering customers within the Protected Area is in media that will or may reach a significant number of persons outside of the Protected Area, you must notify us in advance and obtain our consent.

As noted above, we can change these rules and/or define service areas and solicitation restrictions for catering that differ from the Protected Area. Upon receipt of notice from us of a change in the service area, you must stop providing catering services outside of the newly defined area and turn over all customer information that you have acquired relating to that area.

As noted in Item 8, we currently use the Olo off-premise platform. This platform selects a list of la Madeleine Bakery & Cafés to fulfill each order based on the address input by the customer. Customers have the ability to override the automatic selection and to send the order to a different la Madeleine Bakery & Café, provided that the chosen la Madeleine Bakery & Café is

located within the distance limits that we set for catering services based on quality and safety parameters. We may change to a different platform at any time.

Non-Traditional Facilities. We and you will enter into a Non-Traditional Addendum for an Express Bakery & Café that will be located at a Non-Traditional Facility that we approve (the "Premises"). You must operate the Express Bakery & Café only at the Premises. You may not relocate the Express Bakery & Café without our prior written approval to relocate, which we may withhold in our sole discretion.

We do not grant you a protected territory or similar rights under the Non-Traditional Addendum. Your rights under are non-exclusive, and 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.

Acquisition Sites. If we acquire the shares or substantially all of the assets (for example, furniture, fixtures, equipment, leasehold improvements and/or leasehold interest) of any business operating within the Development Area or Protected Area (an "Acquisition Site"), and we decide to convert the Acquisition Site to a la Madeleine Bakery & Café, we will offer to sell the Acquisition Site to you for the price we paid for it plus any improvements on terms and a timetable acceptable to us. Our obligation to sell the Acquisition Site to you is contingent on our being satisfied that the sale will not, in our judgment: (a) conflict with any of our existing legal obligations or of the business being acquired; (b) preclude the completion of the acquisition on the terms we have agreed to; or (c) interfere with any other legal agreement, arrangement or combination or create adverse federal or state income tax consequences. The price that we charge you will include the direct and indirect costs and liabilities which we incurred or assumed in making the acquisition and have allocated to the Acquisition Site. These liabilities may include amounts paid or owed to the seller of the Acquisition Site or to third parties. You must also pay us any other expenses which we allocate to, or which otherwise result from, our purchasing the Acquisition Site (including, for example, losses, whether from continuing operations or closing acquired units). We may also charge you interest, at our cost of money, on the balance of these amounts.

If we offer and you exercise the option to purchase the Acquisition Site, you must, concurrently with your purchase, execute our then-current form of the Franchise Agreement, as modified for use with the Acquisition Site; agree to convert the Acquisition Site to a la Madeleine Bakery & Café as soon as practicable (but not later than the date we specify) in accordance with our standards and specifications; and agree to close or sell within a reasonable time period, which we will specify, any acquired sites which are not suitable for conversion to la Madeleine Bakery & Cafés.

If you reject or fail to timely accept our offer to sell an Acquisition Site, or if we are unable to extend an offer for any of the reasons stated above, we can operate, alter, modify, refurbish, remodel, promote and market or franchise others to operate that Acquisition Site as a la Madeleine Bakery & Café or any other business and establish a Protected Area for it. Any Acquisition Site for which you execute a Franchise Agreement will count toward your Development Schedule as set out in the Development Agreement. We will not acquire an Acquisition Site within the Protected Area the Bakery & Café unless we provide evidence to you that reasonably demonstrates that the acquisition will not have a material adverse effect on the Bakery & Café's Net Sales.

Competitive Businesses. As noted in Item 1, our affiliates own and franchise certain businesses, including the following:

Name and Address of Affiliate	Type of Business/Year Began Offering Franchises
Holding Le Duff, S.A. Immeuble Heron Building 66 avenue du Maine, 75014 Paris, France	BRIOCHE DORÉE French Style Casual Food/1982
	LE FOURNIL DE PIERRE Traditional French Bakery and Pastry Shop/2007
	DEL ARTE Italian and Pizza Restaurant/2000
BD, LLC* 12201 Merit Drive, Suite 900 Dallas, TX 75251	BRIOCHE DORÉE French Style Casual Food/2004
Threecaf Brands Canada, Inc. 3075 rue de Rouen, Montreal, QC H1W 3Z2	MICHEL'S BAKERY CAFÉ Continental Bakery Café/2002
	AU PAIN DORÉ French Style Casual Food/2017
	BRIOCHE DORÉE French Style Casual Food/2011

* We maintain separate training facilities.

The above-mentioned businesses owned, operated, or franchised by our affiliates may be located and/or may solicit sales and accept orders in your Protected Area or Development Area. We have no established procedure for resolving conflicts that may develop between our restaurant franchisees in our restaurant systems.

ITEM 13
TRADEMARKS

The Franchise Agreement grants you the right to use certain trademarks, trade names, service marks, symbols, emblems, logos and indicia of origin designated by or licensed to la Madeleine (collectively, the "Proprietary Marks"), only in the manner authorized by la Madeleine and only for the operation of the Bakery & Café at the location specified in the Franchise Agreement. The Development Agreement does not grant you any right to use, or any interest in, the Proprietary Marks.

Our affiliate, LMI, is the owner of the "Proprietary Marks". LMI has granted us a license to use the Proprietary Marks and the Works (as defined in Item 14) and to license others to use them. LMI has registered the principal marks on the Principal Register of the United States Patent and Trademark Office, as follows:

Trademark or Service Mark	Registration Date	Registration Number
la Madeleine	9/18/1990	1614450
la Madeleine	10/4/2005	3003267
BONJOUR REWARDS	8/9/2022	6816507
la Madeleine COUNTRY FRENCH CAFE	4/2/2013	4311973
la Madeleine	4/2/2013	4311932
la Madeleine FRENCH BAKERY & CAFÉ	11/3/2020	6190081
	6/16/2020	6077512
	8/24/2021	6464825
	4/26/2022	6714590

LMI has filed or intends to file an affidavit of use and an affidavit of incontestability, and has renewed or intends to renew the registration, when due, for each of the marks listed above.

The license between LMI, its successors and assigns, and us will remain in effect as long as we have a Franchise Agreement in effect. LMI can stop us from using the Proprietary Marks only if we fail to maintain standards for products or services sold or provided under any of the Proprietary Marks. LMI can also license others to use the Proprietary Marks for any business activities allowed under the contract provisions described in Item 12. Otherwise, the license from LMI does not limit our right to use, or to license you to use, the Proprietary Marks. Other than the license from LMI, there are no agreements that limit our rights to use or license the use of the Proprietary Marks.

Neither the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state, nor any court, has made any adverse determination or ruling involving the Proprietary Marks, nor are we aware of any pending infringement, opposition, or cancellation proceedings or material litigation involving the Proprietary Marks. We are not aware of any infringing uses that could materially affect your use of the Proprietary Marks. Other than LMI's ownership rights described above, we are not aware of any superior rights that could affect your use of the Proprietary Marks.

You must notify us of any unauthorized use of the Proprietary Marks. You must also notify us of any challenge to the validity of, or the right to use, any of the Proprietary Marks. We and LMI may control any administrative proceeding or litigation that involves the Proprietary Marks. This right includes the right to settle any of those disputes. We and LMI may, but are not required to, try to stop other people from using the Proprietary Marks.

We will defend you against any infringement claims that arise from your proper use of the Proprietary Marks or the Works (as defined in Item 14) at our expense, including the cost of any judgment or settlement, if your use of the Proprietary Marks and the Works complied with the Franchise Agreement, but at your expense if your use of the Proprietary Marks and the Works was not proper or did not comply with the Franchise Agreement. You must assist us in any action we take to protect the Proprietary Marks. Unless this action results from your improper use of the Proprietary Marks or violation of the Franchise Agreement, we will reimburse you for your out-of-pocket costs in assisting us.

We can modify the Proprietary Marks and/or substitute different proprietary marks for use in identifying our restaurants and the System. You must promptly implement any modification or substitution at your own cost and expense. We will have no obligation or liability to you as a result of the modification or substitution.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents or patent applications that are material to the franchise.

We and our affiliates claim copyright protection for certain materials (the "Works"), which include, but are not limited to, the Manuals, training materials, advertisements, promotional materials, labels, menus, posters, coupons, gift certificates, signs, websites, store designs, and prototype plans and specifications. Neither we nor our affiliates have registered the copyrights in any of the Works. You can use the Works only for the purpose of developing and operating the Bakery & Café.

As noted in Item 8, our affiliates claim proprietary rights in certain food and beverage items associated with la Madeleine Bakery & Cafés. Currently these items include bread products, soups and dressings, coffee, and certain pastries. Our affiliates protect the recipes and manufacturing processes for these items as trade secrets.

You must maintain strict secrecy of the recipes and manufacturing processes, the Manuals, our training materials, our approved suppliers and supply arrangements, advertising and promotional plans, sales performance, financial records, and other information and materials that we designate as confidential, including customer data. You may not reproduce any portion of the confidential information or make it available to any unauthorized person. You may reveal confidential information only to those of your employees who must have access to it in order to operate the Bakery & Café, and to your contractors and landlord with our prior written approval. The Manuals and all other confidential materials remain our and our affiliates' property. You must keep the Manuals in a secure place on the Premises of the Bakery & Café or, if held electronically, in a secure and protected system. You must promptly tell us when you learn about unauthorized copying or use of any confidential information or the Works. We have no obligation to take any action, but we will respond to this information as we think appropriate.

At our request, you must require your employees, landlord, contractors, and any other person to whom you wish to disclose any of our confidential information to agree in writing not to disclose that information to others or to use it for their own benefit. We must approve these agreements.

We and our affiliates claim joint ownership with you regarding the customer data of the Bakery & Café. We may use or transfer these records as we deem appropriate and to provide the information to our affiliates.

All ideas, concepts, techniques or materials relating to a la Madeleine Bakery & Café (collectively, "Innovations"), whether or not protectable intellectual property and whether created by or for you or your Owners, employees or contractors, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent any Innovation does not qualify as a work made-for-hire for us, you must assign ownership of that Innovation, and all related rights to that Innovation, to us and agree to sign (and to cause your owners, employees and contractors to sign) whatever assignment or other documents we request to evidence its ownership or to help us obtain intellectual property rights in the Innovation. We and our affiliates have no obligation to make any payments to you or any other person with respect to any Innovations. You may not use any Innovation in operating the Bakery & Café or otherwise without our prior approval.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

If the franchisee is a corporation, partnership, limited liability company or other legal entity, the franchisee must designate an individual approved by us (the "Lead Operator") who must: (a) directly or indirectly, own and control, or may own and control (subject to conditions reasonably acceptable to us), not less than 10% of the equity of the franchisee; (b) have the authority to bind the franchisee regarding all operational decisions with respect to the Bakery & Café; (c) have completed our Management Training to our satisfaction; and (d) have at least 3 years of multi-restaurant management experience.

If the franchisee is a corporation, partnership, limited liability company or other legal entity, all Owners must personally guarantee all of the franchisee's obligations under the Development Agreement or Franchise Agreement. The Owners must also agree to certain non-competition provisions contained in either the guaranty or in a separate agreement. In states where community property laws apply, we also require the spouses of these individuals to sign personal guaranties and non-competition agreements.

The Lead Operator must personally participate in the actual operation of the Bakery & Café, including spending time daily onsite at the Bakery & Café, and must oversee operations of the Bakery & Café. You must obtain our approval before designating anyone to serve as Lead Operator of the Bakery & Café.

In addition to the general manager, you must designate for the Bakery & Café at least one other individual as a manager or supervisor that has attended and been certified in our Management Training. There must always be at least one general manager or supervisor on duty during operating hours of the Bakery & Café. So long as a person has completed and been certified in our Management Training, you need not obtain our approval before designating a person for positions other than the Lead Operator.

We may require that you have the Lead Operator, general manager, and other employees sign an agreement not to reveal confidential information they obtain in the course of their employment with you. These agreements must be in a form we approve and specifically identify us as a third-party beneficiary with the independent right to enforce the agreement. See Items 14 and 17 for further information.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale in the Bakery & Café all products and services that we designate as "Required Items." You may also offer for sale any items that we designate as "Optional Items" approved for sale in a la Madeleine Bakery & Café. You may not offer or sell any products or services not listed without obtaining our prior written consent. You must sell products only in the weights, sizes, forms, and packages that we have approved. You must cease selling or offering for sale any products or services that we disapprove at any time. We may change the types of authorized products and services, and there are no limits on our right to make changes.

You must participate in programs we establish relating to gift cards, gift certificates, stored value cards, online or mobile coupons or credits, online or mobile ordering systems, and other electronic money programs. Participation includes both issuing program benefits or credits and accepting them for payment by customers and may require you to purchase additional equipment. We will coordinate the crediting and debiting of funds among la Madeleine Bakery & Cafés based on customer purchases and redemption of stored value. You must also participate in any "frequent guest" or customer loyalty programs we prescribe. You may not offer your own gift card, electronic money, or loyalty program for the Bakery & Café without our prior approval.

To the extent permitted by applicable law where the Bakery & Café is located, we may establish maximum and/or minimum prices that you must follow for menu items, merchandise, and other products and services sold in the Bakery & Café.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

The tables list some of the important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Franchise Disclosure Document.

	Provision	Section in Franchise Agreement or Addenda	Summary
a	Length of the franchise term	Sections 3.1 and 3.3 of the Franchise Agreement; Paragraph 2 of Re-Franchising Addendum; and C(2) of Non-Traditional Addendum	The later of (i) 10 years from the date the Bakery & Café opens for business to the public at the Premises as stated in the Bakery & Café Opening Date letter (the form is attached as Exhibit E of the Franchise Agreement) or (ii) the expiration of the initial lease agreement governing the Premises. If you continue operating after expiration, we may treat the term as extended on a week-to-week basis until either we or you deliver written notice ending that extension. If the Bakery & Café is acquired under the refranchising program, the term ends on the earlier of: (a) 10 years from the date of the closing of the acquisition; or (b) the end of the lease term in effect for the acquired store as of the closing. The earlier of ten (10) years thereafter or when the Lease terminates with the facility (the "Term") as stated in the Bakery & Café Opening Date Letter (in the form attached to the Franchise Agreement as Exhibit "E") that you are to sign and send to us within five (5) days of the Bakery & Café Opening date.
b	Renewal or extension of the term	Section 3.2 of the Franchise Agreement	Provided we are still franchising and have not made a decision to withdraw from the geographic market of the Bakery & Café, and if you are in good standing, you can obtain a successor franchise agreement for a term of the lesser of 10 years or the remaining term of your lease.
c	Requirements for franchisee to renew or extend	Section 3.2 of the Franchise Agreement; and C(2) of Non-Traditional Addendum	Written notice, sign successor agreement, required modifications, remodel, sign general release and pay one-half of the then-current applicable Initial Franchise Fee. The Successor Franchise Agreement may contain terms that are materially different from your expiring Franchise Agreement, such as different fee requirements.
d	Termination by franchisee	Not applicable	Not applicable (subject to state law).
e	Termination by franchisor without cause	Not applicable	Not applicable.

	Provision	Section in Franchise Agreement or Addenda	Summary
f	Termination by franchisor with cause	Section 17 of the Franchise Agreement	See g. and h. below. If we deliver a notice of termination of the Franchise Agreement, we may also terminate your Development Agreement and other agreements with us (see line h. of the Development Agreement chart below). We may exercise a list of alternative remedies instead of terminating the Franchise Agreement.
g	"Cause" defined – curable defaults	Sections 17.3, 17.4 and 17.5 of the Franchise Agreement	You have 10 days to cure non-payment of fees or non-submission of reports; 24 hours to cure unsafe products/practices; and 30 days to cure other defaults, except for those described in h. below. In addition, your default under any other agreement that you or an affiliate has with us or our affiliates will constitute a default, subject to any applicable provisions for notice and cure set forth in the other agreement.
h	"Cause" defined – non-curable defaults	Section 17.1 and 17.2 of the Franchise Agreement	Non-curable defaults: includes insolvency, bankruptcy; failure to complete training; failure to submit a proposed site and lease within 60 days of signing the Franchise Agreement; failure to open; abandonment; commission of felony; threat to public safety; unapproved transfers; operating Competing Business (see q. below); disclosure of trade secrets; filing false reports; repeated defaults even if cured; refusing access to records; and termination of your Development Agreement or any other agreements between you or your affiliates and us or our affiliates.
i	Franchisee's obligations on termination/non-renewal	Section 18 of the Franchise Agreement	Obligations include complete de-identification, payment of amounts due and return of all of our materials (also see o. and r. below).
j	Assignment of contract by franchisor	Section 16.1 of the Franchise Agreement	No restriction on our right to assign.
k	"Transfer" by franchisee – defined	Section 16.4 and 16.6 of the Franchise Agreement; C(6) Non-Traditional Addendum	Restrictions apply to transfer of any direct or indirect interest in the Franchise Agreement, in you (if you are a corporation or other entity), or in the assets of the Bakery & Café.
l	Franchisor approval of transfer by franchisee	Section 16.2 of the Franchise Agreement	We may approve all transfers.

	Provision	Section in Franchise Agreement or Addenda	Summary
m	Conditions for franchisor approval of transfer	Section 16.5 of the Franchise Agreement	We can impose any reasonable conditions, including: new franchisee qualifies; accrued fees paid; no default exists; transfer fee paid; assignment agreement approved; training arranged; you sign release; no adverse effect from price and terms.
n	Franchisor's right of first refusal to acquire franchisee's business	Section 16.5 and 16.4.1 of the Franchise Agreement	We may match any offer.
o	Franchisor's option to purchase franchisee's business	Section 16.4 and 16.4.1 of the Franchise Agreement	Upon expiration or termination of a franchise, we can take assignment of your lease and purchase your furniture, fixtures, etc.
p	Franchisee's death or disability	Section 16.6 of the Franchise Agreement	Executor or personal representative must assign your interest to approved party within 1 year. If the deceased or incapacitated person is the Lead Operator, we may manage operation of the Bakery & Café until the transfer is completed. If we exercise this right, we can charge a reasonable management fee for our services.
q	Non-competition covenants during the term of the franchise	Section 19.1 of the Franchise Agreement	No involvement in a "Competing Business," defined as any entity or café that derives 15% or more of its gross revenue from the sale of: 1) freshly-baked bakery goods including breads, bagels, muffins, scones, Danishes or other pastries; 2) café items including sandwiches, French-themed entrees, salads, soups, quiches, pastas, desserts, gourmet coffees and wines; and/or 3) privately-labeled retail items including soups, salad dressings and gourmet coffees (subject to applicable state law).
r	Non-competition covenants after the franchise is terminated or expires	Section 19.2 of the Franchise Agreement	No involvement with Competing Business for 1 year within 10 miles of the Premises or within 5 miles of any other la Madeleine Bakery & Café (subject to applicable state law).
s	Modification of the agreement	Section 26 of the Franchise Agreement	Modifications must be in writing, except that we may periodically modify the Manuals and System.
t	Integration/merger clause	Section 26 of the Franchise Agreement	Only the terms of the Franchise Agreement are binding (subject to state law); the parties may not enforce any other promises. Nothing in the franchise agreement or any related agreement, however, is intended to disclaim the representations made in this disclosure document.

	Provision	Section in Franchise Agreement or Addenda	Summary
u	Dispute resolution by arbitration or mediation	Section 29.1 and 29.2	All controversies, disputes or claims will first proceed to mediation, and if unsuccessful, the parties will proceed to arbitration (subject to state law).
v	Choice of forum	Section 29.5 of the Franchise Agreement	If dispute is not arbitrated, then Texas state and federal courts (subject to state law).
w	Choice of law	Section 29.5 of the Franchise Agreement	The laws of the state of Texas (subject to state and federal law).

DEVELOPMENT AGREEMENT

	Provision	Section in Development Agreement	Summary
a	Length of the franchise term	Section 2	Term expires on the last deadline specified in your Development Schedule.
b	Renewal or extension of the term	Not applicable	Not applicable
c	Requirements for franchisee to renew or extend	Not applicable	Not applicable
d	Termination by franchisee	Not applicable	Not applicable (subject to state law).
e	Termination by franchisor without cause	Not applicable	Not applicable
f	Termination by franchisor with cause	Section 9	See g. and h. below. If we deliver a notice of termination of the Development Agreement, we also may terminate your Franchise Agreement (see line h. of the Franchise Agreement chart).
g	"Cause" defined – curable defaults	Section 10.4	You have 10 days to cure nonpayment defaults and 30 days to cure other defaults. In addition, your default under any other agreement that you or an affiliate has with us or our affiliates will constitute a default, subject to any applicable provisions for notice and cure set forth in the other agreement. We may exercise a list of alternative remedies instead of terminating the Development Agreement.
h	"Cause" defined – non-curable defaults	Section 1.3 and 9.2	Non-curable defaults include failure to develop the minimum number of Bakery & Cafés required; termination of your Franchise Agreement or any other agreement with us or our affiliates; unapproved transfer; and repeated defaults, even if cured.

	Provision	Section in Development Agreement	Summary
i	Franchisee's obligations on termination/non-renewal	Section 10	See r. below
j	Assignment of contract by franchisor	Section 8.1	No restriction on our right to assign
k	"Transfer" by franchisee – defined	Section 8.2	Restrictions apply to any transfer of any direct or indirect interest in the Development Agreement or in the Developer (if a corporation or other entity)
l	Franchisor approval of transfer by franchisee	Section 8.2	We may approve all transfers
m	Conditions for franchisor approval of transfer	Section 8.5	We can impose any reasonable conditions, including: New developer qualifies; accrued fees paid; no default exists; transfer fee paid; assignment agreement approved; you sign release; training arranged; no adverse effect from price and terms.
n	Franchisor's right of first refusal to acquire franchisee's business	Section 8.4	We may match any offer
o	Franchisor's option to purchase franchisee's business	Not applicable	Not applicable
p	Franchisee's death or disability	Section 7.6	Franchise must be assigned by estate to approved party within 1 year.
q	Non-competition covenants during the term of the franchise	Section 11.1	No involvement in Competing Business (subject to applicable state law).
r	Non-competition covenants after the franchise is terminated or expires	Section 11.2	No involvement with Competing Business for 1 year within the Development Area or within 5 miles of any Bakery & Café (subject to state applicable law).
s	Modification of the agreement	Section 18	Modifications must be agreed in writing
t	Integration/merger clause	Section 18	Only the terms of the Development Agreement are binding (subject to state law); the parties may not enforce any other promises. Nothing in

	Provision	Section in Development Agreement	Summary
			the franchise agreement or any related agreement, however, is intended to disclaim the representations made in this disclosure document.
u	Dispute resolution by arbitration or mediation	Sections 21.1 and 21.2	All controversies, disputes or claims will first proceed to mediation, and if unsuccessful, the parties will proceed to arbitration (subject to state law).
v	Choice of forum	Section 21.5	If dispute is not arbitrated, then Texas state and federal courts (subject to state law).
w	Choice of law	Section 21.5	The laws of the state of Texas (subject to state and federal law).

ITEM 18
PUBLIC FIGURES

We do not use any public figures to promote our franchises.

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.

As of December 30, 2025, there were 86 la Madeleine Bakery & Cafés (27 company-owned Bakery & Cafés (all of which were Full Bakery & Cafés) and 59 franchised la Madeleine Bakery & Cafés). Of the 59 franchised la Madeleine Bakery & Cafés, 48 were Full Bakery & Cafés operating at Traditional Locations and 11 were Express Bakery & Cafés operating at Non-Traditional Facilities. In this Item, we provide certain historical operating results of company-owned Bakery & Cafés in Table 1; certain historical operating results of franchised Bakery & Cafés operating at Traditional Locations in Table 2; and certain historical operating results of Express Bakery & Cafés operating at Non-Traditional Facilities in Table 3. In total, 26 of the 27 company-owned Bakery & Cafés operating as of December 30, 2025, and 56 of the 59 franchised la Madeleine Bakery & Cafés operating as of December 30, 2025, are represented in this Item 19. The explanatory notes following each table are an important part of the information presented.

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TABLE 1 – 2025 AVERAGE GROSS SALES FOR COVERED COMPANY-OWNED BAKERY & CAFÉS

	Average Gross Sales	Number and percentage that attained or surpassed Average Gross Sales	High Gross Sales	Low Gross Sales	Median Gross Sales
Top 50%	$2,616,259	5/38%	$3,474,497	$2,070,684	$2,559,843
Bottom 50%	$1,613,131	8/62%	$2,061,336	$957,143	$1,686,661

Notes to Table 1:

1. As of December 30, 2025, there were 27 company-owned Bakery & Cafés, all of which were Full Bakery & Cafés operating at Traditional Locations. The figures in Table 1 are based on 26 company-owned Bakery & Cafés that were open throughout our fiscal year ending December 30, 2025 (the "Covered Company-Owned Bakery & Cafés"). Table 1 does not include 3 Bakery & Cafés that were not open the entire year, 1 of which temporarily closed and 2 of which permanently closed during 2025 (which 2 Full Bakery & Cafés were open for more than 12 months before they closed). The 1 company-owned Bakery & Café we temporarily closed during our last fiscal year was due to renovations. The Covered Company-Owned Bakery & Cafés have been open for an average of more than 21 years. The Covered Company-Owned Bakery & Cafés range between 3,534 and 7,157 square feet and may be larger in size than your Bakery & Café.

2. "Gross Sales" means all sales generated through the Bakery & Cafés, including fees for any products or goods sold, whether for cash or credit (regardless of collectability, except as provided below) and income of every kind or nature related to the Bakery & Cafés, including revenues from the sale of branded or retail merchandise and food products, whether from sales on the Premises, by delivery (including GrubHub, Uber Eats, Favor, and Doordash), from catering if the Bakery & Cafés provide the product, by online, internet or phone-app ordering (including ezCater and Dinova) if picked up at the Bakery & Cafés or at wholesale (whether the sales method is permitted or not), and from the use of vending machines or similar arcade-like machines. The Franchise Agreement further defines "Gross Sales," specifically identifying those inclusions and exclusions from Gross Sales.

3. In this Table 1, Top 50% means the company-owned Bakery & Cafés that achieved Gross Sales that ranked in the top half of the Covered Company-Owned Bakery & Cafés, and bottom 50% means the company-owned Bakery & Cafés that achieved Gross Sales that ranked in the bottom half of the Covered Company-Owned Bakery & Cafés. There are 13 la Madeleine Bakery & Cafés in the top 50% and 13 la Madeleine Bakery & Cafés in the bottom 50%.

TABLE 2 – 2025 AVERAGE GROSS SALES
FOR FRANCHISED BAKERY & CAFÉS AT TRADITIONAL LOCATIONS

	Average Gross Sales	Number and percentage that attained or surpassed Average Gross Sales	High Gross Sales	Low Gross Sales	Median Gross Sales
Top 50%	$2,815,342	7 or 29%	$4,958,143	$2,322,556	$2,612,482
Bottom 50%	$1,800,992	13 or 54%	$2,307,553	$1,090,234	$1,813,246

Notes to Table 2:

1. As of December 30, 2025, there were 48 franchised Bakery & Cafés operating at Traditional Locations, all of which were Full Bakery & Cafes. The figures in Table 2 are based on 48 franchised Bakery & Cafés that were open throughout the 52-week period ending December 30, 2025 ("Covered Franchised Bakery & Cafés"). Table 2 excludes 3 Bakery & Cafés that permanently closed during our last fiscal year as the applicable franchise agreements were not renewed. Finally, Table 2 excludes all 11 Express Bakery & Cafés operating at Non-Traditional Facilities as of December 30, 2025, 8 of which are detailed below in Table 3. One franchised Bakery & Café that permanently closed during our last fiscal year was open for 3 months, and the other 2 franchised Bakery & Cafés that permanently closed during our last fiscal year were open for more than 12 months before they closed. None of the Covered Franchised Bakery & Cafés have a drive-thru. The Covered Franchised Bakery & Cafés range between 1,795 and 10,208 square feet and may be larger in size than your Bakery & Café.

2. In this Table 2, Top 50% means the franchised Bakery & Cafés that achieved Gross Sales that ranked in the top half of the Covered Franchised Bakery & Cafés, and bottom 50% means the franchised Bakery & Cafés that achieved Gross Sales that ranked in the bottom half of the Covered Franchised Bakery & Cafés. There are 24 la Madeleine Bakery & Cafés in the top 50% and 24 la Madeleine Bakery & Cafés in the bottom 50%. "Gross Sales" has the same definition as set forth in note 2 to Table 1.

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TABLE 3 – 2025 AVERAGE GROSS SALES FOR FRANCHISED EXPRESS BAKERY & CAFÉS AT NON-TRADITIONAL FACILITIES

	Average Gross Sales	Number and percentage that attained or surpassed Average Gross Sales	High Gross Sales	Low Gross Sales	Median Gross Sales
la Madeleine Express Bakery & Cafés operating at Non-Traditional Facilities	$1,804,288	4 or 50%	$3,705,755	$239,932	$1,802,535

Notes to Table 3:

1. As of December 30, 2025, there were 11 franchised Express Bakery & Cafés operating at Non-Traditional Facilities. The figures in Table 3 are based on the 8 franchised Express Bakery & Cafés operating at Non-Traditional Facilities that were open throughout the 52-week period ending December 30, 2025 (the "Covered Non-Traditional Bakery & Cafés"). We have excluded from this Table 3, the 3 Express Bakery & Cafés that are operated at atypical kiosk locations. No franchised Express Bakery & Cafés operating at Non-Traditional Facilities permanently closed during our last fiscal year.

2. "Gross Sales" for Express Bakery & Cafés at Non-Traditional Facilities means the amount received by a franchisee for all sales of any food, beverages (including alcoholic beverages where permitted by law), or other products sold by the franchisee or any other person or entity in, or from the Express Bakery & Café for cash, credit or otherwise, including but not limited to sales and services where the order originated in, at, or from the Express Bakery & Café regardless of where delivery or performance is made, minus (i) non-branded, non-proprietary merchandise (e.g., newspapers); (ii) refunds to customers that were previously included in Gross Sales, (iii) coupons and other forms of discounts, the issuance of which have been pre-approved by us, such that only the cash or credit charge amount received in a sale will be included, (iv) sales, excise or similar taxes imposed by any governmental authority and collected from customers and paid out by the franchisee, and (v) the value of meals provided to employees working at the Express Bakery & Café, incident to their employment. In the event there is an interruption to business operations and the franchisee receives business interruption insurance proceeds, then the amount of Gross Sales used to determine the loss will be deemed the Gross Sales for that period and deemed made when you receive the insurance proceeds. We may modify our policies consistent with restaurant industry practices regarding revenue recognition, revenue reporting, and the inclusion in or exclusion of certain revenue from "Gross Sales" as circumstances, business practices, and technology change.

* * *

We obtained the data for the Covered Company-Owned Bakery & Cafés in Table 1 from the internal operating records of our affiliates. We obtained the data for the Covered Franchised Bakery Cafés in Table 2 and the Covered Non-Traditional Bakery & Cafés in Table 3 from the sales reports submitted to us by those outlets. Neither the raw data nor the figures in Tables 1-3 have been audited.

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

Written substantiation for the financial performance representations in Tables 1 through 3 will be made available to you upon reasonable request.

Other than the preceding financial performance representations, we do not make any financial performance representations. 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 la Madeleine Bakery & Café, however, we may provide you with the actual records of that la Madeleine Bakery & Café. 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 Lauren Fernandez at 12201 Merit Drive, Suite 900, Dallas, TX 75251 (214) 696-6962, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary For Years 2023 to 2025[(1)]

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	60	64	+4
	2024	64	62	-2
	2025	62	59	-3
Company-Owned	2023	27	26	-1
	2024	26	29	+3
	2025	29	27	-2
TOTAL OUTLETS	**2023**	**87**	**90**	**+3**
	2024	**90**	**91**	**+1**
	2025	**91**	**86**	**-5**

Note 1: The figures in Tables 1-5 are as of the end of each calendar year. Our last fiscal year ended on December 30, 2025.

Note 2: The figures for franchised outlets include Express Bakery & Cafés operating at Non- Traditional Facilities and 2 la Madeleine Bakery & Cafés operating in India.

Note 3: As noted in Item 1, we treat the la Madeleine Bakery & Cafés operated by our affiliates as "company-owned" for purposes of this item.

Table 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2023 to 2025

State	Year	Number of Transfers
All States	2023	0
	2024	0
	2025	0
TOTALS	**2023**	**0**
	2024	**0**
	2025	**0**

Table 3
Status of Franchised Outlets [(1)]
For Years 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Termi-nations	Non-Renewals	Reacquired by Franchisor	Ceased Opera-tions - Other Reasons	Outlets at End of the Year
Arizona	2023	4	0	1	0	0	0	3
	2024	3	0	0	0	2	0	1
	2025	1	0	0	0	0	0	1
Florida	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Georgia	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
	2025	6	0	0	0	0	0	6
Louisiana	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	0	7
	2025	7	0	0	0	0	0	7
New Mexico	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	1	0	0
	2025	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Termi-nations	Non-Renewals	Reacquired by Franchisor	Ceased Opera-tions - Other Reasons	Outlets at End of the Year
North Carolina	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Oklahoma	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
South Carolina	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Texas	2023	38	3	0	0	0	0	41
	2024	41	1	1	0	0	0	41
	2025	41	0	0	3	0	0	38
TOTALS (U.S. Only)	**2023**	**60**	**3**	**1**	**0**	**0**	**0**	**62**
	2024	**62**	**2**	**1**	**0**	**3**	**0**	**60**
	2025	**60**	**0**	**0**	**3**	**0**	**0**	**57**
India	2023	0	2	0	0	0	0	2
	2024	2	0	0	0	0	0	2*
	2025	2	0	0	0	0	0	2
TOTALS (U.S. and International)	**2023**	**60**	**5**	**1**	**0**	**0**	**0**	**64**
	2024	**64**	**2**	**1**	**0**	**3**	**0**	**62**
	2025	**62**	**0**	**0**	**3**	**0**	**0**	**59**

Note 1: The figures for franchised outlets include Express Bakery & Cafés operating at Non-Traditional Facilities.

Note 2: The la Madeleine Bakery & Café in India operates an Express Bakery & Café and a kiosk at the Non-Traditional Facility. These are counted separately in this Table 3.

Table 4
Status of Company-Owned Outlets
For Years 2023 to 2025

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Arizona	2023	0	0	0	0	0	0
	2024	0	0	2	0	0	2
	2025	2	0	0	0	0	2
Louisiana	2023	1	0	0	1	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Maryland	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
	2025	2	0	0	0	0	2
New Mexico	2023	0	0	0	0	0	0
	2024	0	0	1	0	0	1
	2025	1	0	0	0	0	1
Texas	2023	20	1	0	0	1	20
	2024	20	0	0	0	0	20
	2025	20	0	0	2	0	18
Virginia	2023	4	0	0	0	0	4
	2024	4	0	0	0	0	4
	2025	4	0	0	0	0	4
TOTALS	**2023**	**27**	**1**	**0**	**1**	**1**	**26**
	2024	**26**	**0**	**3**	**0**	**0**	**29**
	2025	**29**	**0**	**0**	**2**	**0**	**27**

Table 5
Projected Openings as of December 30, 2025[(1)]

State	Franchise Agreement Signed but Outlet not Open	Projected New Outlet Openings in 2026	Projected New Company-Owned Outlet Openings in 2026
Tennessee	0	1	0
Texas	4	5	0
TOTAL	**4**	**6**	**0**

Note 1: Projected openings do not include the anticipated sale of company-owned la Madeleine Bakery & Cafés for operation by independent franchisees.

Exhibit G to this disclosure document is a list of franchised la Madeleine Bakery & Cafés as of December 30, 2025.

Exhibit G also lists each franchisee who had an outlet terminated, canceled, or not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during our last fiscal year. There are no franchisees who have not communicated with us within 10 weeks of the date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

We have not signed any agreements with current or former franchisees during the last three years that contain confidentiality clauses that would restrict the franchisee's ability to speak openly about their experiences as a franchisee in our franchise system.

We have created a Franchisee Advisory Council associated with the franchise system. The purpose of the Council is to promote constructive, open and two-way communications between all of the franchisees and LA MADELEINE leadership. In addition, it is our desire to make the Council an integral part of our planning as we grow and develop our franchise system. We selected the initial three members of the Council, who will serve for a two-year term. Thereafter, each member will be elected by the franchisee community for a three-year term of office. Each Franchise Group in good standing will be eligible to cast one vote for each la Madeleine Bakery & Café the Franchise Group has in operation. The Council will serve in an advisory capacity only. The Council's principal address, telephone number, email address and Web address is the same as ours..

No independent franchisee organizations have asked to be included in this disclosure document.

ITEM 21
FINANCIAL STATEMENTS

Exhibit J to this disclosure document contains LDA's audited consolidated balance sheets as of December 30, 2025, December 31, 2024, and December 26, 2023, and the related consolidated statements of income and comprehensive income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

LDA absolutely and unconditionally guarantees the performance of our obligations to franchisees under the Franchise Agreement and Development Agreement. The Guarantee of Performance is included in Exhibit J.

ITEM 22
CONTRACTS

Attached as Exhibits to this disclosure document are the following contracts:

Exhibit A Franchise Agreement (including the following agreements as Exhibits: Guaranty; Confidentiality and Non-Competition Agreement; Disclosure

Acknowledgement Statement; the ASA; and Agreement Regarding Leased Location by Tenant)

Exhibit B — Development Agreement (including the following agreements as Exhibits: Guaranty & Undertaking, Confidentiality and Non-Competition Agreement, Disclosure Acknowledgement Statement, and Liability Waiver by Developer)

Exhibit C — Non-Traditional Addendum to the Franchise Agreement

Exhibit D — Letter of Intent, Asset Purchase Agreement, and Re-Franchising Addendum to Franchise Agreement for sale of company-owned la Madeleine Bakery & Café

Exhibit F — Sample Form of Release

Exhibit I — Additional State-Required Information and State-Required Contract Addenda

ITEM 23
RECEIPTS

Two copies of a receipt form appear at the end of this disclosure document. Please fill out and sign both receipts, return one copy to us and keep the other for your records.

EXHIBIT A TO THE FRANCHISE DISCLOSURE DOCUMENT

Franchise Agreement

Location: _____
Franchisee Name: _____
Agreement Date: _____

FRANCHISE AGREEMENT

LA MADELEINE® FRANCHISE AGREEMENT

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EXHIBIT A - PREMISES, MANAGEMENT AND OWNERSHIP
EXHIBIT B - GUARANTY
EXHIBIT C - CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

EXHIBIT D - DISCLOSURE ACKNOWLEDGEMENT STATEMENT
EXHIBIT E – BAKERY & CAFÉ OPENING DATE LETTER
EXHIBIT F – ADMINISTRATIVE SERVICES AGREEMENT
EXHIBIT G – AGREEMENT REGARDING LEASED LOCATION BY TENANT

LA MADELEINE® FRANCHISE AGREEMENT

THIS AGREEMENT is entered into as of _____ (the **"Agreement Date"**) by and between:

(i) LA MADELEINE FRANCHISING COMPANY, INC., a Delaware corporation (**"we"** or **"us"**); and

(ii) the person(s) or entity identified immediately below (**"you"**):

Name:_____

Principal Address:_____

BACKGROUND

A. We and our affiliates, through significant expenditures of time, skill and money, have developed a proprietary system relating to the establishment and operation of restaurants specializing in the sale of various French-themed entrées, pastas, French pastries, hot and cold sandwiches, soups, salads, and other food and beverage items (the "**System**").

B. The distinguishing characteristics of the System include French cuisine, French pastries, baked goods and other food and beverage items prepared in accordance with secret and proprietary recipes and manufacturing processes owned by us and our affiliates; distinctive exterior and interior design layouts, décor, color scheme, fixtures, and furnishings; standards and specifications for ingredients, food preparation, equipment, and supplies; uniform standards, specifications, methods, policies and procedures for la Madeleine Bakery & Café operations, proprietary inventory and management control, training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by us and our affiliates from time to time.

C. We identify the System and la Madeleine Bakery & Cafés (defined below) by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including but not limited to the mark LA MADELEINE® and such other trade names, service marks, and trademarks as we may hereafter designate for use in connection with the System (the "**Proprietary Marks**").

F. You wish to obtain the right to establish and operate a LA MADELEINE® Bakery & Café at the Premises (as defined below);

NOW, THEREFORE, the parties agree as follows:

1. DEFINITIONS

The terms defined in the "Background" section and this Section 1 have the meanings set forth in those Sections. Other capitalized terms used in this Agreement are defined where they appear within the text of the Agreement.

1.1 "Brand Marketing Fund" means the common pool of funds for advertising and promotion to which LA MADELEINE® franchisees contribute and which we administer as provided in Section 14.

1.2 "Designated Supplier" means a manufacturer, wholesaler, distributor, dealer, retailer, or other vendor or source that we designate as the source particular for products or services.

1.3 "Development Agreement" means the LA MADELEINE® Development Agreement in effect between you (or your affiliates) and us, if any.

1.4 "Gross Sales" means all sales generated through the Bakery & Café including fees for any products or goods you sell, whether for cash or credit (regardless of collectability, except as provided below), and income of every kind or nature related to the Bakery & Café, including revenues from the sale of branded or retail merchandise and food products, whether from sales on the Premises, by delivery (including GrubHub, Uber Eats, Postmates, Favor, and Doordash), from catering if the Bakery & Café provides the product, by online, internet or phone-app ordering (including ezCater and Dinova) if picked up at the Bakery & Café or at wholesale (whether the sales method is permitted or not) and from the use of vending machines or similar arcade-like machines. In the event your business operations are interrupted and you receive business interruption insurance proceeds, then the amount of Gross Sales used by you to determine your loss will be deemed the Gross Sales for that period and deemed made when you receive the insurance proceeds. "Gross Sales" does not include any sales tax or other taxes you collect from customers for transmittal to the appropriate taxing authority. Gross Sales includes the retail value of all products sold in connection with the redemption of coupons, gift certificates, gift cards or vouchers; however, at the time such coupons, gift certificates, gift cards or vouchers are purchased, the retail price may be excluded from Gross Sales for the purpose of determining the amount of Gross Sales upon which fees are due. When calculating Gross Sales, you may deduct that portion of the normal full menu price of any item that you do not collect as a result of promotions we approve (whether local or system-wide, including coupons) and manager discounts (collectively, "**Sales Discounts**"), as well as discounted employee meals. Sales Discounts and discounted employee meals must be fully disclosed on all reports you submit to us, and we reserve the right, in our sole discretion, to disallow any Sales Discounts not meeting the requirements we set forth. Sales Discounts and discounted employee meals each may not exceed 3% of Gross Sales (as calculated before the deduction for Sales Discounts and discounted employee meals). We reserve the right to modify our policies consistent with restaurant industry practices regarding revenue recognition, revenue reporting, and the inclusion in or exclusion of certain revenue from "Gross Sales" as circumstances, business practices, and technology change.

1.5 "la Madeleine Bakery & Café" means a la Madeleine Bakery & Café operated by us, our affiliate or an authorized franchisee using the System and the Proprietary Marks.

1.6 "Lead Operator" means the individual whose role is defined in Section 9.22 and who is identified in Exhibit A.

1.7 "Non-Traditional Location" means a facility where the primary function is not a restaurant business, such as (but not limited to) a performing arts center, arena, stadium, shopping mall, department store, retail store, including wholesale club, grocery store, supermarket, casino, amusement park, fairground, college or university, factory, hospital, penal institution, military base, airport, turnpike, limited access highway rest stop, or other transportation facility.

1.8 "Premises" means the location that we have approved for the Bakery & Café, as specified in Exhibit A.

1.9 "Protected Area" means the area determined by drawing a circle, with the front door of the Premises as its center, having a radius of three (3) miles, unless a different area is specified in Exhibit A to this Agreement.

2. FRANCHISE GRANT AND TERRITORIAL PROTECTION

2.1 Grant. We grant you the right, and you undertake the obligation, on the terms and conditions set forth in this Agreement, to establish and operate a la Madeleine Bakery & Café at the Premises (the "**Café**") and to use the Proprietary Marks and the System in strict conformity with our quality control standards and specifications which are a material part of the System, solely in connection with the Bakery & Café.

2.2 Territorial Protection. While this Agreement is in effect, as long as you are not in default beyond any applicable cure period, we will not establish a la Madeleine Bakery & Café or franchise or license anyone other than you to establish a la Madeleine Bakery & Café within the Protected Area, except for la Madeleine Bakery & Cafés located at Non-Traditional Locations.

2.3 Rights Reserved. Except as expressly limited by Section 2.2 above, we and our affiliates retain all rights with respect to la Madeleine Bakery & Cafés, the Proprietary Marks, the sale of identical, similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire. Specifically, but without limitation, we reserve the following rights:

2.3.1 the right to operate, and to grant others the right to operate la Madeleine Bakery & Cafés located anywhere outside the Protected Area under any terms and conditions we deem appropriate and regardless of proximity to the Bakery & Café and the Protected Area;

2.3.2 the right to establish and operate, and to grant to others the right to establish and operate businesses offering similar or dissimilar products and services through similar or alternative channels of distribution, at any locations inside or outside the Protected Area under trademarks or service marks other than the Proprietary Marks and on any terms and conditions we deem appropriate;

2.3.3 the right to provide, offer and sell and to grant others the right to provide, offer and sell products and services that are identical or similar to and/or competitive with those products and services provided at la Madeleine Bakery & Cafés, whether identified by the Proprietary Marks or other trademarks or service marks, through alternative distribution channels (including the internet or similar electronic media, supermarkets, specialty food stores, convenience stores, wholesale clubs, retail food stores, and department stores) both inside and outside the Proprietary Marks and on any terms and conditions we deem appropriate;

2.3.4 the right to operate, and to grant others the right to operate, la Madeleine Bakery & Cafés at Non-Traditional Locations under the LA MADELEINE® name or any other name, within and outside of the Protected Area on any terms and conditions we deem appropriate;

2.3.5 the right to acquire the assets or ownership interests of one or more businesses providing products and services the same as or similar to those provided la Madeleine Bakery & Cafés, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Protected Area);

2.3.6 the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at la Madeleine Bakery & Cafés, or by another business, even if such business operates, franchises and/or licenses competitive businesses in the Protected Area; and

2.3.7 the right to use the LA MADELEINE® brand in other lines of business besides the operation of restaurants, anywhere in the world.

2.4 Acquisition Sites. While this Agreement is in effect, if we acquire the ownership or assets of any business operating at one or more sites located within the Protected Area, which we determine in our sole discretion to convert to a la Madeleine Bakery & Café (an "**Acquisition Site**"), we will offer to sell you the Acquisition Site for the price we paid for the Acquisition Site (plus the amount indicated in Section 2.4.1), provided that, in our judgment: (1) the sale would not conflict with any existing legal obligation of ours or of the business being acquired; (2) the sale would not preclude the completion of the acquisition on the terms agreed to by us; and (3) the sale would not interfere with any other agreement, arrangement or combination or affect federal or state income tax consequences arising from the acquisition in a manner adverse to any of the parties thereto; and provided further, that you agree: (a) to execute, concurrently with your purchase, a Franchise Agreement as modified for use in connection with each Acquisition Site; (b) to convert each Acquisition Site to a la Madeleine Bakery & Café as soon as practicable thereafter (but in no event later than the date specified by us) in accordance with our standards and specifications; and (c) to close or sell within a reasonable time period specified by us any Acquisition Sites which are not suitable for conversion to la Madeleine Bakery & Cafés. Notwithstanding anything to the contrary in

this Section 2.4, we will not acquire an Acquisition Site that is within the Protected Area unless we provide evidence to you to reasonably demonstrate that the acquisition will not have a material adverse effect on the Gross Sales of the Bakery & Café.

2.4.1 The purchase price you pay will include that portion of the direct and indirect costs and liabilities we incur or assume in making the acquisition and allocate to the Acquisition Site, whether paid or owed to the seller of the Acquisition Site, us, our affiliates, or third parties, plus any improvements we have made and other expenses allocated or otherwise related to the Acquisition Site (including losses, whether from continuing operations or closing acquired units), plus interest at our cost of money on the balance of such amounts from time to time.

2.4.2 You will have sixty (60) days after receipt of our offer in which to accept or reject the offer by written notice to us. If accepted, you will have thirty (30) days from the date of acceptance to complete the acquisition.

2.4.3 If you reject or fail to timely accept our offer to sell the Acquisition Site, or if we are not obligated to extend you an offer for any of the reasons stated in this Section 2.4, we may operate, alter, modify, refurbish, remodel, promote and market or franchise others to operate the Acquisition Site as a la Madeleine Bakery & Café or any other business. For purposes of this Section, all references to us will be deemed to include our affiliates.

3. TERM AND SUCCESSOR FRANCHISE AGREEMENT

3.1 Initial Term. The initial term of this Agreement (the "**Agreement Term**") begins on the date hereof and expires at the later of: (1) ten (10) years from the date the Bakery & Café opens for business to the public at the Premises (the "**Commencement Date**") as stated in the Bakery & Café Opening Date Letter (in the form attached hereto as Exhibit E) that you are to sign and send to us within five (5) days of the Commencement Date, or (2) the expiration of the initial lease agreement governing the Premises (excluding extensions and/or renewals); unless terminated sooner as provided in this Agreement.

3.2 Successor Agreement. You will have an option, exercisable upon expiration of the Agreement Term, to obtain a successor Franchise Agreement for the Bakery & Café for a term of the lesser of ten (10) years or the remaining term (including any extensions) of the lease for the Premises, subject to the following conditions:

3.2.1 You must give us written notice of your desire to exercise your option for a successor agreement at least six (6) months nor more than nine (9) months before the end of the Agreement Term (the "**Renewal Request**");

3.2.2 No later than two (2) months before the expiration of the Agreement Term, you must complete, to our satisfaction, (a) all modifications we may require to (i) the nature and quality of the products and services offered at the Bakery & Café, (ii) your advertising, marketing and promotional programs, (iii) your financial and inventory control systems, and (iv) without limiting your obligations under Section 3.2.5, the Bakery & Café and the Premises, including required maintenance and equipment upgrades or

replacements, and (b) adopt and implement any new methods, programs, modifications, techniques or operational systems we require. After receiving the Renewal Request, we will provide you with notice of any required modifications at least six (6) months before the expiration of the Agreement Term or one month after the date of the Renewal Request, whichever is later.

3.2.3 You must not be in default of this Agreement or any other agreement with us or our affiliates, either at the time you submit the Renewal Request or during the remainder of the Agreement Term, and you must have substantially complied with your other agreements with us or our affiliates throughout their respective terms;

3.2.4 You must satisfy all monetary obligations you owe to us and our affiliates, and must have timely met those obligations throughout the Agreement Term;

3.2.5 You must renovate and modernize the Bakery & Café as we may reasonably require, which may include installation of new equipment, signs, furnishings, fixtures, and décor to reflect the then-current standards and image of the System;

3.2.6 You must sign our then-current form of Franchise Agreement, which will supersede this Agreement in all respects and your owners must sign our current form of Guaranty;

3.2.7 You and your owners must sign a general release, in a form we prescribe, of any and all claims against us, our affiliates, and their respective past and present officers, directors, shareholders, and employees, in their corporate and individual capacities;

3.2.8 You must comply with our qualification and training requirements for new la Madeleine Bakery & Café franchisees; and

3.2.9 You must pay us a successor franchise fee equal to one-half of the then-current franchise fee that a new franchisee would be required to pay us for a new la Madeleine Bakery & Café.

3.3 Holdover. If this Agreement expires without the grant of a successor franchise, and you fail or refuse to comply with the post-expiration obligations under Section 18, then, without limiting our other rights and remedies under this Agreement and applicable law, we may, at our sole option, treat the Agreement Term as extended on a week-to-week basis until either we or you deliver written notice to the other party ending such extension.

4. SITE SELECTION AND ACCEPTANCE

4.1 At your own expense, you must identify and obtain a site for the Bakery & Café to be developed hereunder. Before acquiring a site by lease or purchase, you must submit to us information and materials about the proposed site, including the lease and the lease terms, the landlord's contact information, the land acquisition terms, demographic criteria and preliminary site plans showing building orientation, pad size,

parking layout and other information, as we may reasonably request to evaluate the site. Information for the Bakery & Café and the request for acceptance should be submitted to us within 60 days of the Agreement Date. Within 30 days after we receive all requested information and materials, we will accept or reject the proposed site in our sole discretion. Our acceptance of this site does not guarantee that a la Madeleine Bakery & Café operated at the site will be successful or that it will achieve a certain sales volume or level of profitability. Our acceptance means only that the proposed site meets our minimum criteria for a la Madeleine Bakery & Café.

4.2 We will furnish you with the following:

4.2.1 Site selection guidelines and criteria, and site selection counseling and assistance as we may deem advisable; and

4.2.2 Such on-site evaluations, if any, as we may deem advisable in response to your request for our review of a proposed site.

4.3 If you will occupy the Premises of the Bakery & Café under a lease, before signing the lease, you must submit the lease to us for our written approval. As a condition of our approval, we will require that you and the lessor execute an Agreement Regarding Leased Location by Tenant in the form substantially the same as Exhibit G to this Agreement.

4.4 You must furnish us with a copy of the executed lease and Agreement Regarding Leased Location by Tenant for the Bakery & Café within 10 days of its execution. Failure to obtain and deliver to us an original fully signed Agreement Regarding Leased Location by Tenant may be treated by us as a default under this Agreement.

5. OUR DUTIES

5.1 Plans and Specifications. We will furnish you with one set of our representative plans and specifications for construction of a la Madeleine Bakery & Café, including exterior and interior design and layout plans. These plans are for informational purposes only and you shall rely upon them in the construction of the Bakery & Café. You agree and acknowledge that the prototypical plans, designs and drawings are designated as our trade dress, and are intellectual property protected by the Lanham Act. As between you and us, we own our building design, including both exterior and interior colors, paint, look and appearance, carpet, and any and all interior and exterior design elements and the like, and our building design (and the components thereof) is proprietary and confidential in nature. Franchisor has incurred significant expense to prepare and create such trade dress, and any unauthorized use of same, without the consent of Franchisor, shall be prohibited.

5.2 Manuals. We will provide to you, on loan, one (1) set of our confidential systems manuals (the "**Manuals**") that shall include specifications for management and operations, equipment, supplies, and inventory. The Manuals are confidential and remain our property. We may modify and update the Manuals from time to time in our sole

discretion to ensure the highest level of quality in the System. These may be in written form, electronic or obtained via access to a website we designate.

5.3 Training. We will provide a training program for the persons that we require or permit to attend training under Section 8 of this Agreement.

5.4 Opening Supervision. If this Agreement is for your first or second la Madeleine Bakery & Café, we will provide our then-current on-site opening assistance. Otherwise, we will provide pre-opening and opening supervision and assistance as we deem advisable.

5.5 Suppliers. We will name Designated Suppliers as we deem appropriate and review suppliers that you nominate, subject to the limitations in Section 9.6.

5.6 Marketing Materials. In addition to the advertising and promotional materials produced by the Brand Marketing Fund, we will make available to you any advertising and promotional materials that we produce with our own funds. We may charge you a reasonable purchase price for non-Brand Marketing Fund materials.

5.7 Operational Advice. We will provide to you from time to time, as we deem appropriate, advice and written materials concerning techniques of managing and operating a la Madeleine Bakery & Café.

6. FEES

6.1 Franchise Fee. In consideration of the rights granted herein, you must pay us a non-refundable initial franchise fee of Forty Thousand Dollars ($40,000). The Initial Franchise Fee, minus $_____ of the Development Fee applied thereto (if applicable), for a net amount due of $_____, is payable when you execute the Franchise Agreement. The Initial Franchise Fee is deemed fully earned upon our receipt and is non-refundable.

6.2 Royalty. You must pay us a weekly royalty fee in an amount equal to five percent (5%) of the Gross Sales of the Bakery & Café for the preceding Accounting Week. Unless otherwise designated by us in writing, an "Accounting Week" begins on Wednesday and ends on the following Tuesday.

6.3 Brand Marketing Fund Contribution. You must contribute weekly to the Brand Marketing Fund the amount specified in Section 14.3 below.

6.4 Payment Method. You must designate an account at a commercial bank of your choice (the "**Account**") for the payment of amounts due to us or our affiliates, including but not limited to weekly royalty fees and Brand Marketing Fund contributions. You must furnish us and the bank with authorizations as necessary to permit us to make withdrawals from the Account by electronic funds transfer. Each week, we will transfer from the Account an amount equal to the royalty fees and Brand Marketing Fund contribution due from you based on Gross Sales for the preceding week, as well as any other fees due to us or our affiliates. You agree to maintain sufficient funds in the Account

at all times to cover all royalty fees, Brand Marketing Fund contributions and other fees payable to us or our affiliates. If funds in the Account are insufficient to cover the amounts payable at the time we make our weekly electronic funds transfer, the amount of the shortfall will be deemed overdue.

6.5 Interest and Late Fees. If any sums required to be paid by you to us under this Agreement are not received in full by us when due, we will assess a late fee of one hundred dollars ($100) for each week that any payment is delinquent. In addition, if any payment to us is overdue, you must pay us, in addition to the overdue amount, daily interest on the overdue amount from the date it became overdue until paid, at the rate of one and one-half percent (1.5%) per month or the maximum rate permitted by law, whichever is less. Interest shall be calculated on a daily basis. Interest charges are non-refundable. Such interest shall be in addition to any other remedies we may have. Your failure to have sufficient funds available in the Account to pay any amount then due or your failure to pay all amounts when due, constitutes grounds for termination of the Agreement, as provided in Section 17.2.

7. CONSTRUCTING AND OPENING THE BAKERY & CAFÉ

7.1 Construction. You must construct and equip the Bakery & Café at your own expense. Before starting construction, you must engage a qualified architect or engineer to prepare preliminary and final architectural and engineering drawings and specifications consistent with the representative plans furnished by us pursuant to Section 5.1. If the Bakery & Café is one of the first two la Madeleine Bakery & Cafés you or your affiliates own and operate, then you must (a) engage an architect from our approved list to prepare preliminary and final architectural drawings and specifications for the Bakery & Café consistent with our representative plans for a la Madeleine Bakery & Café; and (b) use a general contractor from our approved list or receive our written approval of your general contractor. If the Bakery & Café is the third or subsequent la Madeleine Bakery & Café you or your affiliates will own and operate, then you can choose your own architect and general contractor, but we must approve the final drawings and specifications before you begin the permitting process. Once approved by us, the drawings and specifications may not be changed or modified without our prior written consent.

7.2 Permits. You must obtain, at your expense, all zoning approvals, clearances, building and other operational permits, including your alcoholic beverage license and including, but not limited to, certificates of occupancy and mall or strip center clearances, which may be required by federal, state, or local laws, ordinances, or regulations and you are solely responsible for constructing the Bakery & Café in compliance with them.

7.3 Approval to Open. During the entire period of construction of the Bakery & Café, you must permit us and our agents to inspect the site at all reasonable times. You must complete construction and installation of all furniture, fixtures, equipment, and signs in accordance with the final plans and specifications approved by us under Sections 7.1 and 7.2 above. You must notify us of the anticipated construction completion date. You agree not to open the Bakery & Café for business until we notify you in writing that: (1) all

of your obligations under this Section 7 have been fulfilled; (2) at least three (3) individuals have completed and been certified in our Management Training (as defined in Section 8.1.1) as required by Section 8; and (3) we have been furnished with copies of all certificates of insurance required by Section 15.

7.4 Opening Deadline. You must open the Bakery & Café within sixteen (16) months after we sign this Agreement. The parties agree that time is of the essence.

8. TRAINING

8.1 Pre-Opening Management Training.

8.1.1 We require that all la Madeleine Bakery & Cafés be staffed by at least three (3) trained and certified individuals who have completed our approved management training program ("**Management Training**"). Management Training requires six (6) weeks to complete. If requested by you or required by us, a seventh week of training may be added at no additional cost to you. Any additional training beyond seven (7) weeks will be at our additional training fee and will be discussed prior to completion of week five (5) of Management Training. One of these individuals must be a general manager who must be on site the majority of the working days in a month. Other management personnel may include assistant managers, associate managers, shift leaders or any other individual who may be responsible for running daily operations at the Bakery & Café and who has completed Management Training. A minimum of three (3) but up to five (5) total individuals are permitted to attend our Management Training at no additional fee, including your Lead Operator, general manager and other management personnel that you designate and we approve. You must pay all expenses of your trainees to come to our certified training la Madeleine Bakery & Café. Your expenses will include the cost of travel, lodging, meals, and the wages of your employees. Management Training will take place in a la Madeleine Bakery & Café that we select at our discretion as a certified training facility. You may send additional individuals to Management Training on a space-available basis, but we may charge a training fee for additional trainees and/or for individuals who we may require to re-take Management Training if they fail to become certified. We may charge you a reasonable fee for this additional training, plus expenses (transportation, lodging and meals).

8.1.2 We will schedule Management Training as needed for new franchisees, to be completed at least sixty (60) days before opening your first la Madeleine Bakery & Café. Your Lead Operator and general manager must complete and become certified in Management Training prior to opening your first la Madeleine Bakery & Café. We will also offer Management Training at least thirty (30) days prior to opening your second Café in the same manner as described in this Section 8.1. The program is offered only in English. The instructional materials may include handouts, the Manual, quizzes, and checklists, as well as online learning materials. Our certified training la Madeleine Bakery & Cafés are staffed with certified training managers and hourly associates.

8.1.3 If the Bakery & Café is the third or subsequent la Madeleine Bakery & Café that you or your affiliates own and operate, the training of your general managers and assistant managers will be your responsibility. You can fulfill this obligation by paying us to train your management personnel at one of our certified training la Madeleine Bakery & Cafés, or you can train them in one of your la Madeleine Bakery & Cafés that we have approved as a certified training la Madeleine Bakery & Café. Assuming that you train these individuals, you must confirm to us in writing that you have trained these individuals, except for any personnel who have previously completed and have been certified in our Management Training. Your training programs must be led by a general manager that we have certified to administer a training program. The content and administration of your training program must adhere to the standards of our certified Management Training. We, or a third-party designee, may, from time to time, perform brand audits to ensure that your management team is adhering to our standards. The content and administration of your training program must be at least equal to those of our Management Training and must be approved in advance by us. We will provide you with materials and, to the extent we deem it necessary or appropriate, assistance in designing and developing your training program. We have the right to review your training program periodically to ensure its quality and to verify that all management personnel are being trained in a timely and satisfactory manner. We will notify you of any deficiencies in the training program. You must promptly cure the deficiencies. If you fail to cure the deficiencies in a timely manner, we may send a trainer to train your employees or we may require that you send your employees to one of our certified training la Madeleine Bakery & Cafés. We may charge you a reasonable fee for such additional training, plus expenses (transportation, lodging and meals).

8.2 Additional Training. After the Bakery & Café opens for business:

8.2.1 Any person you employ to serve as general manager, assistant manager, or Lead Operator (any change of whom requires our approval) before starting his or her duties, must complete the training program referred to in Section 8.1 to our satisfaction. If any of the preceding individuals cease active management or employment, a qualified replacement must complete the training program referred to in Section 8.1 before starting his or her duties. Pursuant to Section 9.22, a replacement Lead Operator must be approved by us.

8.2.2 We may require your personnel to attend and complete, to our satisfaction, additional training programs as we may reasonably require from time to time. Besides attending these additional training courses, you agree to attend an annual or bi-annual leadership conference if we organize and plan (at our option) such a meeting for la Madeleine Bakery & Café franchisees as well as quarterly meetings for franchisees, which may take place at our headquarters. You agree to pay all costs to attend these online or in-person training courses and meetings. If we require additional training as a result of your failure to comply with the quality assurance program under Section 9.19, you must pay us a reasonable training fee (plus travel, meals and lodging expenses for our representatives, if we conduct the training at the Bakery & Café). We may implement a program to certify a minimum of one (1) person in each la Madeleine Bakery & Café you operate that would be trained at an expert level of baking of our proprietary signature

items. This program may require annual re-certification, which could include online or in-person training. We may require travel to a certified training la Madeleine Bakery & Café for such training and you would be responsible for all related expenses (transportation, lodging and meals).

8.3 Training Methods; Expenses. Except for the initial training program, we have the right to provide training programs in-person, by video, via the Internet, or by other means, as we determine. All training that we conduct in-person will be held at a location that we designate. Except as provided in Section 8.2.2 above, we will provide instructors and training facilities for all mandatory training at no charge to you. You are responsible for all other expenses of your trainees, including but not limited to the costs of transportation, lodging, meals, and wages. You may also be required to purchase training materials and uniforms.

8.4 Learning Management System. We have established a secure website for franchisees, (currently Joie Connect / www.joieconnect.com) and we may require you to use this for training, reference materials, communication or other purposes as we direct from time to time. Participation in the Learning Management System is mandatory unless we expressly authorize you not to participate. We may change the platform for the Learning Management System in our sole discretion.

9. OPERATION OF THE BAKERY & CAFÉ

9.1 Compliance with System Standards. You acknowledge and agree that, in order to protect our reputation and goodwill and to maintain high standards of operation under the System, you must operate and maintain the Bakery & Café in strict conformance with the methods, standards, and specifications we prescribe from time to time in the Manuals or otherwise in writing. You acknowledge that the System standards may relate to any aspect of the appearance, function, cleanliness, and operation of the Bakery & Café. Any material failure to comply with the mandatory System standards or to pass our periodic quality control audits will constitute a material breach of this Agreement. You at no time will engage in deceptive, misleading or unethical practices or conduct any other act which may have a negative impact on our reputation and goodwill or the reputation and goodwill of any other franchisee operating under the System. You acknowledge that we have the right to vary our standards and specifications, in our reasonable judgment, to accommodate the individual circumstances of different franchisees.

9.2 Use of Premises; Hours of Operation. You must use the Premises solely for the operation of the Bakery & Café, must keep the Bakery & Café open and in normal operation for the minimum hours and days specified in the Manuals and as permitted by applicable laws, and must refrain from using or permitting the use of the Premises for any other purpose or activity at any time without first obtaining our written consent.

9.3 Employer Responsibilities. You have sole responsibility for all employment decisions and functions of the Bakery & Café, including but not limited to those related to recruiting, hiring, firing, scheduling, training (other than the brand-specific training in

Section 8, including Management Training), compensation, benefits, payroll taxes, overtime, break times, recordkeeping, supervision, safety, security, and discipline of employees. In compliance with applicable federal and state law, it is solely your responsibility to maintain and implement written policies prohibiting unlawful harassment, discrimination and retaliation by any person in connection with the operation of the Bakery & Café and to display all required employment-related notifications in compliance with applicable federal and state law. Any information we provide about employment matters, whether voluntarily or in response to your request, and whether directly or by means of any technology tools, is a recommendation only and not intended to exercise control over your employees, their wages, hours or working conditions, or the means and manner by which they carry out their duties. You alone will direct and control all employees of the Bakery & Café, subject only to applicable legal requirements, the terms of this Agreement, and the standards that we prescribe for the preservation of the goodwill associated with the Proprietary Marks. You may not use any of the Proprietary Marks in connection with any employee documents (such as employment applications, paychecks, pay stubs, benefits materials, employee handbooks, and employment agreements) without a prominent notice on the document that you are a franchisee of ours and that neither we nor our affiliates are the employer of anyone working in the Bakery & Café. At our request, made not more often than once every six months, you must communicate by a means reasonably calculated to reach all of your current employees a reminder that we are not their employer, and that we and our affiliates do not assume and will not accept any employer, co-employer or joint employer obligations. You agree to indemnify us and our affiliates against any claims by your employees and any claims by government agencies relating to workers employed at the Bakery & Café, as provided in Section 23.

9.4 Customer Relations. You must maintain a competent, conscientious, trained staff with enough workers to operate the Bakery & Café in conformance with our standards. You must take such steps as are necessary to ensure that your employees preserve good customer relations and render competent, prompt, courteous, and knowledgeable service.

9.5 Approved Products and Services. You must offer for sale in the Bakery & Café all products and services that we designate as required items. You may also offer for sale any optional items and services that we have approved in writing for sale in a la Madeleine Bakery & Café, but you may not offer or sell any unapproved products or services without our prior written consent. You must sell products only in the weights, sizes, forms, and packages we have approved. You must discontinue selling or offering for sale any products or services which we, in our sole discretion, disapprove in writing at any time.

9.6 Sourcing of Products and Services. We have the right to require that all current and future food and beverage items, ingredients, supplies, equipment, furnishings, smallwares, wall art, décor items, merchandise, promotional items, information technology services, third-party audits for food quality and safety, credit card processing services, and other products and services that you purchase for operation of or sale in the Bakery & Café: (a) meet specifications that we establish from time to time; and/or (b) be purchased only from suppliers that we have expressly approved; and/or (c)

be purchased only from a Designated Supplier (which may be us or an affiliate or a buying cooperative that we organize). To the extent that we have established specifications, require approval of suppliers, and require you to use our named Designated Suppliers for particular items, we will provide the requirements to you in writing. If we elect to name ourselves or an affiliate as the Designated Supplier for a particular item, you must purchase all of your requirements of the item from us or the affiliate. You must submit orders in accordance with the terms and procedures we specify from time to time. You must timely and fully pay all invoices from and maintain good standing with all Designated Suppliers. Any conflicting terms and conditions of sale stated in your purchase order will have no effect. In case of shortages, we will have complete discretion to allocate products among la Madeleine Bakery & Cafés (and, at our option, other channels of distribution). If because of shortages or an event of force majeure we are not able to supply the Bakery & Café with its requirements, you are authorized to purchase from other sources for use at the Bakery & Café until we are again able to meet the Bakery & Café's requirements, provided that the alternative supplies meet our specifications and that we have given prior written approval. We and/or our affiliates may derive revenue based on your purchases and leases, including from charging you for products and services that we or our affiliates provide to you and from promotional allowances, volume discounts and other payments made to us by suppliers and/or distributors that we designate or approve for some or all of our franchisees. We and our affiliates may use all amounts received from suppliers and/or distributors, whether or not based on your or other franchisees' actual or prospective dealings with them, without restriction for any purposes we or our affiliates deem appropriate.

9.7 Supplier Review Process. Except as otherwise provided in Section 9.5, you must purchase all products and services solely from suppliers who demonstrate to our continuing reasonable satisfaction the ability to meet our standards and specifications; possess adequate quality controls and capacity to supply your needs promptly and reliably; and have been approved by us in the Manuals or otherwise in writing. If we require you to use an approved supplier for a particular item, but you wish to purchase the item from a supplier that we have not approved, you may submit a written request for approval of the supplier, unless it is an item for which there is a Designated Supplier. We have no obligation to review or approve a greater number of suppliers for an item than the number we deem reasonable, and any proposed supplier relationship must not jeopardize the availability of any special pricing or other benefits offered by our existing suppliers based on system-wide purchases. We will provide our standards and specifications to you or to the proposed supplier, subject to the supplier's execution of a confidentiality agreement in a form acceptable to us. We have the right to inspect the proposed supplier's facilities and to require delivery of product samples either to us or to an independent laboratory designated by us for testing. Upon completion of our analysis, we will notify you in writing of approval or disapproval of the proposed supplier within 90 days of your written request for us to review the proposed supplier. You agree to pay a charge not to exceed our reasonable costs incurred in evaluating the supplier, whether or not the supplier is approved. You may not purchase, sell, or offer for sale any products or services of the proposed supplier until you receive our written approval of the proposed supplier. We have the right to re-inspect the facilities and products of any approved supplier and to revoke approval upon the supplier's failure to meet any of our then-current

criteria. If you receive a notice of revocation of approval, you agree to cease purchasing products from the disapproved supplier and, in the case of revocation based on failure of products to meet our standards, you agree to dispose of your remaining inventory of the disapproved supplier's products as we direct.

9.8 Information Systems. You must acquire and install in the Bakery & Café, at your own expense, the point of sale (POS) system, back office computer, and other computer equipment, digital menu boards, communications devices, audio/visual equipment and software systems that we specify in writing from time to time. You must sign the Administrative Services Agreement attached to this Agreement as Exhibit F. You must maintain an electronic connection between your systems and our systems; must use the systems in accordance with all policies and operational procedures we issue from time to time; must transmit data to us at the times we specify; must give us independent access to your systems and provide us with any user names and passwords necessary for that purpose; must maintain your systems in good working order at all times; must promptly install upgrades, additions, changes, modifications, substitutions and/or replacements of hardware, software, data connectivity, electrical power, and other computer-related facilities, as we direct; and must ensure that your employees are adequately trained in the use of such systems and our related policies and procedures. You must bear all costs of installation, operation, maintenance and upgrade of your systems.

9.9 Furnishings and Equipment. You must acquire and install in the Bakery & Café at your expense, such fixtures, furnishings, equipment, décor, and signs as we may reasonably direct from time to time. You must not install or permit to be installed on or about the Premises, without our prior written consent, any fixtures, furnishings, equipment, décor, signs, or other items not previously approved by us.

9.10 Access for Inspections and Audits. The products you sell and the services you render at the Bakery & Café pursuant to this Agreement shall at all times be sold and rendered with the highest level of courtesy and with a view to complete customer satisfaction, and shall be consistent with our standards. We may, but shall not be obligated to, and you must permit us and our agents to, enter the Bakery & Café at any time during normal business hours to conduct inspections and audits of the Bakery & Café operations, to determine if you are complying with your obligations under this Agreement and to interview employees and customers. You must cooperate with such inspections by rendering such assistance as our representatives may reasonably request. Upon notice from us or our agents, you must immediately begin such steps as may be necessary to correct any deficiencies noted during any such inspection. You must pay any out-of-pocket costs we, our affiliates and/or our agents that carry out such inspection incur, including any costs related to re-inspecting the Bakery & Café to confirm that all deficiencies have been corrected. We shall publish the criteria for quality audits in the Manuals provided to you, which may be modified from time to time at our sole discretion.

9.11 Condition of Premises. You must maintain the Premises (including adjacent public areas) in a clean, orderly condition and in excellent repair. At your own expense, you must make such additions, alterations, repairs, and replacements as may be required

for that purpose (but no others without our prior written consent). Upon our request, you must provide us with copies of any report of inspection conducted by a third party.

9.12 Remodeling. At our request (which will not be made more often than once every five (5) years), or as sooner required by your lease, you must refurbish the Bakery & Café to conform to our then-current design and service system, trade dress, and color schemes for a new la Madeleine Bakery & Café. Refurbishment may require you to make expenditures on, among other things, structural changes, installation of new equipment, remodeling, redecoration, and modifications to existing improvements. We will consider the useful life of the capital improvements in developing our standards for regular refurbishment.

9.13 Catering, Take-Out and Other Off-Premises Programs. We have established delivery, catering, take-out, retail and/or wholesaling programs ("**Off-Premises Programs**") either on our own or in conjunction with one or more outside vendors. Off-Premises Programs may be mandatory or optional for franchisees and may include online and telephone ordering systems. If we establish a mandatory Off-Premises Program or you choose to participate in a voluntary program, you agree to pay the fees and costs associated with participating and to comply with all other rules and procedures that we specify for the program in the Manual or otherwise in writing. You acknowledge that you may have to purchase equipment, including a delivery vehicle, in order to participate in an Off-Premises Program. We may define service areas for Off-Premises Programs that differ from your Protected Area. We can modify or terminate an Off-Premises Program upon notice to the participating la Madeleine Bakery & Cafés.

9.13.1 As of the Agreement Date, we have a mandatory Off-Premises Program for catering and take-out services. As part of our catering and take-out program, you must use our designated vendor(s) for online ordering, which includes use of our designated vendor's software online ordering platform. We have the right, in our sole discretion, to change to a different catering and take-out vendor at any time. Under the rules of this program as of the Agreement Date, you have the exclusive right to provide catering services from the Bakery & Café to locations within the Protected Area. You may also provide catering and take-out services outside of the Protected Area on a non-exclusive basis, provided that the Bakery & Café is located within the distance limits that we set for catering services based on quality and safety parameters. If multiple la Madeleine Bakery & Cafés are able to provide catering services in the same non-exclusive area, we may establish rules and policies to coordinate their activities and to prevent customer confusion.

9.13.2 Although you can provide catering services outside of the Protected Area under the conditions stated in Section 9.13.1, you may not directly solicit catering and take-out customers outside of the Protected Area without our permission. "Direct solicitation" includes, but is not limited to, solicitation in-person, by telephone, by mail, by e-mail, through the Internet or other electronic means, and by distribution of brochures, business cards or other materials. If any direct solicitation of catering customers within the Protected Area is in media that will or may reach a significant number of persons outside of the Protected Area, you must notify us in advance and obtain our consent.

9.13.3 We can change the rules of the catering and take-out program and/or define service areas and solicitation restrictions for catering that differ from the Protected Area. Upon receipt of notice from us of a change in the service area, you must stop providing catering services outside of the newly defined area and turn over all customer information that you have acquired relating to that area.

9.14 No Other Sales Channels. Unless expressly authorized by us under Section 9.13, you may not sell products or services through any channel or facility other than to retail customers for consumption on the Bakery & Café premises, or for personal carry-out consumption (including any Off-Premises Programs, food trucks, carts, kiosks, or temporary locations). If we approve any one or more activities, we will not be deemed to have given our approval, or waived our right to approve or disapprove, any other activities that you may later propose. We will consider the factors that we deem appropriate, which may include the period of time you have been operating the Bakery & Café, your sales volume, whether you have met certain quality standards and other benchmarks, and other standards that we may determine are applicable.

9.15 Credit Cards and/or Debit Cards. You must comply with the then-current Payment Card Industry Data Security Standards (PCI/DSS) as those standards may be revised by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org) or successor organization. Among other things, you agree to implement the security requirements that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards. You must implement and maintain an approved Payment Card Industry (PCI) compliance program for the Bakery & Café. We may suggest third party PCI compliance vendors from time to time, but you are free to submit alternative PCI compliance vendors for our approval or seek approval to perform your own PCI compliance. You must submit PCI compliance reports to us in the manner and frequency that we request, which may include having an independent third party conduct a PCI/DSS audit. Your failure to comply with this section will be a material default under this Agreement.

9.16 Electronic Money Programs and Loyalty Programs. You must participate in programs relating to gift cards, gift certificates, stored value cards, online or mobile coupons or credits, online or mobile ordering systems, and other electronic money programs as we may prescribe from time to time. Participation includes both issuing program benefits or credits and accepting them for payment by customers and may require you to purchase additional equipment. We will coordinate the crediting and debiting of funds among la Madeleine Bakery & Cafés based on customer purchases and redemption of stored value. You must also participate in any "frequent guest" or customer loyalty programs that we prescribe from time to time. You may not offer your own gift card, electronic money, or loyalty program for the Bakery & Café without our prior approval.

9.17 Pricing and Promotional Activities. To the extent permitted by applicable law, we have the right to establish maximum and/or minimum prices that you must follow for menu items, merchandise, and other products and services sold in the Bakery & Café. You must participate in and comply with the terms of special promotional activities that we prescribe for la Madeleine Bakery & Cafés generally or in specific geographic areas

or for specific types of venues. You acknowledge that these activities may include value menu, special offer, limited time offer and other pricing promotions and that the featured price(s) may be less than your cost for the promotional item(s). If required by our agreement with a Designated Supplier, you may have to purchase a certain amount of products from the Designated Supplier in connection with a promotion and you might not be able to use or sell all of the products. You agree to bear your own costs of participating in these activities. You must conspicuously display for customers the promotional signs and materials and otherwise participate in the manner we specify.

9.18 System Changes. We may unilaterally supplement, improve, and modify the System from time to time. You agree to comply with all reasonable requirements in that regard, including selling new types of products or services as specified by us. You may not implement any change in the System without our prior written consent. You must notify us in writing of any change in the System that you desire to implement, and provide any information we request regarding the proposed change. You acknowledge and agree that we have the right to incorporate the change into the System and thereupon obtain from you all right, title, and interest therein, without compensation to you.

9.19 Quality Assurance Program. You must comply fully with our quality assurance program. The program may include, among other things, customer satisfaction surveys, mystery shopper reports, employee satisfaction and perception surveys, health and safety reviews, product and ingredient testing, and observation of food preparation areas and processes. You must pay any out-of-pocket costs incurred by us, our affiliates or third parties to carry out our quality assurance program activities, including an on-site inspection at the Bakery & Café. If you fail to achieve the minimum score prescribed in the Manuals for a specific quality assurance category, we may require you and/or your employees to complete additional training at the Bakery & Café or a location that we designate, at your expense. If you fail to achieve the prescribed minimum score on two consecutive assessment occasions or on three or more assessment occasions in any five (5) year period, we will have the right to terminate this Agreement under Section 17.1.18.

9.20 Compliance with Lease and Financing Agreement. You must comply with all terms of the lease or sublease for the Premises and all other agreements, including financing agreements, affecting the operation of the Bakery & Café. You must undertake best efforts to maintain a good working relationship with your landlord and lender and must refrain from any activity which may jeopardize your right to remain in possession of, or to renew the lease or sublease for, the Premises and all furniture, fixtures and equipment necessary for operating the Bakery & Café.

9.21 Compliance with Laws. You must operate the Bakery & Café in full compliance with all applicable municipal, county, state and federal laws, rules, regulations and ordinances. You have sole responsibility for compliance despite any information or advice that we may provide. You are prohibited from taking any actions that would jeopardize our ability to comply with the United States Foreign Corrupt Practices Act and the International Money Laundering Abatement and Anti-Terrorist Financing Act, otherwise known as the Patriot Act. You represent and warrant to us that neither you, nor any of your respective affiliates, is identified, either by name or an alias, pseudonym or

nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (texts currently available at http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx). Further, you represent and warrant that neither you nor any of your affiliates has violated, and agree not to violate and will ensure your affiliates do not violate, any law prohibiting corrupt business practices, money laundering or the aid or support of persons or entities who conspire to commit acts of terror against any person, entity or government, including acts prohibited by the U.S. Patriot Act, U.S. Executive Order 13224, or any similar law. The foregoing constitutes continuing representations and warranties, and you shall immediately notify us in writing of the occurrence of any event or the development of any circumstance that might render any of the foregoing representations and warranties false, inaccurate or misleading.

9.22 Lead Operator. If you are, or at any time become, a business corporation, partnership, limited liability company or other legal entity, you must designate a "**Lead Operator**" in Exhibit A. The Lead Operator must be an individual approved by us who must (a) own and control, or have the right to own and control (subject to terms and conditions reasonably acceptable to us), not less than a 10% interest in your equity directly or indirectly; (b) have the authority to bind you regarding all operational decisions with respect to your la Madeleine Bakery & Cafés, including the Bakery & Café; (c) have completed Management Training to our satisfaction; and (d) have at least three (3) years of multi-restaurant management experience.

9.23 On-Site Management. You (or your Lead Operator, if you are a corporation or other entity) or an individual who has been approved by us as the "**Operator**," who may or may not be an owner and who has completed Management Training, must personally participate in the operation of the Bakery & Café, including spending time daily on site at the Premises, and must oversee operations of all of your la Madeleine Bakery & Cafés. In addition, you must at all times employ a general manager who must devote his or her full time and best efforts to the operation of the Bakery & Café and who has been trained in accordance with Section 8 of this Agreement. In addition to a general manager, you must designate at least one other individual as a manager or supervisor that has attended and been certified in our Management Training. There must always be at least one general manager or supervisor on duty during operating hours of the Bakery & Café.

10. PROPRIETARY MARKS AND COPYRIGHTS

10.1 Identification of the Bakery & Café. You must operate, advertise, and promote the Bakery & Café only under the Proprietary Marks. In conjunction with any use of the Proprietary Marks, you must identify yourself to the public as an independent franchisee and licensee of the Proprietary Marks, and not the owner of the Proprietary Marks and shall make any necessary filings under state law to reflect such status. In addition, you will identify yourself as a licensee of the Proprietary Marks on all invoices, order forms, receipts, business stationery and contracts, as well as at the Bakery & Café on any signage, which shall be conspicuously displayed, to customers.

10.2 Proprietary Materials. You acknowledge and agree that we and/or our affiliates are the owners of certain copyrighted or copyrightable works (the "**Works**") and that the copyrights in the Works are valuable property. We authorize you to use the Works on the condition that you comply with all of the terms and conditions of this Section 10.2. You acknowledge and agree that we may create, acquire or obtain licenses for certain additional copyrights in various works of authorship used in connection with the operation of a la Madeleine Bakery & Café, including, but not limited to, all categories of works eligible for protection under the United States copyright law, all of which will be deemed to be part of the Works, as that term is defined herein. The Works include, but are not limited to, the Manuals, advertisements, promotional materials, labels, menus, posters, coupons, gift certificates, signs, World Wide Web and other Internet sites, and store designs, plans and specifications. The Works may incorporate all or part of the Proprietary Marks or other trade dress used as part of the System. You acknowledge that this Agreement does not confer any interest in the Works on you, other than the right to use them in the operation of the Bakery & Café in compliance with the terms of this Agreement.

10.3 Limitations on Use. Your right to use the Proprietary Marks and the Works is limited to the uses we authorize under this Agreement and any unauthorized use will constitute an infringement of our rights. Therefore, you agree to:

10.3.1 Use only the Proprietary Marks that we designate and use them only in the manner we authorize;

10.3.2 Use the Proprietary Marks and Works only for the operation of the Bakery & Café and only at the Premises or in advertising for the Bakery & Café;

10.3.3 Operate and advertise the Bakery & Café only under the name "la Madeleine", and use all Proprietary Marks without prefix or suffix, and not use the Proprietary Marks as part of your corporate or legal name;

10.3.4 Ensure that all advertising and promotional materials, packaging, signs, decorations, websites, and other items that we may specify, bear the Proprietary Marks in the form, color, size, and location we prescribe;

10.3.5 Identify yourself as a licensee of the Proprietary Marks, and not the owner of the Proprietary Marks in conjunction with any use of the Proprietary Marks, including but not limited to on invoices, order forms, receipts, check stock, payroll forms, business stationery, websites, email auto-signatures, and other electronic media, as well as at such conspicuous locations on the Premises;

10.3.6 Not use the Proprietary Marks to incur any obligation or indebtedness on behalf of us or our affiliates;

10.3.7 Comply with our instructions in filing and maintaining any requisite trade name or fictitious name registrations, and execute any documents we deem necessary to obtain protection for the Proprietary Marks and the Works or to maintain their continued validity and enforceability;

10.3.8 Not use the Proprietary Marks as part of your corporate or other legal entity name;

10.3.9 Not directly or indirectly contest the validity of, or take any other action which tends to jeopardize our or our affiliates' rights to the ownership of or right to use and to license others to use the Proprietary Marks; and

10.3.10 Ensure that the Proprietary Marks and the Works bear the "®", "TM", "SM" or copyright notice, respectively, as we may prescribe from time to time.

10.3.11 Your Acknowledgments. You acknowledge that:

10.3.12 The Proprietary Marks are valid and serve to identify the System and those who are authorized to operate under the System;

10.3.13 Your use of the Proprietary Marks and Works pursuant to this Agreement does not give you any ownership interest or other interest in the Proprietary Marks or the Works;

10.3.14 Any and all goodwill arising from your use of the Proprietary Marks and the Works will inure exclusively to the benefit of us and our affiliates, and upon expiration or termination of this Agreement, no monetary amount will be assigned as attributable to any goodwill associated with your use of the System, the Proprietary Marks, or the Works; and

10.3.15 The license granted hereunder to use the Proprietary Marks and the Works is nonexclusive.

10.4 Third Party Challenges. You must promptly notify us in writing and verbally of any unauthorized use or reproduction of the Proprietary Marks or the Works, any challenge to the validity of the Proprietary Marks or the Works, the ownership by us and our affiliates of the Proprietary Marks and the Works, our right to use and to license others to use the Proprietary Marks and the Works, or your right to use the Proprietary Marks or Works. You acknowledge that we and our affiliates have the right to direct and control any administrative proceeding or litigation involving the Proprietary Marks or Works, including any settlement thereof. We and our affiliates have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks or Works. We will defend you against any third-party claim that your use of the Proprietary Marks or the Works infringes the rights of the third party. We will bear the cost of defense (including the cost of any judgment or settlement) if you have used the Proprietary Marks and the Works in accordance with the terms of this Agreement, but otherwise you must bear the cost of the defense (including the cost of any judgment or settlement). You must execute any and all documents and do such acts as we deem necessary to carry out the defense or prosecution of any litigation involving the Proprietary Marks or the Works, including, but not limited to, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Proprietary Marks or the Works in a manner inconsistent with the terms of this Agreement, you agree to reimburse us for our out-of-pocket costs in doing such acts.

10.5 Changes to the Proprietary Marks. We reserve the right to modify or require you to discontinue use of any of the Proprietary Marks or the Works and/or to substitute different service marks, trademarks or copyrighted material for use in identifying the System and the businesses operating thereunder. When required by us, you must promptly discontinue use of designated Proprietary Marks or Works or implement any modification or substitution at your own cost and expense. We will have no obligation or liability to you as a result of such modification or substitution.

10.6 Innovations. All ideas, concepts, techniques or materials relating to a la Madeleine Bakery & Café (collectively, "**Innovations**"), whether or not protectable intellectual property and whether created by or for you or your Owners, employees or contractors, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent any Innovation does not qualify as a work made-for-hire for us, by this paragraph you assign ownership of that Innovation, and all related rights to that Innovation, to us and agree to sign (and to cause your owners, employees and contractors to sign) whatever assignment or other documents we request to evidence its ownership or to help us obtain intellectual property rights in the Innovation. We and our affiliates have no obligation to make any payments to you or any other person with respect to any Innovations. You may not use any Innovation in operating the Bakery & Café or otherwise without our prior approval.

11. MANUALS

11.1 Confidentiality. You must treat the Manuals, which include all information conveyed via written or electronic access through an on-line system and all information contained in them, as confidential. You must not misuse, copy, duplicate, record, or otherwise reproduce the Manuals or any other materials containing our confidential information, in whole or in part, or otherwise make them available to any unauthorized person.

11.2 Security. The Manuals remain exclusively our property and you must keep them at all times in a secure place in the Bakery & Café.

11.3 Updates. We may, from time to time, revise the contents of the Manuals. You agree to update your copies of the Manuals and to comply with each new or changed standard upon reasonable notice from us. In the event of a dispute about the contents of the Manuals, the master copies maintained by us at our principal offices will be controlling.

12. CONFIDENTIAL INFORMATION

12.1 Nondisclosure. You must not, during the term of this Agreement or at any time thereafter, communicate, divulge, or misuse for your benefit or for the benefit of any other person or entity any confidential information, knowledge, trade secrets, or know-how which may be communicated to you or of which you may be apprised by virtue of your activities under this Agreement, including, but not limited to, Customer Data (as defined in Section 13.6 below). You may divulge such confidential information only: (i) to your employees who must have access to it in order to operate or develop the Bakery & Café; and (ii) to your contractors and the landlord of the Premises with our prior written

approval. All information, knowledge, trade secrets, know-how, techniques, and other data which we designate as confidential will be deemed confidential for purposes of this Agreement, except information which you can demonstrate came to your attention by lawful means prior to disclosure thereof by us, or which, at or after the time of disclosure by us to you, had become or later becomes a part of the public domain, through publication or communication by others.

12.2 Owners and Employees. At our request, you must require your general manager and assistant managers (if applicable) to execute agreements that they will maintain the confidentiality of our information. The agreements must be in a form satisfactory to us and identify us as a third-party beneficiary with the independent right to enforce the agreement. At our request, you must use your best efforts to obtain similar agreements from your landlord, contractors, and any other person to whom you wish to disclose any of our confidential information.

13. ACCOUNTING AND RECORDS

13.1 Books and Records. You must prepare, and must preserve for at least three (3) years from the dates of their preparation, complete and accurate books, records, and accounts, in accordance with generally accepted accounting principles. You must record all Gross Sales, net sales, sales tax, and any other charges collected on behalf of third parties in accordance with the procedures prescribed in the Manuals, on the point of sale system that we specify.

13.2 Financial Reports. You must submit to us, at your expense, in the form we prescribe:

13.2.1 By no later than Friday of each week, a complete and accurate report of Gross Sales for the preceding week, and such other weekly data as we may reasonably require;

13.2.2 By the 15th of each month, an unaudited income statement for the prior month and year to date, specifically reflecting, among other things, cost of goods sold and labor costs for the Bakery & Café;

13.2.3 Within forty-five (45) days after the end of each quarter, an unaudited balance sheet as of the end of the quarter; and

13.2.4 Within ninety (90) days after the end of each of your fiscal years, an income statement showing the results of your operations during the fiscal year and a balance sheet as of the end of the fiscal year, both of which must be prepared in accordance with generally accepted accounting principles and reviewed by an independent certified public accountant. If, however, the foregoing income statements and balance sheets are audited by an independent certified public accountant, then you must furnish the audited income statements and balance sheets rather than the reviewed income statements and balance sheets. We reserve the right to require that your financial statements be audited, at your expense, by an independent certified public accountant approved by us.

13.3 Intranet / Extranet. You agree to participate in any Extranet or Intranet that we may from time to time establish in our sole discretion. We may require you to obtain specified computer hardware, software and/or an Internet connection (collectively, "**Computer Facilities**") and may periodically modify specifications for same, all at your expense.

13.3.1 We may charge you a reasonable fee if we develop or have developed (and, once developed, for modifying and enhancing) proprietary software, an Extranet or an Intranet and for other computer maintenance and support services that we or any of our affiliates provide to you, and you agree to sign any software license agreement or similar document that we or any of our affiliates prescribe to regulate your use of, and our and your respective rights and responsibilities with respect to the software, the Intranet and the Extranet, as applicable.

13.3.2 You shall have sole and complete responsibility for: (1) the acquisition, operation, monitoring, maintenance and upgrading of the Computer Facilities, including date-related readiness of the system; (2) the manner in which your Computer Facilities interface with our computer system, Intranet and Extranet and those of third parties; and (3) any and all consequences that may arise if the Computer Facilities are not properly installed, operated, monitored, maintained and upgraded.

13.4 Parent and Guarantor Financial Statements. At our request, you agree to furnish a statement of financial condition as of the end of the fiscal quarter for each individual or corporate guarantor of your obligations to us and, if applicable, for each of your direct and indirect corporate parents.

13.5 Right to Examine or Audit. We and our designated agents will have the right to examine and copy, at our expense, on reasonable notice and during normal business hours, your books, records, accounts, and sales tax returns. We will also have the right, at any time, to have an independent audit made of your books. If an inspection or audit reveals that any payment to us has been understated, you must immediately pay to us the amount owed, together with applicable interest and late fees as provided in Section 6.5. If an inspection or audit reveals any underpayment of two percent (2%) or more, you must, in addition to payment of monies owed with interest, reimburse us for all costs connected with the inspection or audit (including expenses for travel, lodging and wages, and reasonable accounting and legal costs). The foregoing remedies are in addition to any other remedies we may have.

13.6 Customer Data. You agree that all data that you collect from customers in connection with the Bakery & Café ("**Customer Data**") is deemed to be jointly owned by us and our affiliates, and you agree to furnish the Customer Data to us at any time that we request it. You have the right to use Customer Data while this Agreement or a Successor Agreement is in effect, but only in accordance with the policies that we establish from time to time. You may not sell, transfer, or use Customer Data for any purpose other than marketing and operating the Bakery & Café. You must at all times comply with all laws and regulations applicable to the collection, retention, and use of Customer Data in the operation of the Bakery & Café.

14. ADVERTISING AND PROMOTION

14.1 Advertising Programs. You acknowledge the value of and the need to develop, enhance, and promote the System and the Proprietary Marks. You also acknowledge the importance of the standardization of advertising programs to the furtherance of the goodwill and public image of the System and the Proprietary Marks. This Section 14 describes our marketing, public relations and advertising programs and our right to modify these programs and the manner in which the marketing and advertising funds are used from time to time.

14.2 Your Weekly Advertising Obligation. During the Agreement Term, you will have a weekly advertising obligation ("**WAO**") in an amount not to exceed 4.0% of your Gross Sales. Subject to the limitations in this Section 14, we have the right to allocate the WAO among: (i) contributions to the Brand Marketing Fund as described in Section 14.3; (ii) expenditures for Local Store Marketing as described in Section 14.5; and (iii) contributions to a Cooperative as described in Section 14.6. We can change the allocation on reasonable notice to franchisees.

14.3 Brand Marketing Fund. You must contribute a percentage of your Gross Sales weekly to the Brand Marketing Fund. As of the Agreement Date, the required contribution is two and one-quarter percent (2.25%) of Gross Sales. We may increase the percentage of Gross Sales that franchisees are required to contribute, at our sole discretion, but the required contribution will not exceed four percent (4.0%) of Gross Sales during the Agreement Term. Contributions must be made in the manner specified in Section 6.4. We may use Brand Marketing Funds received from you in any manner consistent with Section 14.3.1 below.

14.3.1 We have the right to direct all advertising, media placement, marketing and public relations programs and activities financed by the Brand Marketing Fund, with final discretion over the strategic direction, creative concepts, materials and endorsements used and the geographic, market and media placement and allocation. We may use the Brand Marketing Fund to pay various costs and expenses as we determine in our sole discretion, including: preparation and production of video, audio, written, online and mobile advertising materials; production of promotional materials; sponsorship of sporting, charitable, or similar events; design, establishment, and maintenance of web sites, search rankings, social media profiles, insights and other online and mobile presence; endorsement contracts; reasonable salaries and expenses of our and our affiliates' employees who work on advertising, marketing, public relations materials, programs, insights, activities or promotions prepared, planned or undertaken on behalf of the Brand Marketing Fund; professional fees and administrative costs and overhead that we or our affiliates incur in activities reasonably related to the administration and activities of the Brand Marketing Fund (including accounting fees, legal fees, and interest on monies borrowed by the Brand Marketing Fund); implementation of advertising programs, including purchasing direct mail and other media advertising and employing advertising agencies to assist us; and other public relations, marketing, consumer research, and promotional activities, including testing and test marketing programs, fulfillment charges, and development and implementation and testing of trade dress and design prototypes.

We will not use any of the Brand Marketing Fund expenditures specifically to develop materials and programs that will be used principally to solicit franchise owners.

14.4 We may seek the advice of LA MADELEINE® franchisees by formal or informal means with respect to the creative concepts and media used for programs financed by the Brand Fund. We retain the final authority on all programs financed by the Brand Marketing Fund. We have the right to change or dissolve the Brand Marketing Fund.

14.4.1 You acknowledge that the Brand Marketing Fund and any earnings thereon will be used to maximize general public recognition, acceptance, and patronage of la Madeleine Bakery & Cafés, and that we are not obligated, in administering the Brand Marketing Fund, to make expenditures for you which are equivalent or proportional to your contribution, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Brand Marketing Fund. Your failure to derive any such benefit will not serve as a basis for a reduction or elimination of your obligation to contribute to the Brand Marketing Fund. The failure (whether with or without our permission) of any other franchisee to make the appropriate amount of contributions to the Brand Marketing Fund will not release you from or reduce your obligation.

14.4.2 Nothing in this Agreement will be construed to create a trust or fiduciary relationship of any kind or nature whatsoever among the parties as it relates to the Brand Marketing Fund or our actions with respect thereto, including, but not limited to, collection of payments, maintenance of the bank account, bookkeeping, and disbursement of monies from the Brand Marketing Fund. Except as expressly provided in this Section 14, we assume no direct or indirect liability or obligation to you with respect to maintenance, direction, or administration of the Brand Marketing Fund.

14.5 Local Store Marketing. You must spend a percentage of your Gross Sales weekly for local advertising and promotion of the Bakery & Café ("**Local Store Marketing**"). As of the Agreement Date, the spending requirement is 1.0% of Gross Sales. We may increase the required spending percentage, but the required expenditure for Local Store Marketing will not exceed two percent (2.0%) of Gross Sales during the Agreement Term. Discounts, promotional items, and food products that you give away in order to promote the Bakery & Café will count toward your obligation in this Section, but only at your cost (not the retail value) of the items. Fees paid to delivery service partners will not count toward your Local Store Marketing requirement. The maximum that we will count toward Local Store Marketing for discounts, promotional items and give-aways combined is one percent (1%) of Gross Sales. All Local Store Marketing must be approved by us pursuant to Section 14.8 below. Upon our request, you shall furnish to us supporting documentation evidencing your Local Store Marketing expenditures. You must, within 30 days of the end of each calendar quarter, provide us with a report of the qualifying expenditures you have made during that calendar quarter. Your failure to meet the Local Store Marketing requirement in any two (2) consecutive quarters by more than ten percent (10%) and/or your failure to meet the Local Store Marketing requirement at the end of any calendar year shall constitute a breach of the Franchise Agreement.

14.6 Joint Marketing Programs and Cooperatives. We have the right at any time and from time to time to establish, and thereafter modify (1) co-marketing programs in which we, franchisees and licensees join with suppliers or other third parties to cross-promote goods and services; (2) joint marketing efforts in which multiple franchisees and/or licensees contribute to a specific ad or event; and/or (3) local or regional marketing co-operatives ("**Cooperatives**") that pool funds of franchisees on an ongoing basis to jointly promote the Proprietary Marks and the Bakery & Cafés of the Cooperative members. You must participate in each applicable joint marketing program and comply with the rules of the program. The following provisions apply to Cooperatives:

14.6.1 We have the right to designate any geographic area or set of common characteristics for purposes of establishing a Cooperative. If a Cooperative is applicable to the Bakery & Café at the time the Bakery & Café opens for business, you must join the Cooperative. If a Cooperative applicable to the Bakery & Café is established during the Agreement Term, you must become a member and begin contributing (in addition to the Brand Marketing Fund contribution) no later than thirty (30) days after we approve the Cooperative to begin operation. You will not have to contribute to more than one Cooperative for the Bakery & Café at the same time. We (or our affiliates, as the case may be) will become a member of any Cooperative that is applicable to a la Madeleine Bakery & Café owned by us or our affiliates.

14.6.2 Each Cooperative will adopt a Cooperative agreement governing the organization and operation of the Cooperative, subject to our approval. If the members of the Cooperative do not sign an agreement within a reasonable time, you agree to sign our recommended form of Cooperative Agreement. We reserve the right to change the form of organization, governing documents, and manner of operation of any Cooperative, and you and the other members agree to implement any such change promptly after notice from us. No changes in the bylaws or other governing documents of a Cooperative may be made without our prior written consent.

14.6.3 Each Cooperative will be organized for the exclusive purpose of developing, administering, and executing advertising programs for the members of the Cooperative.

14.6.4 No advertising or promotional plans or materials may be used by a Cooperative or furnished to its members without our prior approval pursuant to Section 14.8 below.

14.6.5 You and each other member of the Cooperative must contribute weekly to the Cooperative all or any portion of the Local Store Marketing expenditure required under Section 14.5 above, as determined by the membership. The required contribution will not exceed two percent (2%) of Gross Sales unless approved by a unanimous vote of eligible members of the Cooperative. Your obligation for Local Store Marketing under Section 14.5 will be reduced by the amount of your contributions to the Cooperative (but the offset cannot reduce the local advertising obligation below zero or result in a credit back to you).

14.6.6 We may grant to any franchisee an exemption for any length of time from the requirement of membership in a Cooperative and/or from the obligation to contribute (including a reduction, deferral, or waiver of the contribution), upon written request of the franchisee stating reasons which we deem sufficient to support the exemption. Our decision concerning any request for exemption will be final. If an exemption is granted to a franchisee, the franchisee will be required to spend on Local Store Marketing the amount the franchisee otherwise would have been required to contribute to the Cooperative.

14.6.7 We and our designated agents will have the right to examine and copy, at our expense, on reasonable notice and during normal business hours, the books, records, and accounts of any Cooperative. We will also have the right, at any time, to have an independent audit made of the books of any Cooperative.

14.7 Grand Opening. In addition to the WAO, you must conduct grand opening marketing activities during the period beginning no less than 45 days before and ending 90 days after the Bakery & Café opens. You must expend a minimum of ten thousand dollars ($10,000) to conduct grand opening marketing activities pursuant to a grand opening marketing plan developed by us. We reserve the right to require you to deposit with us the funds required under this Section 14.7, so we may distribute the funds as necessary to conduct the grand opening marketing plan.

14.8 Approval Requirement. All advertising and promotion by you and by any Cooperative must be in the type of media and format that we approve, must be conducted in a dignified manner, and must conform to our standards and requirements. You or the Cooperative must submit written samples of all proposed advertising and promotional plans and materials to us for our approval at least thirty (30) days before their intended use, unless the plans and materials were prepared by us or have been approved by us within the last twelve (12) months. Proposed advertising plans or materials will be deemed to have been approved if we have not disapproved them within fifteen (15) days after receipt.

14.9 Electronic Marketing and Electronic Communications. Unless we have agreed to it in writing, you may not use, register, maintain, or sponsor any URL, domain name, social networking platform, blog, messaging system, email account, user name, corporate name, assumed name, text address, mobile application, loyalty program, or other electronic or non-electronic, mobile or Internet presence that uses or displays any of the Proprietary Marks (or any derivative thereof) or that promotes any products or services of the Bakery & Café. The use of any electronic medium constitutes advertising and promotion subject to our approval as described above. You acknowledge that the use of any electronic medium constitutes advertising and promotion subject to our approval under Section 14.8. You agree not to transmit or cause any other party to transmit advertisements or solicitations by broadcast media, telephone, e-mail, text message, instant message, social network, local listing sites, VoIP, streaming media, or other electronic media without first obtaining our written consent as to: (a) the content of the advertisements or solicitations; and (b) the type of media intended to be used. All telephone answering messages, email auto-signatures, and other identifiers of the Bakery

& Café must be in the form we prescribe. If we approve the use of an electronic medium, our approval will be conditioned on your compliance with any standards and procedures we issue with respect to that type of electronic medium, including the use of any disclaimers, warnings, and other statements that we may prescribe.

In all cases, we will have sole discretion and control over any profile(s) using or relating to the Proprietary Marks, or that display the Proprietary Marks, that are maintained on social/digital media outlets, including Facebook/Meta, Twitter, LinkedIn®, Google+, Foursquare, YouTube, Pinterest, TikTok and Instagram or other similar outlets that may exist in the future. We may use part of the advertising fund monies it collects to pay or reimburse the costs associated with the development, maintenance, and update of such profiles. We have established guidelines under which you may establish profiles or otherwise establish a presence on the social/digital media outlets. You must comply with our standards, protocols, and restrictions and we may, in our sole discretion, change these guidelines.

You must use the email system and address that we assign to you for all business communications. You may not independently market on the Internet or use any domain name, address, locator, link, metatag or search technique with words or symbols the same or similar to the Proprietary Marks. We intend that any franchisee Web site be accessed only through our home page. All Internet marketing must be coordinated through and approved by us. All telephone answering messages, email auto-signatures, and other identifiers of the Bakery & Café must be in the form we prescribe. If we approve the use of an electronic medium, our approval will be conditioned on your compliance with any standards and procedures we issue with respect to that type of electronic medium, including the use of any disclaimers, warnings, and other statements that we may prescribe.

15. INSURANCE

15.1 Maintenance of Insurance & Approved Insurance Agent. You shall obtain, within thirty (30) days after the execution of the lease for the Bakery & Café, and shall maintain in full force and effect at all times during the term of this Agreement, at your expense, all of the insurance policies in Section 15.2 ("**Coverages**") (except for liquor liability insurance if you do not sell alcoholic beverages at the Bakery & Café). You shall obtain all Coverages solely from insurance agents/brokers or other providers we approve (which we may limit to an exclusive source, including our affiliate or subsidiary). We may or may not receive compensation or other economic benefits from these approved insurance agents/brokers or other providers. If you desire to purchase the required Coverages from an unapproved insurance agent/broker or provider, you shall submit to us a written request for such approval prior to procuring the Coverages. If we grant approval for the use of an unapproved insurance agent/broker or other provider, you shall pay to us a $350 fee to cover the costs of reviewing the Coverages procured by the proposed vendor. Should our review of the procured Coverages determine that the proposed vendor procured insufficient Coverages, you must procure the Coverages identified by Franchisor within 7 business days upon receiving notification from us.

Additionally, you shall pay us an additional $150 fee to review these subsequent changes (and a $150 fee to review in the event that any additional changes are necessary).

15.2 Coverages. Such policy or policies shall be written by an insurance carrier or insurance carriers with a Best's Insurance Guide rating of "A" or better, and shall include, at a minimum, the policies below. Unless otherwise specified, you must satisfy the requirements in this Section 15.2 with respect to the Bakery & Café individually, without regard to other la Madeleine Bakery & Cafés you may own and operate:

15.2.1 Commercial general liability insurance:

A. The commercial general liability insurance policy shall include bodily injury, property damage, advertising and personal injury, and medical payments coverage parts, written on an occurrence reporting basis. However, such coverage shall not include an insured versus insured exclusion or any exclusion that prevents coverage of a claim by one insured against another. The bodily injury, property damage, and advertising and personal injury coverage parts shall have a minimum per occurrence liability limit of $1,000,000 and a general aggregate liability limit of $2,000,000. The medical payments coverage part shall have a per occurrence liability limit of $5,000. The coverage shall include a separation of insureds provision.

B. The commercial general liability policy shall have a products/completed operations coverage part under ISO form CG 24 07 or equivalent coverage. Additionally, the commercial general liability policy shall have a minimum per occurrence liability limit of $1,000,000 and a general aggregate liability limit of $2,000,000.

C. The commercial general liability policy shall also have the following endorsements:

(i) An endorsement listing us and our subsidiaries, affiliates, successors and assigns as additional named insureds on all coverage parts. The additional insured coverage shall include premises-operations, contractual liability, independent contractors, and products and completed operations. Also, the additional insured coverage shall be primary and non-contributory to any other insurance that we, our subsidiaries, affiliates, successors and assigns have procured themselves. The additional insured coverage shall not be limited to our vicarious liability, and shall include coverage for liability arising out of or occurring upon or in connection with the condition, operation, use or occupancy of the franchised business. It is understood and agreed that the insurance coverages and limits required above shall not limit, and are independent of, the indemnification obligations.

(ii) A waiver of subrogation in favor of us and our subsidiaries, affiliates, successors and assigns.

(iii) An endorsement requiring the commercial general liability insurance carrier(s) to provide at least thirty (30) days' notice of any intent to cancel the commercial general liability policy, regardless of the reason for cancellation.

15.2.2 Crime (inside/outside) and employee dishonesty insurance:

A. Crime (moneys and securities) inside/outside coverage shall have a minimum per occurrence liability limit of $10,000 for inside crime and a minimum per occurrence liability limit of $10,000 for outside crime.

B. Employee dishonesty coverage shall have a minimum per occurrence liability limit of $50,000.

15.2.3 Workers' compensation insurance in amounts provided by applicable law or, if permissible under applicable law, any legally appropriate alternative providing substantially similar compensation for injured workers satisfactory to us, provided that you (i) maintain an excess indemnity or "umbrella" policy covering employer's liability and a medical disability policy covering medical expenses for on-the-job accidents, which policy or policies shall contain such coverage amounts as we and shall mutually agree upon and (ii) conduct and maintain a risk management and safety program for your employees as you deem appropriate. Such policies shall also include, if available, an "alternate employer endorsement" in favor of us and our subsidiaries, affiliates, successors and assigns, and a waiver of subrogation in favor of us and our directors, officers, shareholders, partners, employees, servants, representatives, agents, subsidiaries, affiliates, successors and assigns. The workers' compensation insurance and employer's liability/medical disability policies must provide Coverage Part A for claims made by the injured worker and Coverage Part B for claims made by the injured worker's family members, including wrongful death claims.

15.2.4 Automobile liability insurance coverage for owned, non-owned, and hired vehicles with a liability limit of not less than $1,000,000 combined single limit (which shall include coverage for your delivery, including home delivery, if applicable, and catering operations). The automobile liability insurance shall also have an endorsement listing us and our subsidiaries, affiliates, successors and assigns as additional named insureds. The automobile liability insurance shall contain a waiver of subrogation in favor of us and our subsidiaries, affiliates, successors and assigns. Such coverage shall not include an insured versus insured exclusion or any exclusion that prevents coverage of a claim by one insured against another. The coverage shall include a separation of insureds provision.

15.2.5 Liquor liability insurance:

A. If you sell alcoholic beverages at the Bakery & Café, you shall carry liquor liability insurance with a minimum per occurrence liability limit of $1,000,000.

B. The liquor liability insurance shall also have the following endorsements:

(i) An endorsement listing us and our subsidiaries, affiliates, successors and assigns as additional named insureds. The additional insured coverage shall not be limited to our vicarious liability, and shall include coverage for liability arising out of or occurring upon or in connection with the condition, operation, use or occupancy of the franchised business. Also, the liquor liability insurance shall contain a waiver of subrogation in favor of us and our subsidiaries, affiliates, successors and assigns. The coverage shall include a separation of insureds provision.

(ii) An endorsement making the liquor liability insurance policy issued in your name primary insurance coverage on a non-contributory basis with any other insurance available to us.

(iii) An endorsement requiring the liquor liability insurance carrier(s) to provide at least thirty (30) days' notice of any intent to cancel the liquor liability policy, regardless of the reason for cancellation.

15.2.6 Building and personal property insurance coverage:

A. Property coverage for physical loss or damage to personal property and real property including the leasehold improvements, at each Café location. This coverage shall include all risk replacement cost property insurance for the Bakery & Café and its contents, awnings, equipment, signs, glass, additions under construction, outdoor fixtures, personal property, as well as business interruption insurance for income loss, food spoilage endorsements, equipment breakdown coverage, business ordinance coverage, debris removal, preservation of property, fire department service charges, pollutant clean up and removal, newly acquired or constructed property, property of others, property off premises, and stock. The coinsurance percentage shall not be less than eighty percent (80%).

B. The building and personal property insurance shall also have the following endorsements:

(i) An endorsement requiring the building and personal property insurance carrier(s) to provide at least thirty (30) days' notice of any intent to cancel the building and personal property insurance coverage, regardless of the reason for cancellation.

(ii) A loss payable endorsement listing us as the loss payee for equipment and supplies financed by us either by a loan, line of credit, or an open account.

(iii) A waiver of subrogation in favor of us and our subsidiaries, affiliates, successors and assigns.

(iv) Umbrella liability insurance:

C. Umbrella coverage over the above described general commercial liability, liquor liability, automobile liability, products/completed operations, and employer's liability insurance coverage parts with a per occurrence limit of $1,000,000 and an aggregate limit of $1,000,000 (i.e., if you own and operate 2 la Madeleine Bakery & Cafés, you must purchase an umbrella policy with a per occurrence limit of $1,000,000 and an aggregate limit of $2,000,000; if you have 3 la Madeleine Bakery & Cafés, you must purchase an umbrella policy with a per occurrence limit of $1,000,000 and an aggregate limit of $3,000,000). The umbrella policy shall be written on an occurrence reporting basis. Such coverage shall not include an insured versus insured exclusion or any exclusion that prevents coverage of a claim by one insured against another. The coverage shall include a separation of insureds provision.

D. The umbrella liability insurance shall also have the following endorsements:

(i) An endorsement listing us and our subsidiaries, affiliates, successors and assigns as additional named insureds. The additional insured coverage shall not be limited to our vicarious liability, and shall include coverage for liability arising out of or occurring upon or in connection with the condition, operation, use or occupancy of the franchised business. Also, the umbrella insurance shall contain a waiver of subrogation in favor of us and our subsidiaries, affiliates, successors and assigns.

(ii) An endorsement requiring the umbrella liability insurance carrier(s) to provide at least thirty (30) days' notice of any intent to cancel the umbrella policy, regardless of the reason for cancellation.

15.2.7 Employment practices liability insurance ("EPLI") coverage with coverage limits of $1,000,000 or more. The policy must include coverage for third party claims. In addition, the policy must have a sublimit for defense costs relating to wage and hour claims. The EPLI Policy shall also have an endorsement listing us and our subsidiaries, affiliates, successors and assigns as additional named insureds. In the event that an additional insured endorsement is not available, you shall have a vicarious liability endorsement protecting us and our subsidiaries, affiliates, successors and assigns. Such additional insured coverage (or alternatively, vicarious liability protection), shall be primary and non-contributory to any other insurance that we and our subsidiaries, affiliates, successors and assigns have procured themselves.

15.2.8 Data Privacy/Cyber Liability Insurance ("Cyber Policy"), including first-party coverage (forensics investigation, notification, credit monitoring, loss of business income, crisis management) and third-party coverage, with coverage limits of no less than $1,000,000. The Cyber Liability Policy shall also have an endorsement listing us and our subsidiaries, affiliates, successors, and assigns as additional named insureds. The additional insured coverage shall not be limited to our vicarious liability, and shall include coverage for liability arising out of the operations of the franchised business. Also,

the additional insured coverage shall be primary and non-contributory to any other insurance that we and our subsidiaries, affiliates, successors, and assigns have procured themselves. Further, the Cyber Policy shall contain a waiver of subrogation in favor of us and our subsidiaries, affiliates, successors, and assigns.

15.2.9 Any insurance which may be required by statute or rule of the state or locality in which the Bakery & Café will be operated.

15.2.10 Additional insurance coverages that may reasonably be specified by Franchisor from time to time, in accordance with standards and specifications set forth in the Manuals or otherwise in writing.

15.3 Deductibles. The coverages required under Sections 15.2.1, 15.2.4, 15.2.5, and 15.2.7 shall not have any deductible, self-insured retention, self-funded retention, or any similar provision unless we give our prior written consent. Should we give our consent for a deductible or similar provision to be included for the required coverages under Sections 15.2.1, 15.2.4, 15.2.5, or 15.2.7, the deductible or other similar provision amount may not exceed twenty thousand dollars ($20,000). With respect to all other required coverages where deductibles are permitted, the deductible may not exceed twenty thousand dollars ($20,000). To the extent that we and our subsidiaries, affiliates, successors, and assigns are additional insureds for a loss or lawsuit covered by an insurance policy required under Sections 15.2.1, 15.2.4, 15.2.5, and 15.2.7 and the policy contains a deductible, self-insured retention, or any similar provision, you are responsible for payment of this amount. Also, in such a scenario, you shall assume and fully pay for our legal defense, and that of our subsidiaries, affiliates, successors, and assigns from any lawsuit or claim. This defense obligation shall begin immediately upon the filing of any lawsuit or claim that would be defended by the insurance required hereunder. The defense obligation shall continue until such time as the deductible, self-insured retention, self-funded retention, or any similar provision has been satisfied, or the insurer provides a defense to us and our subsidiaries, affiliates, successors and assigns. Finally, we and our subsidiaries, affiliates, successors and assigns, shall have the right to select the counsel of our and/or their choosing in defending our and/or themselves from any lawsuit.

15.4 Builder's Risk. In connection with any finish-out, renovation, refurbishment, or remodeling of the Bakery & Café, you or your approved contractor shall maintain builder's all risk insurance and performance/completion and payment bonds in forms and amounts, and written by a carrier or carriers, reasonably satisfactory to us.

15.5 No Reliance Upon Our Insurance. Your obligation to obtain and maintain the above policies and bonds in the amounts we specify or to which we agree shall not be limited in any way by any insurance which we may maintain, nor shall your performance of that obligation relieve you of liability under the indemnity provisions set forth in Section 23. Moreover, you shall not claim, or authorize anyone on your behalf to claim (such as your own insurers), additional insured status on any policies we purchase or maintain.

15.6 Release Regarding Insurance. YOU ACKNOWLEDGE THAT THE COVERAGES WE REQUIRE ARE THE MINIMUM AMOUNTS OF COVERAGE THAT YOU MUST PROCURE UNDER THIS AGREEMENT. YOU FURTHER ACKNOWLEDGE THAT YOU ARE FREE TO BUY ADDITIONAL INSURANCE COVERAGE OR INCREASE THE AMOUNTS OF COVERAGE AS YOU DEEM FIT BASED ON YOUR OWN INVESTIGATION AS TO WHETHER ADDITIONAL COVERAGES OR HIGHER AMOUNTS ARE NECESSARY. YOU FURTHER AGREE THAT YOU ARE NOT RELYING UPON US TO DETERMINE THE AMOUNT OR TYPE OF INSURANCE COVERAGE NECESSARY FOR YOU. YOU RELEASE US FROM ANY AND ALL CLAIMS RELATING TO THE PROCUREMENT OF INSURANCE, INCLUDING CLAIMS THAT WE DID NOT REQUIRE YOU TO PROCURE ADEQUATE INSURANCE.

15.7 Evidence of Insurance. Within thirty (30) days after the execution of the lease for the Bakery & Café and, thereafter, at least sixty (60) days prior to the expiration of any such policy, you shall deliver to us certificates of insurance indicating the contracted-for insurance coverages as well as the description of special provisions (e.g., additional named insured status). You shall also provide a binder, declarations page, or confirmation of insurance, describing and confirming the coverages afforded by the required policies described in Section 15. Upon our request, you shall provide to us any information we request within ten (10) business days, including, but not limited to, complete copies of the policies, certificates of insurance, declaration pages, and confirmations of insurance.

15.8 Remedies. Should you, for any reason, fail to obtain or maintain the insurance required by this Agreement, as we may revise such requirements from time to time in the Manuals or otherwise in writing, we shall have the right (without the obligation) immediately to obtain such insurance and to charge same to you, which charges, together with a reasonable fee for our expenses, shall be payable by you immediately upon notice. These remedies shall be in addition to any other remedies at law or in equity that we may have.

16. SALE OR ASSIGNMENT

16.1 By Us. We have the right to transfer or assign this Agreement or any part of our rights or obligations under this Agreement to any person or legal entity. You agree that we will have no liability after the effective date of the transfer or assignment for the performance of any obligations hereunder. You acknowledge that we can sell our assets; sell securities in a public offering or in a private placement; merge with, acquire, or be acquired by another company; or undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring, without restriction and without affecting your obligations under this Agreement.

16.2 By You. You acknowledge that the rights and duties set forth in this Agreement are personal to you and that we have granted these rights in reliance on your business skill, financial capacity, and personal character (or, if you are a business entity, on the business skill, financial capacity, and personal character of your owners and

management). Accordingly, except as provided in Section 16.3, neither you nor any immediate or remote successor to any interest in this Agreement, nor any individual, partnership, corporation, or other legal entity which directly or indirectly owns any interest in you, will sell, assign, transfer, convey, pledge, encumber, or give away any direct or indirect interest in this Agreement, in you, or in substantially all of the assets of the Bakery & Café, without our prior written consent as provided in Sections 16.5 and 16.7, which will not be unreasonably withheld. You must notify us in writing of any proposed transfer at least thirty (30) days before the transfer is to take place, and must provide all information and documentation relating to the proposed transfer that we reasonably request.

16.3 Employee Ownership Plan. If you are a business entity, your owner or owners may, without our prior written consent, sell, assign, transfer, or give away to your employees an aggregated amount of not more than twenty percent (20%) of your outstanding equity, including the equity interest granted to the Lead Operator as required under Section 9.22 above, provided: (i) we receive written notice of each transfer at least thirty (30) days before the transfer, which notice must identify the transferee, describe the transferee's position of employment, and include a calculation demonstrating that the planned transfer complies with this Section 16.3; and (ii) the transfer, when combined with all prior transfers of equity in you, does not result in a transfer of more than twenty percent (20%) of the outstanding equity or in a change of control of you.

16.4 Our Right of First Refusal. We have the right, exercisable within thirty (30) days after receipt of a written request for our approval of a proposed transfer pursuant to Section 16.2, to purchase the interest proposed to be transferred. The request for approval of transfer must include a true and complete copy of the term sheet, letter of intent, proposed purchase agreement, assignment document, or any other document necessary to implement the transfer, and not be subject to financing or any other contingencies. Our thirty (30) day period for determining whether or not to exercise our right of first refusal will not begin until the transferor has provided all information and documentation required hereunder in a form and substance satisfactory to us. If we desire to exercise our right of first refusal, we will do so by providing written notice (the "**Purchase Notice**") to the transferor, as follows:

16.4.1 If the transfer is proposed to be made pursuant to a sale, we may purchase the interest proposed to be transferred on the same financial terms and conditions offered by the third party. Closing on our purchase will occur within sixty (60) days after the date of the transferor's receipt of the Purchase Notice. If the consideration, terms, and/or conditions offered by the third party are such that we may not reasonably be required to furnish the same consideration, terms, and/or conditions, then we may purchase the interest proposed to be sold for the reasonable equivalent in cash. If, within thirty (30) days of the transferor's receipt of the Purchase Notice, the parties cannot agree as to the reasonable equivalent in cash consideration, an independent appraiser will be appointed by mutual agreement and the determination of the appraiser will be binding. Any material change in the terms of the offer from a third party after we have elected not to purchase the interest sought to be transferred will constitute a new offer subject to the same rights of first refusal by us as in the case of the third party's initial offer.

16.4.2 If the transfer is proposed to be made by gift, you and we will jointly designate, at our expense, an independent appraiser to determine the fair market value of the interest proposed to be transferred. We may purchase the interest at the fair market value determined by the appraiser. Closing on the purchase will occur within 45 days after our notice to the transferor of the appraiser's determination of fair market value.

16.5 Conditions of Our Consent. If we elect not to exercise our right of first refusal under Section 16.4, the proposed transferor may complete the transfer after obtaining our written consent as required under Section 16.2. We may withhold our consent on any reasonable grounds, or may give our consent subject to reasonable conditions, which may include, but are not limited to, the following:

16.5.1 That all of your accrued monetary obligations and all other outstanding obligations to us and our affiliates have been satisfied;

16.5.2 That you are not in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between you and us or our affiliates;

16.5.3 That the transferor executes a general release, in a form satisfactory to us, of any and all claims against us, our affiliates and their respective past, present, and future officers, directors, shareholders, and employees, in their corporate and individual capacities;

16.5.4 That the transferee (and if the transferee is a corporation, partnership, or limited liability company, such owners of a beneficial interest in the transferee as we may request) enter into a written assignment, in a form satisfactory to us, assuming and agreeing to discharge all of your obligations under this Agreement; or, at our option, enter into our then current form of Franchise Agreement; and, if the transferor guaranteed your obligations under this Agreement, that the transferee guarantee the performance of all such obligations in writing in a form satisfactory to us;

16.5.5 If the transferee is an existing LA MADELEINE® developer or franchisee, that the transferee is not in default under its agreements with us and has a good record of customer service and compliance with our operating standards;

16.5.6 That the transferee, whether or not an existing LA MADELEINE® developer or franchisee, demonstrates to our satisfaction that he or she meets (or, if the transferee is a business entity, that its owners and management team meet) our educational, managerial, and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the business contemplated hereunder (as may be evidenced by prior related business experience or otherwise); and has adequate financial resources and capital to fulfill your obligations hereunder in a timely manner; and

16.5.7 That the transferor pays a transfer fee equal to 50% of the then current initial franchise fee.

16.5.8 That the transferee (if an entity, the Lead Operator) and any employees of the transferee who have not previously completed a training program approved by us complete any training programs then in effect for new franchisees, at their expense.

16.6 Death, Incapacity or Bankruptcy. If you or any Owner dies, becomes incapacitated, or enters bankruptcy proceedings, that person's executor, administrator, personal representative, or trustee must apply to us in writing within 3 months after the event (death, declaration of incapacity, or filing of a bankruptcy petition) for consent to transfer the person's interest. The transfer will be subject to the provisions of this Section 16, as applicable. In addition, if the deceased or incapacitated person is the Lead Operator, we will have the right (but no obligation) to take over operation of the Bakery & Café upon giving notice to the executor, administrator, personal representative, or trustee and to manage the Bakery & Café until the transfer is completed. If we exercise this right, we can charge a reasonable management fee for our services. For purposes of this Section, "incapacity" means any physical or mental infirmity that will prevent the person from performing his or her obligations under this Agreement (i) for a period of 30 or more consecutive days, or (ii) for 60 or more total days during a calendar year. In the case of transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the conditions of Section 16.5, the executor may transfer the decedent's interest to another successor that we have approved, subject to all of the terms and conditions for transfers contained in this Agreement. If an interest is not disposed of under this Section 16.6 within one (1) year after the date of death or appointment of a personal representative or trustee, we can terminate this Agreement under Section 17.1.10.

16.7 Private Securities Offering. If you or any Owner desires to offer securities in a private offering, the offering will be subject to all of the conditions of Section 16, including our right of first refusal. All materials required for the offering by federal or state law must be submitted to us for review and consent before use. No offering may imply, by use of the Proprietary Marks or otherwise, that we are participating in underwriting, issuing, or offering the securities. Our review of the offering materials will be limited solely to the subject of the relationship between you and us. All participants in the offering must fully indemnify us in connection with the offering. For each proposed offering, we may require you to pay, in addition to the transfer fee under Section 16.5, a non-refundable fee of up to $10,000 to reimburse us for our costs and expenses associated with reviewing the proposed offering. You must give us written notice at least thirty (30) days before the commencement date of any offering for which we have completed our review and any consent of the offering materials.

16.8 Nonconforming Transfers Void. Any purported assignment or transfer that is not in compliance with this Section 16 will be null and void and will constitute a material breach of this Agreement, for which we may terminate this Agreement without opportunity to cure pursuant to Section 17.1 below. Our consent to a transfer will not constitute a waiver of any claims we may have against the transferor, nor will it be deemed a waiver of our right to demand exact compliance by the transferor, transferee or you with any of the terms of this Agreement.

17. DEFAULT AND TERMINATION

The terms and conditions regarding default and termination contained herein shall be subject to any applicable state statutes or regulations regarding the termination of a franchise.

17.1 Material Default With No Opportunity to Cure. You shall be deemed to be in material default ("**Material Default**") and we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, effective immediately upon receipt of notice of such termination from us to you, upon the occurrence of any of the following events:

17.1.1 if you become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or is filed against you and not opposed by you; if you are adjudicated as bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law are instituted by or against you; if a final judgment against you remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed); if your company is dissolved; if execution is levied against your business or property; if a suit to foreclose any lien or mortgage against you, the Premises or equipment of the Bakery & Café is instituted and not dismissed within thirty (30) days or if you enter into any agreement that is in lieu of such foreclosure; or if the real or personal property of the Bakery & Café is sold after levy thereupon by any sheriff, marshal, or constable;

17.1.2 If you and/or your personnel fail to complete all required training under Section 8.1 to our satisfaction prior to the opening of the Bakery & Café;

17.1.3 If you fail to locate, and submit for our approval, a lease for the Premises within the time period prescribed in Section 4.1 of this Agreement;

17.1.4 If you fail to construct and open the Bakery & Café within the time specified in Section 7.4 of this Agreement;

17.1.5 If you cease to operate or otherwise abandon the Bakery & Café, lose the right to possession of the Premises, or forfeit the right to do or transact business in the jurisdiction where the Premises are located. However, if, through no fault of your own, the Premises are damaged or destroyed by an event such that repairs or reconstruction cannot be completed within sixty (60) days thereafter, then you will have thirty (30) days after that event in which to apply for our approval to relocate and/or reconstruct the Bakery & Café, which approval will not be unreasonably withheld;

17.1.6 If you or any owner or principal officer of yours is convicted of or pleads guilty or no contest to a felony or other crime or offense that we believe is reasonably likely to have an adverse effect on the Bakery & Café, the System, the Proprietary Marks, the goodwill associated therewith, or our interest therein;

17.1.7 If you, or any person or entity with an interest in you, purports to transfer the interest other than in accordance with Section 16;

17.1.8 If you or if any entity, shareholder, member, partner, or other person controlling more than five percent (5%) of your stock, membership interest or partnership interest, by act or omission, permits or commits tortious conduct or a violation of any applicable law, ordinance, rule or governmental regulation (including, but not limited to, any applicable employment law (e.g., harassment, discrimination, retaliation, equal employment, treatment of disabled persons, child labor or wages and hour law)) constituting a felony, or constituting a misdemeanor, lesser criminal offense or a violation of law which in our sole judgment has, or is likely to have, an adverse effect upon the System, the Proprietary Marks, or the goodwill associated therewith;

17.1.9 If a threat or danger to public safety results from your negligence or willful misconduct related to the construction, maintenance or operation of the Bakery & Café.

17.1.10 If, as required by 15.6, an approved transfer is not effected within one (1) year following death or declaration of mental incapacity, or if any transfer by bequest or intestate succession is made to an heir or beneficiary who is unable to meet the conditions of Section 16;

17.1.11 If you fail to comply with the restrictions on competition in Section 19.1 below;

17.1.12 If you disclose or divulge any contents of the Manuals or other confidential information of ours, except as permitted under Section 12;

17.1.13 If you knowingly maintain false books or records or knowingly submit any false reports to us;

17.1.14 If you refuse to permit us to inspect the Premises, books, records, or accounts of the Bakery & Café, as provided herein;

17.1.15 If after curing a default pursuant to Section 17.2, Section 17.3, or Section 17.4 hereof, you commit the same default again within one (1) year, whether or not cured after notice;

17.1.16 If we have delivered a notice advising you that you are in default under Section 17.2, Section 17.3, and/or Section 17.4 three (3) times within any twelve-month period, whether such defaults are of a similar or different nature and whether or not any of them is cured after notice;

17.1.17 If any other franchise or development agreement we issue to you, to companies affiliated with you, or to any company owned or controlled by a shareholder or partner of yours, is terminated for any reason other than by mutual consent of the parties to the franchise agreement or the expiration of its term. A default under any other franchise or development agreement that you or an affiliate have with us will

constitute a default under this Agreement without separate notice to you, but the cross-default under this Agreement will be subject to any applicable provisions for notice and cure of the default set forth in the other franchise or development agreement;

17.1.18 If you fail to achieve the prescribed minimum score for an audit or our quality assurance program on two consecutive assessment occasions, or on any three or more assessment occasions during any five (5) year period; or

17.1.19 If we have delivered a notice of termination of the Development Agreement or of any other agreement between us (or any of our affiliates) and you or any your affiliates (except for termination with our prior written consent). A default under any other agreement that you or an affiliate have with us will constitute a default under this Agreement without separate notice to you, but the cross-default under this Agreement will be subject to any applicable provisions for notice and cure of the default set forth in the other agreement.

17.2 Termination for Non-Payment. If you fail, refuse, or neglect to pay any monies owing to us or our affiliates, or any designated or approved supplier, or fail to submit financial or other information to us or our affiliates as required under this Agreement, and you fail to cure such default within ten (10) days after receiving written notice from us, we may terminate this Agreement upon written notice to you.

17.3 Emergency Closing. If we in good faith believe that you are serving products or utilizing procedures at the Bakery & Café that are unsafe to customers and/or employees, we have the right, without prior notice, to immediately close the Bakery & Café until such time as the unsafe products or procedures are no longer served or used. You will have twenty-four (24) hours after the closing of the Bakery & Café to prepare a written plan detailing the procedures that you will put in place to ensure that the unsafe practice has been fully remedied and will not recur. If you and we cannot agree on a plan, or if you intentionally fail to follow the plan agreed upon, then we will have the right to terminate this Agreement by written notice, with no further opportunity for you to cure the default.

17.4 Termination Following Expiration of Cure Period. Except as otherwise provided in Sections 17.1 through 17.4, if you fail to comply with any provision of this Agreement and do not correct the failure within thirty (30) days after we deliver written notice of that failure to you, then we may terminate this Agreement upon written notice to you effective as of the date stated in such notice. Any failure to comply with the requirements imposed by this Agreement (as it may from time to time reasonably be supplemented by the Manuals) will be a default under this Section 17.4 including, but not limited to, the following events: (i) you sell any unapproved products or otherwise fail to maintain or observe any of the standards or procedures prescribed by us in this Agreement, the Manuals, or otherwise in writing; (ii) with regard to any of our required suppliers, your landlord, or any other entity necessary for the operation of the Bakery & Café, you fail to timely pay any invoice or if you remain in arrears for an uninterrupted period exceeding three (3) months, or you, or any of your affiliates, default under any agreement with any of these entities; or (iii) you misuse or make any unauthorized use of

the Proprietary Marks, the Works, any other identifying characteristics of the System, or otherwise materially impair the goodwill associated therewith or our rights therein; or (iv) you fail, refuse, or neglect to obtain our prior written approval or consent as required by this Agreement (other than consent to a transfer under Section 16, the breach of which is addressed in Section 17.1); or (v) you, or your Owner(s) with whom we are attempting to communicate, fail to adequately respond to our communication attempts within a one (1) week period.

17.5 Alternative Remedies. In addition to and without limiting our other rights and remedies under this Agreement, any other agreement between you and us (or our affiliates), and applicable law, upon the occurrence of any of the events that give rise to our right to terminate this Agreement under Sections 17.1 through 17.4, we may, at our sole option and upon delivery of written notice to you, elect to take any or all of the following actions without terminating this Agreement:

17.5.1 eliminate your rights, and our (and our affiliates') obligations, under Sections 2.2 and 2.4, after which we (and our affiliates) may operate, and authorize any other parties to operate a la Madeleine Bakery & Café within the Protected Area, whether at an Acquisition Site or otherwise; and/or

17.5.2 suspend your right to receive any services or support that we (and/or our affiliates) provide to you under this Agreement or any other agreement, including suspending your access to any or all of the administrative and/or technology services and support we (and/or our affiliates) provide to you.

Our exercise of our rights under this Section 17.5 will not be a defense for you to our enforcement of any other provision of this Agreement or waive or release you from any of your other obligations under this Agreement. Our exercise of these rights will not constitute an actual or constructive termination of this Agreement nor be our sole or exclusive remedy for your default. You shall continue to pay all fees and otherwise comply with all of your obligations under this Agreement following our exercise of any of these rights. If we exercise any of our rights under this Section 17.5, we may thereafter terminate this Agreement without providing you any additional corrective or cure period, unless the default giving rise to our right to terminate this Agreement has been cured to our reasonable satisfaction.

17.6 Liquidated Damages. In the event we terminate this Agreement based on your default, you agree to pay us as fair and reasonable liquidated damages (but not as a penalty) an amount equal to the lesser of three (3) years of projected Royalty Fees or the balance of the Agreement Term of projected Royalty Fees. Such projected Royalty Fees shall be computed using the average monthly Gross Sales during the last six (6) months that business was conducted at the Franchised Location (or if the Franchised Location has been operating for less than six (6) months, the System average over the last six (6) month period). You agree that this amount is for our lost revenues, and that it would be difficult to calculate with certainty the amount of damage we shall incur. Notwithstanding your agreement to pay liquidated damages, if a court determines that the liquidated damages payment is unenforceable, then we may pursue all other available

remedies, including recovery of consequential damages. Payment of the liquidated damages shall not in any way limit any other remedy Franchisor may have at law or in equity resulting from your failure to perform your obligations. The liquidated damages are in addition to costs and expenses that you may owe us under Sections 18.1.6 and 18.3.7.

18. OBLIGATIONS UPON TERMINATION OR EXPIRATION

18.1 De-Identification. Except as provided in Section 18.2 below, upon termination or expiration of this Agreement, you must:

18.1.1 Cease to operate the Bakery & Café;

18.1.2 Cease to use the confidential methods, procedures, and techniques associated with the System, the "la Madeleine" name and mark, all other Proprietary Marks, the Works, and all other distinctive forms, slogans, signs, symbols, Web sites, domain names, e-mail addresses, other electronic identifiers, and devices associated with the Bakery & Café or the System; withdraw all advertising matter (including electronic marketing); remove from the Premises all signs, letterhead, and other articles which display the Proprietary Marks; and except as provided in Section 18.2 below, not thereafter, directly or indirectly, represent yourself to the public or hold yourself out as a present or former franchisee of ours;

18.1.3 Deliver to us the Manuals and all other records, correspondence, and instructions in your possession or control, in any medium, that contain confidential information, trade secrets, or know-how relating to the System or the operation of a la Madeleine Bakery & Café, all of which you acknowledge to be our property;

18.1.4 Take such action as may be necessary to cancel any assumed name registration or equivalent registration, and any e-mail address or domain name registration, obtained by you which contains "la Madeleine" or any other Proprietary Marks, and furnish evidence satisfactory to us of compliance with this obligation within five (5) days after termination or expiration of this Agreement. You hereby appoint us your attorney-in-fact to carry out the requirements of this Section 18.1.4, if you fail to do so within such five (5) day period;

18.1.5 Not use any reproduction, counterfeit, copy, or colorable imitation of the Proprietary Marks or the Works in connection with any other business which, in our sole discretion, is likely to cause confusion, mistake, or deception or to dilute our and our affiliates' rights in and to the Proprietary Marks and the Works. You must not use any designation of origin or description or representation which, in our sole discretion, falsely suggests or represents an association or connection with us.

18.1.6 Promptly pay all sums owing to us and our affiliates. In the event of termination for your default, the sums will include all damages, costs, and expenses incurred by us as a result of the default, including, but not limited to, reasonable attorneys' fees.

18.1.7 Comply with all obligations that expressly or by their nature survive termination of this Agreement, including the restrictions on competition contained in Section 19.2.

18.2 Our Rights to Acquire the Premises and the Bakery & Café Assets. Upon expiration or termination of this Agreement, at our option you must:

18.2.1 Assign to us your interest in the lease or sublease for the Premises (or provide us with a commercially reasonable lease in the event you own the Premises). If we elect not to exercise our option to acquire the lease or sublease, you must make such modifications or alterations to the Premises (including changing the telephone number) as may be necessary to comply with Section 18.1 and to distinguish the Premises from those of a Café. If you fail or refuse to comply with the requirements of this Section 18.2.1, we will have the right to enter the Premises without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required, at your expense, which expense you agree to pay on demand.

18.2.2 Sell to us such of the furnishings, equipment, signs, and fixtures of the Bakery & Café as we may designate, at fair market value, and such of the inventory and supplies of the Bakery & Café as we may designate, at fair market wholesale value. If the parties cannot agree on the price of any such items within a reasonable time, an independent appraiser will be appointed by us at our expense, and the appraiser's determination will be binding on both parties. If we exercise our option to purchase any items, we will have the right to set off all amounts due from you against any payment for such items.

18.2.3 We may exercise either or both of our options under Sections 18.2.1 and 18.2.2: (a) at any time before the expiration of the Agreement Term, in the case of expiration of this Agreement; and (b) at any time between the date of delivery of written notice of termination and ninety (90) days after the effective date of termination, in the case of termination of this Agreement. If we deem such action desirable in order to preserve the value of such options, we may issue to you, and you must comply with, written instructions to refrain from, delay, or reverse any of the actions required of you under Section 18.1.

18.3 Continuing Obligations. After termination or expiration of this Agreement under any circumstances, you will remain liable to us for certain obligations. Among other things, you must:

18.3.1 Promptly pay all sums owing to us and our affiliates;

18.3.2 Permit access to, and examination of, books and records as provided in Section 13 to determine any amounts due;

18.3.3 Protect our confidential information as provided in Section 12;

18.3.4 Not make any statements about us or any of our franchisees or affiliates that may constitute trade disparagement;

18.3.5 Comply with the post-term restrictions on competition in Section 19;

18.3.6 Indemnify us with respect to the period through the effective date of expiration or termination as provided in Section 23; and

18.3.7 Pay us all damages, costs, and expenses (including, but not limited to, reasonable attorneys' fees) we incur in obtaining injunctive, declaratory, or other relief to enforce this Section 18.

19. RESTRICTIONS ON COMPETITION

19.1 During the Agreement Term. You specifically acknowledge that you will receive valuable, specialized training from us and access to confidential information regarding our operational, sales, promotional, and marketing methods and techniques of the System. You agree that, during the Agreement Term, except as we otherwise approve in writing, neither you nor your owners will, either directly or indirectly, for yourself or themselves or through, on behalf of, or in conjunction with any person or legal entity:

19.1.1 Own, maintain, operate, engage in, be employed by, provide any assistance to, or have any interest in any Competing Business, as defined below. A "**Competing Business**" is any business that derives (or is reasonably expected to derive) fifteen percent (15%) or more of its gross revenue from the sale of: 1) freshly-baked bakery goods including but not limited to breads, bagels, muffins, scones, Danishes or other pastries; 2) café items including but not limited to sandwiches, French-themed entrees, salads, soups, quiches, pastas, desserts, gourmet coffees and wines; and/or 3) privately-labeled retail items including but not limited to soups, salad dressings and gourmet coffees; or

19.1.2 Divert or attempt to divert any present or prospective business or customer to any Competing Business by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System.

19.2 After Expiration, Termination, or Transfer. You agree that, except pursuant to other Franchise Agreements with us or our affiliates, or as we otherwise approve in writing, you will not, for one (1) year after the expiration or termination of this Agreement or the approved transfer of this Agreement to a new franchisee, either directly or indirectly, for yourself or through, on behalf of, or in conjunction with any person or legal entity, own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in any Competing Business which is, or is intended to be, located within ten (10) miles of the Premises or within five (5) miles of any other la Madeleine Bakery & Café.

19.3 Enforcement.

19.3.1 We have the right, in our sole discretion, to reduce the scope of any restriction in Sections 19.1 and 19.2 by giving you written notice.

19.3.2 You agree that the existence of any claims you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of this Section 19.

19.3.3 You acknowledge that your violation of the terms of this Section 19 would result in irreparable injury to us for which no adequate remedy at law may be available, and you accordingly consent to the issuance of an injunction prohibiting any conduct by you in violation of the terms of this Section 19. Injunctive relief will be in addition to any other remedies we may have.

19.3.4 If you or any other person bound by this Section 19 fails or refuses to abide by any of the foregoing restrictions on competition, and we obtain enforcement in a judicial or arbitration proceeding, the obligations under the breached restriction will continue in effect for a period ending one (1) year after the date the person begins to comply with the order enforcing the restriction.

20. BUSINESS ENTITY REQUIREMENTS

20.1 Governing Documents. At our request, you must promptly furnish to us copies of your articles of incorporation, bylaws, partnership agreement, certificate of formation, limited liability company operating agreement, or other governing documents, as applicable. Your governing documents must at all times provide that your activities are confined exclusively to developing and operating la Madeleine Bakery & Cafés and recite that this Agreement restricts the issuance and transfer of any ownership interests in you. All certificates and other documents representing ownership interests in you will bear a legend (the wording of which we may prescribe) referring to this Agreement's restrictions. You must give us at least thirty (30) days' prior written notice of any proposed amendments to your governing documents.

20.2 Stop-Transfer Instructions. You must maintain stop-transfer instructions against the transfer on your records of any ownership interests in you. If such ownership interests are certificated, each certificate must conspicuously display on its face a printed legend in substantially the following form, adjusted as necessary if you are other than a corporation:

> The transfer of any ownership represented by this certificate is subject to the terms and conditions of an Agreement with LA MADELEINE FRANCHISING COMPANY, INC. Reference is made to the provisions of the Agreement and to the governing documents of the Company.

20.3 Ownership Information. You represent and warrant that the ownership information on Exhibit A to this Agreement is correct and complete as of the Agreement Date. You must maintain a current list of all stockholders, general partners, limited partners, members, or other direct or indirect beneficial owners (as applicable) and furnish the list to us upon request.

20.4 Personal Obligations of Owners, Officers, Directors, Management Personnel and Spouses. Each person who is or becomes an owner, director or officer of yours must execute a Guaranty in the form we prescribe, undertaking to be bound jointly and severally by the terms of this Agreement including but not limited to those provisions in Section 19 above. The current form of Guaranty is attached to this Agreement as Exhibit B. Each person who is, or becomes, an owner or executive officer of Franchisee must also execute a Confidentiality and Non-competition Agreement in a form we prescribe, the current form of which is attached to this Agreement as Exhibit C. In addition, at our request, if any Guarantor resides in a community property state, the Guarantor will cause his or her spouse, if any, to execute a Guaranty and Confidentiality and Non-competition Agreement. Confidentiality and Non-competition Agreements must also be obtained from any manager who has received or will receive training from us.

20.5 Control Arrangements. Any voting trust, management agreement, or other arrangement affecting the power to direct and control your affairs requires our prior written consent. You must furnish such information and documentation as we may request concerning any proposed control arrangement.

21. TAXES; NOTICE OF SUIT

21.1 Taxes. You must promptly pay when due all taxes levied or assessed, including unemployment and sales taxes, and all accounts and other indebtedness incurred in the operation of the Bakery & Café. You must pay to us an amount equal to any sales tax, gross receipts tax, or similar tax (other than income tax) imposed on us with respect to any payments to us required under this Agreement. In the event of any bona fide dispute as to your liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law, but in no event will you permit a tax sale or seizure by levy or execution or similar writ or warrant, or attachment by a creditor, to occur against the Bakery & Café.

21.2 Notice of Suit. You must immediately notify us in writing of the commencement of any action, suit, or proceeding and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality which may adversely affect the operation or financial condition of the Bakery & Café.

22. INDEPENDENT CONTRACTOR

22.1 Nature of the Relationship. It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that you shall be an independent contractor, and that nothing in this Agreement is intended to make either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever.

During the Agreement Term, you shall hold yourself out to the public as an independent contractor operating the Bakery & Café pursuant to a license from us and as an authorized user of the System and the Proprietary Marks which are owned by us or our affiliates. You agree to take such affirmative action as may be necessary to do so,

including exhibiting to customers a sign provided by us in a conspicuous place on the premises of the Bakery & Café.

We shall not have the power to hire or fire your employees. We may not control or have access to your funds or the expenditures thereof, or in any other way exercise dominion or control over the Bakery & Café.

It is understood and agreed that nothing in this Agreement authorizes you to make any contract, agreement, warranty, or representation on our behalf, or to incur any debt or other obligation in our name, and that we shall in no event assume liability for or be deemed liable hereunder as a result of any such action or by reason of any act or omission of you in your conduct in the operation of the Bakery & Café or any claim or judgment arising therefrom against us.

22.2 Identification. You shall conspicuously identify yourself and the Bakery & Café and in all dealings with your clients, contractors, suppliers, public officials and others, as an independent Franchisee of us, and shall place such notice of independent ownership on all forms, business cards, stationery, advertising, signs and other materials and in such fashion as we may, in our sole discretion, specify and require from time to time, in our Manuals (as same may be amended from time to time) or otherwise.

22.3 No False Representations. Except as otherwise expressly authorized by this Agreement, neither party hereto shall make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between you and us is other than that of franchisor and franchisee. We do not assume any liability, and shall not be deemed liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement, nor shall we be obligated for any damages to any person or property which directly or indirectly arise from or relate to the operation of the Bakery & Café franchised hereby.

23. INDEMNIFICATION

23.1 YOU AND EACH OF YOUR OWNERS SHALL, AT ALL TIMES, DEFEND, INDEMNIFY, RELEASE, AND HOLD HARMLESS TO THE FULLEST EXTENT PERMITTED BY LAW, US, OUR SUBSIDIARIES, AFFILIATES, SUCCESSORS AND ASSIGNS AND OUR AND THEIR RESPECTIVE DIRECTORS, OFFICERS, SHAREHOLDERS, PARTNERS, SERVANTS, EMPLOYEES, AGENTS, AND REPRESENTATIVES (COLLECTIVELY, THE "**INDEMNIFIED PARTIES**") FROM ALL LOSSES AND EXPENSES (AS DEFINED IN SECTION 23.4 BELOW) INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, CLAIM, DEMAND, INVESTIGATION OR INQUIRY (FORMAL OR INFORMAL), OR ANY SETTLEMENT THEREOF (WHETHER OR NOT A FORMAL PROCEEDING OR ACTION HAS BEEN INSTITUTED), WHICH ARISES OUT OF OR IS BASED UPON ANY OF THE FOLLOWING:

23.1.1 THE INFRINGEMENT, ALLEGED INFRINGEMENT, OR ANY OTHER VIOLATION, OR ALLEGED VIOLATION BY YOU OR ANY OF YOUR OWNERS

OF ANY PATENT, MARK, COPYRIGHT OR OTHER PROPRIETARY RIGHT OWNED OR CONTROLLED BY THIRD PARTIES (EXCEPT AS SUCH MAY OCCUR WITH RESPECT TO ANY RIGHTS IN THE PROPRIETARY MARKS GRANTED TO YOU UNDER THIS AGREEMENT), INCLUDING MATTERS CAUSED BY OR ARISING OUT OF, OR CLAIMED TO BE CAUSED BY OR ARISING OUT OF, THE INFRINGEMENT OR VIOLATION OF ANY PATENT, TRADEMARK, OR COPYRIGHT BY THE INDEMNIFIED PARTIES;

23.1.2 THE VIOLATION, BREACH, OR ASSERTED VIOLATION OR BREACH BY YOU OR ANY OF YOUR OWNERS OF ANY FEDERAL, STATE OR LOCAL LAW, REGULATION, RULING, STANDARD OR DIRECTIVE, OR ANY INDUSTRY STANDARD, INCLUDING MATTERS CAUSED BY OR ARISING OUT OF, OR CLAIMED TO BE CAUSED BY OR ARISING OUT OF, THE BREACH OR VIOLATION OF ANY REGULATION, RULING, STANDARD, OR DIRECTIVE OR ANY INDUSTRY STANDARD BY THE INDEMNIFIED PARTIES;

23.1.3 LIBEL, SLANDER OR ANY OTHER FORM OF DEFAMATION OF US OR THE SYSTEM, BY YOU OR BY ANY OF YOUR OWNERS;

23.1.4 THE VIOLATION OR BREACH BY YOU OR BY ANY OF YOUR OWNERS OF ANY WARRANTY, REPRESENTATION, AGREEMENT OR OBLIGATION IN THIS AGREEMENT OR IN ANY DEVELOPMENT AGREEMENT OR OTHER AGREEMENT BETWEEN YOU AND US OR OUR SUBSIDIARIES OR AFFILIATES; AND

23.1.5 THE DEVELOPMENT AND OPERATION OF THE BAKERY & CAFÉ AND THE BUSINESS YOU CONDUCT UNDER THIS AGREEMENT, INCLUDING NEGLIGENT ACTS, ERRORS OR OMISSIONS, WILLFUL MISCONDUCT OR BREACH OF ANY CONTRACT OR WARRANTY BY YOU, ANY OF YOUR SUBSIDIARIES OR AFFILIATES AND ANY OF YOUR OWNERS AND THE OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, AGENTS, INDEPENDENT CONTRACTORS, SERVANTS, EMPLOYEES AND REPRESENTATIVES OF YOU AND YOUR SUBSIDIARIES AND AFFILIATES IN CONNECTION WITH THIS AGREEMENT AND THE OPERATION OF THE BAKERY & CAFÉ, INCLUDING NEGLIGENT ACTS, ERRORS OR OMISSIONS OF ANY OF THE FOREGOING PARTIES IN THE OPERATION OF ANY MOTOR VEHICLE. THIS DEFENSE AND INDEMNITY OBLIGATION INCLUDES MATTERS CAUSED BY OR ARISING OUT OF, OR CLAIMED TO BE CAUSED BY OR ARISING OUT OF, ANY INDEMNIFIED PARTY'S OWN NEGLIGENT ACTS, ERRORS OR OMISSIONS, BREACH OF WARRANTY AND BREACH OF CONTRACT. YOUR OBLIGATION TO DEFEND AND INDEMNIFY ANY INDEMNIFIED PARTY FOR ITS OWN NEGLIGENCE APPLIES WHETHER SUCH NEGLIGENCE IS ALLEGED OR PROVEN TO BE SOLE, JOINT OR CONCURRENT, ACTIVE OR PASSIVE.

23.2 YOU AND EACH OF YOUR OWNERS AGREE TO GIVE US IMMEDIATE NOTICE OF ANY SUCH ACTION, SUIT, PROCEEDING, CLAIM, DEMAND, INQUIRY OR INVESTIGATION. AT THE EXPENSE AND RISK OF YOU AND EACH OF YOUR

OWNERS, THE INDEMNIFIED PARTIES MAY ELECT TO CONTROL (BUT UNDER NO CIRCUMSTANCE ARE OBLIGATED TO UNDERTAKE), AND ASSOCIATE COUNSEL OF THEIR OWN CHOOSING WITH RESPECT TO, THE DEFENSE AND/OR SETTLEMENT OF ANY SUCH ACTION, SUIT, PROCEEDING, CLAIM, DEMAND, INQUIRY OR INVESTIGATION. SUCH AN UNDERTAKING BY THE INDEMNIFIED PARTIES SHALL, IN NO MANNER OR FORM, DIMINISH THE OBLIGATION OF YOU AND EACH OF YOUR OWNERS TO INDEMNIFY US AND TO HOLD US HARMLESS.

23.3 IN ORDER TO PROTECT PERSONS OR PROPERTY OR ITS REPUTATION OR GOODWILL, OR THE REPUTATION AND GOODWILL OF OTHERS, AN INDEMNIFIED PARTY MAY, AT ANY TIME AND WITHOUT NOTICE, AS SUCH INDEMNIFIED PARTY, IN ITS JUDGMENT DEEMS APPROPRIATE, CONSENT OR AGREE TO SETTLEMENTS OR TAKE SUCH OTHER REMEDIAL OR CORRECTIVE ACTION AS SUCH INDEMNIFIED PARTY DEEMS EXPEDIENT WITH RESPECT TO ANY ACTION, SUIT, PROCEEDING, CLAIM, DEMAND, INQUIRY OR INVESTIGATION IF, IN SUCH INDEMNIFIED PARTY'S SOLE JUDGMENT THERE ARE REASONABLE GROUNDS TO BELIEVE THAT:

23.3.1 ANY OF THE ACTS OR CIRCUMSTANCES ENUMERATED IN SECTION 23.1 ABOVE HAS OCCURRED; OR

23.3.2 ANY ACT, ERROR OR OMISSION, AS DESCRIBED IN SECTION 23.1, MAY RESULT DIRECTLY OR INDIRECTLY IN DAMAGE, INJURY OR HARM TO ANY PERSON OR ANY PROPERTY.

23.4 ALL LOSSES AND EXPENSES INCURRED UNDER THIS SECTION 23 SHALL BE CHARGEABLE TO AND PAID BY YOU OR ANY OF YOUR OWNERS PURSUANT TO ITS OBLIGATIONS OF INDEMNITY UNDER THIS SECTION, REGARDLESS OF ANY ACTION, ACTIVITY, OR DEFENSE UNDERTAKEN BY SUCH INDEMNIFIED PARTY OR THE SUBSEQUENT SUCCESS OR FAILURE OF SUCH ACTION, ACTIVITY OR DEFENSE. AS USED IN THIS SECTION 23, "**LOSSES AND EXPENSES**" SHALL INCLUDE ALL LOSSES, COMPENSATORY, EXEMPLARY AND PUNITIVE DAMAGES, FINES, CHARGES, COSTS, EXPENSES, LOST PROFITS, LEGAL FEES, COURT COSTS, SETTLEMENT AMOUNTS, JUDGMENTS, COMPENSATION FOR DAMAGES TO AN INDEMNIFIED PARTY'S REPUTATION AND GOODWILL, COSTS OF OR RESULTING FROM DELAYS, FINANCING, COSTS OF ADVERTISING MATERIAL AND MEDIA TIME/SPACE AND 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.

23.5 NO INDEMNIFIED PARTY ASSUMES ANY LIABILITY FOR ACTS, ERRORS OR OMISSIONS OF THOSE WITH WHOM YOU, ANY OF YOUR OWNERS OR YOUR SUBSIDIARIES AND AFFILIATES MAY CONTRACT, REGARDLESS OF THE PURPOSE.

23.6 UNDER NO CIRCUMSTANCES SHALL ANY INDEMNIFIED PARTY BE REQUIRED OR OBLIGATED TO SEEK RECOVERY FROM THIRD PARTIES OR OTHERWISE MITIGATE THEIR LOSSES TO MAINTAIN A CLAIM AGAINST YOU OR ANY OF YOUR OWNERS. YOU AND EACH OF YOUR OWNERS AGREE THAT THE FAILURE TO PURSUE SUCH RECOVERY OR MITIGATE LOSS WILL IN NO WAY REDUCE THE AMOUNTS RECOVERABLE FROM YOU OR ANY OF YOUR OWNERS BY ANY INDEMNIFIED PARTY PURSUANT TO THIS SECTION.

23.7 YOU AND YOUR OWNERS EXPRESSLY AGREE THAT THE TERMS OF THIS SECTION 23 SHALL SURVIVE THE TERMINATION, EXPIRATION OR TRANSFER OF THIS AGREEMENT OR ANY INTEREST HEREIN.

24. APPROVALS AND WAIVERS

24.1 Approvals. Whenever this Agreement requires our prior approval or consent, you must make a timely written request to us, and our approval or consent must be obtained in writing and signed by one of our officers.

24.2 No Warranty. We make no warranties or guarantees upon which you may rely and assume no liability or obligation to you by providing any waiver, approval, consent, or suggestion to you in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefor.

24.3 No Implied Waiver. No delay or failure by us to exercise any right reserved to us under this Agreement or to insist upon strict compliance by you with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, will constitute a waiver of our right to exercise such right or to demand exact compliance by you with any of the terms hereof. Waiver by us of any particular default by you will not affect or impair our rights with respect to any subsequent default of the same, similar, or a different nature. Acceptance by us of any payments due to us hereunder will not be deemed to be a waiver by us of any preceding breach by you.

25. NOTICES

All written notices permitted or required to be delivered under this Agreement will be deemed so delivered: (a) when delivered personally to the recipient; (b) one (1) business day after being placed in the hands of a commercial courier service for next business day delivery; (c) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid; or (d) when sent by email, two (2) business days after transmission with an electronic delivery/read receipt or, in the absence of such a receipt, upon the recipient's written acknowledgment of receipt.

Notices shall be sent to the addresses set forth below and/or, with respect to any approvals or notices that we provide to you or your owners, the Bakery & Café's address. Either party may specify a different address by notifying the other party in writing of that different address.

Notices to us: LA MADELEINE FRANCHISING COMPANY, INC.
12201 Merit Drive
Suite 900
Dallas, Texas 75251
Attn: Legal Department
Email: LegalNotices@lamadeleine.com

Notices to you: _____
_____
_____
Email: _____

26. ENTIRE AGREEMENT

This Agreement and the documents referred to herein constitute the entire agreement between us and you concerning the subject matter hereof and supersede all prior agreements, negotiations, representations, and correspondence concerning the same subject matter, except that nothing in this Agreement is intended to disclaim any representations made to you in any Franchise Disclosure Document that you received from us in connection with this Agreement. Except for those permitted to be made unilaterally by us hereunder, no amendment, change, or variance from this Agreement will be binding on either party unless agreed to by the parties in a writing executed by their authorized officers or agents.

27. SEVERABILITY AND CONSTRUCTION

27.1 Severability. If any provision of this Agreement is determined to be invalid or in conflict with any existing or future law or regulation by a court or agency having valid jurisdiction, the invalidity will not impair the operation of any other provisions which remain otherwise intelligible. The latter will continue to be given full force and effect, and the invalid provisions will be deemed not to be a part of this Agreement.

27.2 The Exercise of our Judgment. We have the right to operate, develop and change the System and System standards in any manner that is not specifically prohibited by this Agreement. Whenever we have reserved in this Agreement a right to take or to withhold an action, or to grant or decline to grant you a right to take or omit an action, we may, except as otherwise specifically provided in this Agreement, make our decision or exercise our rights based on information readily available to us and our judgment of what is in the best interests of us or our affiliates, the la Madeleine Bakery & Café network generally, or the System at the time its decision is made, without regard to whether it could have made other reasonable or even arguably preferable alternative decisions or whether our decision promotes our or our affiliates' financial or other individual interest. Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated or completed actions that require our approval.

27.3 Survival of Obligations. All obligations that expressly or by reasonable implication are to be performed, in whole or in part, after the expiration, termination, or assignment of this Agreement will survive expiration, termination, or assignment.

27.4 No Implied Third Party Beneficiaries. Except as explicitly provided to the contrary herein, nothing in this Agreement is intended or will be deemed to confer any rights or remedies on any person or legal entity other than you, your owner(s), us, and our affiliates.

27.5 Lesser Included Obligations. You agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from (i) striking any portion of a provision that a court or agency may hold to be unreasonable and unenforceable; or (ii) reducing the scope of any promise or covenant to the extent required to comply with a court or agency order.

27.6 Electronic Signatures. The counterparts of this Agreement and all ancillary documents executed or delivered in connection with this Agreement may be executed and signed by electronic signature by any of the parties to this Agreement, and delivered by electronic or digital communications to any other party to this Agreement, and the receiving party may rely on the receipt of such document so executed and delivered by electronic or digital communications signed by electronic signature as if the original has been received. For the purposes of this Agreement, electronic signature means, without limitation, an electronic act or acknowledgement (e.g., clicking an "I Accept" or similar button), sound, symbol (digitized signature block), or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

27.7 Limited Liability for our Related Parties. You agree that no past, present or future director, officer, employee, incorporator, member, partner, stockholder, subsidiary, affiliate, owner, entity under common control, ownership or management, vendor, service provider, agent, attorney or representative of ours will have any liability for (i) any of our obligations or liabilities relating to or arising from this Agreement; (ii) any claim against us based on, in respect of, or by reason of, the relationship between you and us, or (iii) any claim against us based on any alleged unlawful act or omission of ours.

27.8 Multiple Forms of Agreement. You acknowledge and agree that there may be more than one form of franchise agreement in effect between us and our various la Madeleine Bakery & Café franchisees; those other agreements may contain provisions that may be materially different from the provisions contained in this Agreement; and you are not entitled to rely on any provision of any other agreement with other la Madeleine Bakery & Café franchisees whether to establish course of dealing, waiver, or estoppel, or for any other purpose.

27.9 Construction. References in this Agreement to us, with respect to all of our rights and all of your obligations to us under this Agreement, include any of our affiliates with whom you deal in connection with the Bakery & Café. The term “affiliate” means any

individual or legal entity directly or indirectly owned or controlled by, under common control with, or owning or controlling the party indicated. "Control" means the power to direct or cause the direction of management and policies. If two or more persons are at any time the owners of the rights under this Agreement and the Bakery & Café, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several. "Person" (whether or not capitalized) means any individual or legal entity. The term "Café" includes all of the assets of the Bakery & Café you operate under this Agreement, including its revenue and income. The headings of the Sections, Subsections and paragraphs are for convenience only and do not define, limit or construe their contents. Unless otherwise specified, all references to a number of days shall mean calendar days and not business days. The words "include," "including," and words of similar import shall be interpreted to mean "including, but not limited to" and the terms following such words shall be interpreted as examples of, and not an exhaustive list of, the appropriate subject matter. All references to your "owner" or "owners" shall be interpreted to mean any person holding a direct and indirect ownership interest (whether of record, beneficially, or otherwise) in you.

28. DISPUTES

28.1 Subject only to Section 28.3, the parties agree to submit all disputes, controversies, claims, causes of action and/or alleged breaches or failures to perform arising out of or relating to this Agreement (and any attachments or addenda to this Agreement or any provision herein) or the relationship created by this Agreement (collectively, "**Disputes**") to non-binding mediation prior to filing any action in court or any in arbitration with respect to the Dispute. The mediation shall be conducted in Dallas County, Texas. The parties shall attempt to select a mediator by agreement of the parties so long as the mediator selected is experienced in the mediation of disputes in the franchise and food service businesses. If the parties are unable to agree upon such a mediator within a reasonable period of time (not to exceed fifteen (15) days), then the mediation of any Dispute shall be submitted by either party to the American Arbitration Association ("**AAA**") for resolution in accordance with its rules governing mediation, at the office of the AAA located nearest to our corporate headquarters in Dallas, Dallas County, Texas. The costs and expenses of mediation, including compensation and expenses of the mediator, shall be borne by the parties equally. If the parties are unable to resolve the Dispute within ninety (90) days after the mediator has been appointed, then either party may submit such Dispute to binding arbitration in accordance with Section 28.2 below.

28.2 Subject only to Section 28.1 and 28.3, all Disputes that are not resolved through mediation in accordance with Section 28.1, including all disputes relating to the scope, validity, or enforceability of this Arbitration Agreement and any provision in this Section 28, shall be submitted for binding arbitration to the office of the AAA located nearest to our corporate headquarters in Dallas, Dallas County, Texas, on demand of either party. Such arbitration proceedings shall be conducted by an arbitrator who is experienced in the arbitration of disputes in the franchise and food service businesses, if such an arbitrator is available, and in accordance with the then current commercial arbitration rules of the AAA. The arbitrator(s) shall have the right to award or include in

their award any relief which they deem proper in the circumstances, including money damages (with interest on unpaid amounts from the due date), specific performance and injunctive relief. Provided, that, to the fullest extent permitted by law, the parties stipulate and agree that the arbitrators shall not provide for, and no arbitration award shall include, any punitive or exemplary damages, all of which are hereby waived by the parties. The award and decision of the arbitrator(s) shall be conclusive and binding upon all parties and adjustment may be taken on the award notwithstanding the termination or expiration of this Agreement. We and you agree that arbitration shall be conducted on an individual, not a class-wide basis. We and you agree that any arbitration between us or our affiliates and you shall not be consolidated with any other arbitration that may be taking place between us and the other party.

28.3 Notwithstanding anything herein to the contrary, either party may bring an action in any court having jurisdiction and without first submitting such action to mediation or arbitration (a) for injunctive relief or other extraordinary relief, (b) involving the possession or disposition of, or other relief relating to real property, or (c) in aid of enforcing the parties' obligations to arbitrate under Section 28.2 above.

28.4 You have signed this Agreement and submitted it to us for our acceptance and execution at our corporate headquarters in Dallas, Dallas County, Texas. You shall make all payments and perform other obligations arising hereunder at Dallas County, Texas, and this Agreement is made and entered into at Dallas County, Texas. The provisions of this Section 28.4 shall apply to the fullest extent permitted under applicable state law.

28.5 THIS AGREEMENT IS EXECUTED AND DELIVERED IN CONNECTION WITH A TRANSACTION NEGOTIATED AND CONSUMMATED IN DALLAS COUNTY, TEXAS. ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER FEDERAL LAW, THIS AGREEMENT AND ANY AND ALL CONTROVERSIES, DISPUTES, OR CLAIMS ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP BETWEEN THE PARTIES (REGARDLESS OF THE FORM OF THE CAUSE OF ACTION ASSERTED) SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS. THE PARTIES AGREE THAT, WITH RESPECT TO ANY SUCH CONTROVERSIES, DISPUTES, OR CLAIMS ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE PARTIES' RELATIONSHIP CREATED BY THIS AGREEMENT, ANY SUCH CONTROVERSIES, DISPUTES, OR ACTIONS SHALL BE BROUGHT, MAINTAINED, AND CONCLUDED EXCLUSIVELY IN THE DISTRICT COURTS OF DALLAS COUNTY, TEXAS, OR THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION. YOU, FOR YOURSELF AND YOUR SUCCESSORS AND ASSIGNS, HEREBY IRREVOCABLY (A) SUBMIT TO THE JURISDICTION OF THE DISTRICT COURTS OF DALLAS COUNTY, TEXAS, AND THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION, (B) WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION THAT

YOU MAY NOW OR IN THE FUTURE HAVE TO THE LAYING OF VENUE OF ANY LITIGATION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT SET FORTH ABOVE; AND , (C) WAIVE ANY OBJECTION YOU MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING BROUGHT IN SUCH COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. YOU HEREBY IRREVOCABLY AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON YOU IN ANY LEGAL PROCEEDING RELATING TO ANY DISPUTE BY ANY MEANS ALLOWED BY TEXAS LAW. We and you acknowledge that the parties' agreement regarding applicable state law and forum set forth herein provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any Dispute covered herein. We and you further acknowledge the receipt and sufficiency of mutual consideration for such benefit. Notwithstanding the foregoing, the parties acknowledge and agree that either party may institute legal action for injunctive relief in any court of competent jurisdiction as set forth in Section 28.3 above.

28.6 JURY TRIAL WAIVER. TO THE EXTENT PERMITTED UNDER APPLICABLE STATE LAW, WE AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

28.7 WAIVER OF PUNITIVE AND EXEMPLARY DAMAGES. EXCEPT FOR YOUR INDEMNIFICATION OBLIGATIONS UNDER SECTION 23 AND YOUR FAILURE TO COMPLY WITH YOUR CONFIDENTIALITY AND NON-COMPETITION OBLIGATIONS UNDER SECTIONS 12, 19 AND 20.4, AND EXCEPT FOR PUNITIVE DAMAGES AVAILABLE TO EITHER PARTY UNDER FEDERAL LAW, THEN TO THE EXTENT PERMITTED UNDER APPLICABLE STATE LAW, THE PARTIES HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER, AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF COMPENSATORY DAMAGES SUFFERED BY THE PARTY.

28.8 We and you acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 28.5 provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any Dispute. We and you further acknowledge the receipt and sufficiency of mutual consideration for such benefit. Notwithstanding the foregoing, the provisions of this Section 28.8 shall only apply to the extent permitted under applicable state law.

28.9 Individual Capacity. In the event that an action in court is permitted, any legal action commenced by either party shall be brought in an individual capacity, and not on a class-wide basis. All parties waive their rights to initiate a class-action lawsuit in any court.

28.10 Statute of Limitations. Except for claims arising from your non-payment or underpayment of amounts you owe to us, and subject to applicable law, any claim or cause of action asserted by either party arising out of or related to use of this Agreement

or the relationship of the parties must be filed within 2 years after such claim or cause of action arose or be forever barred when the applicable statute of limitations is greater than 2 years. This provision does not affect or apply to any claim or cause of action where the applicable statute of limitations is less than 2 years.

[Signature page follows]

LA MADELEINE FRANCHISING COMPANY, INC.

By:_____

Title:_____

FRANCHISEE: If a corporation, partnership, or limited liability company, print name of business entity on the line below:

_____

By:_____

Print Name:_____

Title:_____

If Franchisee is one or more individuals:

_____

(Print Name)

_____

_____

(Print Name)

_____

EXHIBIT A TO THE FRANCHISE AGREEMENT

PREMISES, MANAGEMENT AND OWNERSHIP

PREMISES: _____

LEAD OPERATOR: _____

You are a_____(Corporation/limited liability company/partnership)

Entity Name: _____

You were organized/formed on_____, 20__ under the laws of the State of _____.

Your Federal Identification Number is_____.

If you are a corporation, partnership, or limited liability company, the following persons constitute all owners of a legal and/or beneficial interest:

Name	Type of Interest	Percentage Ownership
_____	_____	_____%
_____	_____	_____%
_____	_____	_____%
_____	_____	_____%

The following persons constitute all of your officers, directors and the management personnel that has or will receive training of the System:

Name	Position
_____	_____
_____	_____
_____	_____

THIS INFORMATION IS ACCURATE AS OF THE___DAY OF____, 20__.

EXHIBIT B TO THE FRANCHISE AGREEMENT
GUARANTY

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS (this "Guaranty") is given _____, by _____.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the "**Agreement**") on this date by **LA MADELEINE FRANCHISING COMPANY, INC.** ("**Franchisor**"), each of the undersigned personally and unconditionally (a) guarantees to Franchisor and its successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that _____ ("**Franchisee**") will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement); and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including, without limitation, the arbitration, non-competition, confidentiality, and transfer requirements.

Each of the undersigned acknowledges that they are either an owner (whether direct or indirect) of Franchisee or otherwise has a direct or indirect relationship with Franchisee or its affiliates; that they will benefit significantly from Franchisor's entering into the Agreement with Franchisee; and that Franchisor would not enter into the Agreement unless each of the undersigned agrees to sign and comply with the terms of this Guaranty.

Each of the undersigned consents and agrees that: (1) their direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) they will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon Franchisor's pursuit of any remedies against Franchisee or any other person or entity; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person or entity, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including, without limitation, the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Franchisee or any of its owners or guarantors, and for so long as Franchisor has any cause of action against Franchisee or any of its owners or guarantors; and (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any direct or indirect interest in the Agreement or Franchisee, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation that any of the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this Guaranty, for the express purpose that none of the undersigned shall be deemed a "creditor" of Franchisee under any applicable bankruptcy law with respect to Franchisee's obligations to Franchisor; (ii) all rights to require Franchisor to proceed against Franchisee for any payment required under the Agreement, proceed against or exhaust any security from Franchisee, take any action to assist any of the undersigned in seeking reimbursement or subrogation in connection with this Guaranty or pursue, enforce or exhaust any remedy, including any legal or equitable relief, against Franchisee; (iii) any benefit of, or any right to participate in, any security now or hereafter held by Franchisor; and (iv) acceptance and notice of acceptance by Franchisor of his, her or its undertakings under this Guaranty, all presentments, demands and notices of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest, notices of dishonor, notices of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices and legal or equitable defenses to which they may be entitled. Franchisor shall have no present or future duty or obligation to the undersigned under this Guaranty, and each of the undersigned waives any right to claim or assert any such duty or obligation, to discover or disclose to the undersigned any information, financial or otherwise, concerning Franchisee, any other guarantor, or any collateral securing any obligations of Franchisee to Franchisor. Without affecting the obligations of the undersigned under this Guaranty, Franchisor may, without notice to the undersigned, extend, modify, supplement, waive strict compliance with, or release all or any provisions of the Agreement or any indebtedness or obligation of Franchisee, or settle, adjust, release, or compromise any claims against Franchisee or any other guarantor, make advances for the purpose of performing any obligations of Franchisee under the Agreement, and/or assign the Agreement or the right to receive any sum payable under the Agreement, and the undersigned each hereby jointly and severally waive notice of same. The undersigned expressly acknowledge that the obligations hereunder survive the expiration or termination of the Agreement.

In addition, the undersigned each waive any defense arising by reason of any of the following: (a) any disability, counterclaim, right of set-off or other defense of Franchisee, (b) any lack of authority of Franchisee with respect to the Agreement, (c) the cessation from any cause whatsoever of the liability of Franchisee, (d) any circumstance whereby the Agreement shall be void or voidable as against Franchisee or any of its creditors, including a trustee in bankruptcy of Franchisee, by reason of any fact or circumstance, (e) any event or circumstance that might otherwise constitute a legal or equitable discharge of the undersigned's obligations hereunder, except that the undersigned do not waive any defense arising from the due performance by Franchisee of the terms and conditions of the Agreement, (f) any right or claim of right to cause a marshaling of the assets of Franchisee or any other guarantor, and (g) any act or omission of Franchisee.

If Franchisor is required to enforce this Guaranty in a judicial proceeding, and prevails in such proceeding, Franchisor shall be entitled to reimbursement of its costs and

expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If Franchisor is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse Franchisor for any of the above-listed costs and expenses it incurs.

SUBJECT TO THE MEDIATION AND ARBITRATION OBLIGATIONS IN THE AGREEMENT, EACH OF THE UNDERSIGNED AGREES THAT WITH RESPECT TO ANY CONTROVERSIES, DISPUTES, OR CLAIMS ARISING OUT OF OR RELATED TO THE AGREEMENT, THIS GUARANTY, OR THE RELATIONSHIP BETWEEN FRANCHISOR AND THE UNDERSIGNED, ANY SUCH CONTROVERSIES, DISPUTES, OR ACTIONS SHALL BE BROUGHT, MAINTAINED, AND CONCLUDED EXCLUSIVELY IN THE DISTRICT COURTS OF DALLAS COUNTY, TEXAS, OR THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION. THE UNDERSIGNED, FOR ITSELF AND ITS SUCCESSORS AND ASSIGNS, HEREBY IRREVOCABLY (A) SUBMITS TO THE JURISDICTION OF THE DISTRICT COURTS OF DALLAS COUNTY, TEXAS, AND THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION; (B) WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION THAT IT MAY NOW OR IN THE FUTURE HAVE TO THE LAYING OF VENUE OF ANY LITIGATION ARISING OUT OF OR IN CONNECTION WITH THE AGREEMENT OR THIS GUARANTY; AND (C) WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING BROUGHT IN SUCH COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, EACH OF THE UNDERSIGNED IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, ARISING UNDER OR RELATING TO THIS GUARANTY OR ITS ENFORCEMENT, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

If any of the undersigned resides in a community property state, the undersigned will cause their spouse, if any, to execute this Guaranty.

GUARANTOR:

_____	Spouse: _____
Print Name: _____	Print Name: _____
Date: _____	Date: _____

GUARANTOR:

_____ Spouse:_____

Print Name:_____ Print Name:_____

Date:_____ Date:_____

GUARANTOR:

_____ Spouse:_____

Print Name:_____ Print Name:_____

Date:_____ Date:_____

EXHIBIT C TO THE FRANCHISE AGREEMENT

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

In conjunction with your investment in _____ (**"Franchisee"**) a _____, the undersigned individual or business entity (**"you"**) acknowledges and agrees as follows:

1. Franchisee owns and operates, or is developing, a LA MADELEINE® Bakery & Café pursuant to a Franchise Agreement (the **"Franchise Agreement**") with LA MADELEINE FRANCHISING COMPANY, INC. ("LMFC"). The Franchise Agreement requires persons with legal or beneficial ownership interests in Franchisee to be personally bound by Franchisee's obligations under the Franchise Agreement, including restrictions on competition, confidentiality obligations, restrictions on ownership changes, and dispute resolution provisions.

2. All capitalized terms used in this document have the same meaning as in the Franchise Agreement.

3. You own or intend to own a legal or beneficial ownership interest in Franchisee. You acknowledge and agree that: (a) your execution of this Agreement is a condition of acquiring and holding your ownership interest in the Franchisee, and (b) you have received good and valuable consideration for executing this Agreement. LMFC may enforce this Agreement directly against you.

4. If a business entity signs this Agreement, all persons who have a legal or beneficial ownership interest in that business entity must also execute this Agreement, and if your owners reside in a community property state, we may require their spouse to execute this Confidentiality and Non-Competition Agreement.

5. You may gain access to confidential information and trade secrets of LMFC and its affiliates as a result of investing in Franchisee. You agree that while you have a legal or beneficial ownership interest in Franchisee and thereafter you: (a) will not use the confidential information in any other business or capacity (such use being an unfair method of competition); (b) will exert best efforts to maintain the confidentiality of the confidential information; and (c) will not make unauthorized copies of any portion of the confidential information disclosed in written, electronic, or other form. If you cease to have an interest in Franchisee, you must deliver to LMFC any such confidential information in your possession or control.

6. During the term of the Franchise Agreement and for as long as you have any legal or beneficial ownership interest in Franchisee, you agree that you will not, without LMFC's consent (which consent may be withheld at LMFC's discretion), directly or indirectly (such as through an Affiliate or family members), own any legal or beneficial interest in, or render services or give advice in connection with: (a) any Competing Business located anywhere; or (b) any entity located anywhere that grants franchises or licenses interests to others to operate any Competing Business.

7. For a period of one (1) year after the expiration or termination of the Franchise Agreement or the approved transfer of the Bakery & Café to a new owner, you will not directly or indirectly own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in any Competing Business which is, or is intended to be, located within ten (10) miles of the Premises or within five (5) miles of any other LA MADELEINE® Bakery & Café, except for any business operated pursuant to a valid Franchise Agreement with us or as we otherwise approve in writing. If you fail or refuse to abide by any of the foregoing restrictions and LMFC obtains enforcement in a judicial or arbitration proceeding, the obligations under the breached restriction will continue in effect for one (1) year after the date you begin to comply with the order enforcing the restriction.

8. You acknowledge that you possess skills and abilities of a general nature and the opportunity to exploit your skills in other ways, so that enforcement of the restrictions contained in Sections 6 and 7 will not deprive you of your personal goodwill or ability to earn a living. If any restriction in this document is deemed unenforceable by virtue of its scope, geographic area, type of business activity prohibited, and/or length of time, but the restriction could be rendered enforceable by reducing any part or all of it, you and we agree that it will be enforced to the fullest extent permissible under applicable law and public policy. LMFC may obtain in any court of competent jurisdiction any injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause it irreparable harm. You acknowledge that any violation of Sections 5, 6, or 7 would result in irreparable injury for which no adequate remedy at law may be available. If LMFC files a claim to enforce this Agreement and prevails in such proceeding, you agree to reimburse LMFC for all its costs and expenses, including reasonable attorneys' fees.

OWNERS OF FRANCHISEE:

If an Individual:

Signature:_____

Print name_____

Date:_____

Signature:_____

Print name_____

Date:_____

If any Owner of Franchisee is another business entity:

Name of entity _____

Type of Business entity: _____

State of Organization: _____

By:_____

Title:_____

Date:_____

Signature:_____ Print name_____ Date:_____ Spouse:_____ Print name_____ Date:_____ Spouse:_____ Print name_____ Date:_____	Shareholders/partners/members of Business Entity named immediately above**:** _____ Print name_____ Date:_____ _____ Print name_____ Date:_____

(add pages if necessary)

EXHIBIT D TO THE FRANCHISE AGREEMENT

THIS ACKNOWLEDGMENT SHALL NOT BE COMPLETED BY YOU, AND WILL NOT APPLY, IF THE OFFER OR SALE OF THE FRANCHISE IS SUBJECT TO THE STATE FRANCHISE DISCLOSURE LAWS OF CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN. IF THE FRANCHISE IS TO BE OPERATED IN, OR YOU ARE A RESIDENT OF, MARYLAND, DO NOT SIGN THIS ACKNOWLEDGMENT.

DISCLOSURE ACKNOWLEDGMENT STATEMENT

LA MADELEINE FRANCHISING COMPANY, INC. ("we" or "us"), through the use of this Disclosure Acknowledgment Statement, wishes to ascertain that _____ ("Franchisee") and its owners fully understand that the execution of a Franchise Agreement and/or a Development Agreement for a franchise to own and operate a LA MADELEINE® Bakery & Café is a business decision, complete with associated risks, and that it is our policy to verify that Franchisee and its owners are not relying upon any oral, written, or visual statements, representations, promises, or assurances which we have not authorized. In this document, "you" means Franchisee and each of its owners.

You make the following representations to us, and we rely on them in granting you a franchise. If any statement is not correct, or if you are aware of exceptions to them, note them after #11 below.

1. You recognize and understand that business risks which exist in connection with the ownership, development and operation of any business make the success or failure of the LA MADELEINE® Bakery & Café franchise subject to many variables, including your skills and abilities, competition, interest rates, the economy, inflation, location(s), operation, labor and supply costs, lease terms and costs, and the marketplace. Further, you understand that the economic and business factors that exist at the time you open your franchise may change. You acknowledge that you have conducted an independent investigation of the business venture contemplated by the Franchise Agreement and/or Development Agreement and recognize that the success of the venture involves substantial business risk and will be dependent primarily on your ability as an independent businessperson. You hereby acknowledge your willingness to undertake these business risks.

2. You acknowledge that you received our Franchise Disclosure Document ("FDD") at least 14 days prior to the date you executed the Franchise Agreement and/or the Development Agreement or paid us any money for the franchise. You acknowledge that you have received, had the opportunity to personally read and review, and understand the FDD, Franchise Agreement and/or Development Agreement and attachments. You acknowledge that we have permitted you ample time and opportunity to consult with advisors of your own choosing about

the potential benefits and risks associated with operating a LA MADELEINE® Bakery & Café franchise and entering into a Franchise Agreement and/or Development Agreement. You also acknowledge that we have not made any oral, written or visual claims, representations, promises, agreements, contracts, commitments, understandings or statements which contradict or are inconsistent with and are not contained in the Franchise Disclosure Document.

3. You acknowledge that you received from us the Franchise Agreement and all applicable attachments with all blanks filled in at least seven (7) calendar days prior to the execution of this Agreement. You represent that you have read the Franchise Agreement in its entirety and that you have been given the opportunity to clarify any provisions that you did not understand and to consult with an attorney or other professional advisor.

4. You agree that the decision to enter into this business risk is in no manner predicated upon any oral, written or visual representations, assurances, warranties, guarantees or promises made by us or any of our directors, officers, employees or agents (including any franchise broker) as to the likelihood of success of the franchise.

5. We expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any information, representations, assurances, warranties, guarantees or promises made by us or any of our directors, officers, employees or agents (including any franchise broker) concerning the actual, average, projected or forecasted franchise sales, revenues, profits, earnings or likelihood of success that you might expect to achieve from operating a LA MADELEINE® Bakery & Café that are contrary to the information presented in Item 19 of the FDD that you received from us.

6. We expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any promises, agreements, contracts, commitments, representations, understandings, "side deals" or any other assurances, express or implied, orally or otherwise, made to or with you with respect to any matter concerning advertising, marketing, television, radio or other media support, site location, market penetration, training, operating and support assistance or other services that are contrary to the statements made in the FDD.

7. You acknowledge that you will independently evaluate and investigate the proposed site(s) for each LA MADELEINE® Bakery & Café and the lease or purchase agreement for the site(s). You acknowledge that you bear primary responsibility for selecting the site(s) and negotiating the terms and conditions of your lease(s), sublease(s) or purchase agreement(s) for the site(s).

8. You acknowledge that, although we will provide you with basic drawings and specifications for a LA MADELEINE® Bakery & Café, will specify certain furniture, fixtures and equipment, and will maintain certain rights of review and/or approval under our Development Agreement and/or Franchise Agreement with

you, we have not made, and you have not received or relied upon, any warranty concerning the LA MADELEINE® Bakery & Café(s) or the drawings, specifications, furniture, fixtures and equipment. You acknowledge that you are solely responsible for, and we will have no liability or obligation in connection with, the plans or the construction or conversion remodeling of the LA MADELEINE® Bakery & Café(s). You acknowledge that it is solely your responsibility to ensure that the construction or conversion remodeling complies with any and all laws, codes or regulations.

9. You acknowledge that the initial investment costs in Item 7 of the FDD are based on our current design concept, which is always subject to change, and that if we change the design concept after you sign your Development Agreement and/or Franchise Agreement, your investment costs may be affected.

10. You understand that we and our affiliates have the right to issue franchises for and/or operate businesses that may compete with you, as described in Item 12 of the FDD.

11. Franchisee's corrections and/or exceptions to the above statements are as follows: (If no corrections or exceptions, write "none" and initial.) Attach additional sheets if necessary.

_____
_____
_____
_____

The following language applies only to transactions governed by the Maryland Franchise Registration and Disclosure Law:

Do not sign this Acknowledgment Statement if you are a resident of Maryland or the franchise is to be operated in Maryland.

The following language applies only to transactions governed by the Washington Franchise Investment Protection Act:

This Acknowledgment Statement does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

(Remaining portion of this page left blank)

LA MADELEINE FRANCHISING COMPANY, INC. **FRANCHISEE:**

By:_____ By:_____

Its:_____

Date:_____

EXHIBIT E TO THE FRANCHISE AGREEMENT

BAKERY & CAFÉ OPENING DATE LETTER

[Date]

Franchise Administrator
La Madeleine Franchising Company, Inc.
12201 Merit Drive, Suite 900
Dallas, TX 75251

Re: Franchisee:_____

Franchise Agreement dated: _____

la Madeleine Bakery & Café Address: _____

Dear Franchise Administrator:

As required by the Franchise Agreement referenced above, this letter is to advise you of the date the la Madeleine Bakery & Café referenced above opened to the general public. All capitalized terms not otherwise defined here shall have the same meaning as set forth in the Franchise Agreement.

In accordance with Section 3.1 of the Franchise Agreement, the la Madeleine Bakery & Café referenced above open to the general public on_____ _____, the Bakery & Café Opening Date.

All other terms of the Franchise Agreement shall remain unchanged.

Sincerely,

_____

Franchisee

EXHIBIT F TO THE FRANCHISE AGREEMENT

ADMINISTRATIVE SERVICES AGREEMENT

This Administrative Services Agreement ("Agreement") is made as of the ___ day of _____, 20___, by and between LDA Management Company, Inc., a Delaware corporation ("LDAMC") whose principal place of business is 12201 Merit Drive, Suite 900, Dallas, Texas 75251, and _____ ("Franchisee") whose principal place of business is _____.

WHEREAS, Franchisee operates one or more LA MADELEINE® BAKERY & CAFÉS (the "Café" or "Cafés") identified on Exhibit A attached hereto and may franchise, develop, purchase, or acquire additional la Madeleine Bakery & Cafés during the term of this Agreement;

WHEREAS, LDAMC is in the restaurant management industry and provides, from time to time, certain administrative services to LA MADELEINE® franchisees;

WHEREAS, Franchisee requests LDAMC to provide the services described in Exhibit B (the "Services") attached hereto in consideration for the total administrative fees associated with each of the Services (together, the "Administrative Fee"), and LDAMC has agreed to do so pursuant to the terms of this Agreement.

NOW THEREFORE, in consideration of the foregoing promises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. LDAMC agrees to provide to Franchisee the Services. The Services shall only apply to and be provided for and in connection with the conduct and operation of the Bakery & Cafés at the locations specified in Exhibit A and no other location, restaurant or business of Franchisee.

2. As compensation for the Services, Franchisee shall pay to LDAMC the Administrative Fee. While the current Administrative Fee is identified on Exhibit B, LDAMC reserves the right to change the Administrative Fee and fee structure as new services are added to the Services and new platforms and technologies are added to the la Madeleine technology systems. Hardware configuration, as well as suppliers, may frequently be subject to change due to advances in technology and services. LDAMC will invoice Franchisee for the Administrative Fee, which shall be paid by Franchisee within ten (10) days of invoice date. Franchisee agrees to pay any sales, value-added or other similar taxes imposed by applicable law that LDAMC must pay in connection with this Agreement, except for taxes based on LDAMC's income.

3. The initial term of this Agreement (the "Agreement Term") begins on the date hereof and expires at the later of: (1) ten (10) years from the date the Bakery & Café opens for business to the public at the Premises (the "Commencement Date") as stated in the Bakery & Café Opening Date Letter (in the form attached as Exhibit "E" to the Franchise Agreement to which this Agreement is attached) that you are to sign and send to us within five (5) days of the Commencement Date, or (2) the expiration of the lease agreement governing the Premises, unless terminated sooner as provided in this Agreement.

4. LDAMC's performance under this Agreement may be excused, delayed, or suspended by LDAMC under the following circumstances:

   a. LDAMC is prevented or delayed from performing the Services for any reason beyond its control, including but not limited to acts of God; strikes or labor disputes; the elements; acts of a public enemy; inability to procure materials; a third party's failure to provide any products or services required for the Services, provided such failure is not caused by LDAMC; Franchisee's failure or refusal to provide access to the Bakery & Cafés or its equipment; laws, statutes or other regulations of the federal, state or local government, or agencies thereof, or a force majeure event;

   b. Franchisee is in default of any term of this Agreement;

   c. In LDAMC's sole judgment, LDAMC is unable to provide specific Services due to Franchisee's unwillingness or inability to provide requisite information or payment which those Services require. In such circumstances, LDAMC shall give five (5) days' prior written notice to Franchisee of the cessation of some or all of the Services; if requisite information is not provided within the five (5) day cure period after LDAMC specifies what requisite information is required, LDAMC's obligation to perform those Services ends. If information is provided within the five (5) day cure period, LDAMC shall not be liable for the Services being late during that period, and Franchisee accepts responsibility for any fines, penalties, or damages resulting from the delay.

      For the avoidance of doubt, none of the foregoing will relieve Franchisee of its obligation to timely pay the Administrative Fee to LDAMC.

5. LDAMC's or its designee's representatives will conduct annual audits of LDAMC's technical stack requirements to ensure Franchisee is in compliance with this Agreement. Franchisee is responsible to reimburse LDAMC or its designee's out-of-pocket expenses to conduct such annual audits.

6. It is expressly understood that the systems, methods, procedures, and controls employed by LDAMC in the performance of the Services are proprietary in nature and shall remain the property of LDAMC, and shall at no time be utilized, distributed, copied or otherwise employed by Franchisee except in accordance with the terms of this Agreement.

7. THERE ARE NO WARRANTIES MADE BY LDAMC EXCEPT AS SET FORTH IN THIS AGREEMENT. ATTENTION IS CALLED TO THE LIABILITY LIMITS SET FORTH IN THIS AGREEMENT. LDAMC DOES NOT GUARANTEE THAT ITS SERVICES OR APPLICABLE SOFTWARE, HARDWARE OR OTHER PROGRAMS RECOMMENDED, REQUIRED OR USED IN CONNECTION WITH THIS AGREEMENT WILL PERFORM ERROR-FREE OR UNINTERRUPTED OR THAT LDAMC WILL CORRECT ALL PROGRAM ERRORS. THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OR CONDITIONS, INCLUDING, WITHOUT LIMITATION WARRANTIES OR CONDITIONS OF MERCHANTABILITY, TITLE, NON-INFRINGEMENT AND FITNESS FOR A PARTICULAR USE OR PURPOSE. NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY LDAMC, ITS AFFILIATES, AGENTS OR EMPLOYEES SHALL CREATE A WARRANTY OR IN ANY WAY INCREASE THE SCOPE OF THE WARRANTIES IN THIS AGREEMENT. SUCH WARRANTIES SHALL NOT BE DEEMED TO HAVE FAILED OF THEIR ESSENTIAL PURPOSE SO LONG AS LDAMC IS MAKING GOOD FAITH EFFORTS TO REMEDY ANY BREACH UNDER THE TERMS OF THE WARRANTY.

8. LDAMC SHALL NOT BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, OR EXEMPLARY DAMAGES (INCLUDING DAMAGES FOR LOSS OF BUSINESS PROFITS, BUSINESS INTERRUPTION, LOSS OF BUSINESS INFORMATION, AND THE LIKE) ARISING OUT OF THIS AGREEMENT OR THE USE OF OR INABILITY TO USE ANY SOFTWARE OR HARDWARE. IN NO CASE SHALL LDAMC'S AGGREGATE LIABILITY FOR ALL MATTERS ARISING OUT OF THE SUBJECT MATTER OF THIS AGREEMENT, WHETHER IN CONTRACT, TORT OR OTHERWISE, EXCEED THE LESSER OF (A) THE AMOUNT OF ACTUAL DAMAGES SUFFERED BY FRANCHISEE AND (B) THE AMOUNT ACTUALLY RECEIVED BY LDAMC PURSUANT TO THIS AGREEMENT DURING THE PREVIOUS TWELVE (12) MONTH PERIOD.

9. Franchisee shall indemnify, defend, and hold harmless LDAMC, including its affiliates and their directors, officers, employees, and agents ("LDAMC Indemnitees"), from and against all proceedings, claims, losses, damages, demands, liabilities and expenses whatsoever, including all reasonable legal and accounting fees and

expenses and all reasonable collection costs, incurred by LDAMC Indemnitees resulting from or arising out of this Agreement, including, without limitation, any network, system or data infiltration incident that impacts Franchisee.

10. Franchisee agrees not to make any public or private statement at any time that is disparaging to LDAMC, its affiliates or any of their respective present or former officers, managers, directors, members, shareholders, agents, or employees, as applicable, or their predecessors, successors or assigns.

11. This Agreement may be terminated as follows:

    a. If Franchisee or LDAMC suspends its business or becomes bankrupt or insolvent, or makes any assignment of its assets or business for the benefit of creditors, or if a receiver or similar official is appointed for all or substantially all of its assets, the other party may terminate this Agreement by five (5) days' written notice.

    b. By LDAMC, if Franchisee fails to make any payment required hereunder or fails to perform any other obligations under this Agreement. LDAMC must give Franchisee written notice of such default. The notice must specify the obligation that Franchisee is not performing. If Franchisee fails to cure the default within thirty (30) days, LDAMC may then terminate the Agreement, in its entirety or as to one or more particular Cafés in Exhibit A, upon written notice thereof.

    c. By LDAMC, if Franchisee has received a notice of default under a Franchise Agreement or any other agreement with an affiliate of LDAMC and Franchisee fails to cure the default within any applicable cure period;

    d. By LDAMC, for a particular location if the Franchise Agreement with LDAMC's affiliate for that location expires, is terminated under any circumstances, or is assigned by Franchisee to another party.

    e. By Franchisee, if LDAMC materially fails to perform its duties under this Agreement. Franchisee must give LDAMC written notice of such default. The notice must specify the specific Services that Franchisee has requested and LDAMC is not performing. If LDAMC fails to cure the default within thirty (30) days, Franchisee may then terminate the Agreement upon further notice thereof.

f. By LDAMC, if Franchisor, as such term is defined in the Franchise Agreement to which Franchisee is a party, requires the implementation of a new Technology Suite for Cafés.

Notwithstanding the foregoing, during any period in which Franchisee is in default of this Agreement, LDAMC may, without terminating this Agreement, suspend the performance of Services under Section 4.b until Franchisee is no longer in default.

Notwithstanding any termination, any amounts due by Franchisee to LDAMC at the time of termination will remain due and owing and immediately payable. In addition, if LDAMC incurs any additional costs or expenses related to the Services, whether or not provided, after the termination date, Franchisee shall pay LDAMC such costs and expenses upon demand.

12. Neither party shall have the right to assign this Agreement without the prior written consent of the other party hereto; provided, however, LDAMC may assign this Agreement, or delegate any or all of its rights (including, without limitation, the right to receive payments due hereunder) and obligations under this Agreement, to any one or more of its affiliates; and provided further, LDAMC or its affiliates, as the case may be, may assign this Agreement to one or more lenders of LDAMC or its affiliates as collateral for a loan or loans to LDAMC or its affiliates, in each case without prejudicing the rights of Franchisee. The sale, consolidation, or merger of LDAMC to or with another company shall not be deemed an assignment.

13. This Agreement contains the entire agreement between the parties with respect to the Services and shall be binding upon and inure to the benefit of their successors and permitted assigns, and shall supersede any prior agreements, representations, correspondence, and negotiations concerning Services. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any of the other provisions of this Agreement, which other provisions shall remain in full force and effect. Upon such determination that any provision is invalid, illegal, or incapable of being enforced, a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision.

14. This Agreement is intended only to engage LDAMC as an independent contractor and shall in no way be construed as, and is not intended to create, a partnership, joint venture, or other entity of joint interests between Franchisee and LDAMC. No agency, partnership, joint venture, or employment or joint-employer relationship is created between the parties as a result of this Agreement. Any recommendation

or advice by LDAMC shall not be a directive to the management of Franchisee. Franchisee remains the sole employer of its employees.

15. This Agreement shall be construed and enforced in accordance with and is governed in all respects by the laws of the State of Texas, or the principal place of business for LDAMC at the time a claim is filed in court, without regard to conflicts of law principles. The parties agree that any disputes arising under this Agreement shall be resolved in the state or federal courts of Dallas County in the State of Texas, or the principal place of business for LDAMC at the time a claim is filed in court, and Franchisee expressly consents to jurisdiction and venue therein. Acts to be performed hereunder are deemed performed in Dallas County, Texas. It is mutually agreed that venue and choice of law is an expressly negotiated term of this Agreement.

16. This Agreement does not amend, modify, or supersede any written agreements between Franchisee and any of LDAMC's affiliates, including without limitation Franchise Agreements, Development Agreements, or any other similar agreements.

17. Neither this Agreement, nor any term, may be waived, modified, or amended except by a written agreement signed by a duly authorized representative of each party hereto. Any differing or additional terms included in future correspondence, invoices, purchase orders, or by any other means are hereby rejected and void. Either party's failure to enforce any provision of this Agreement shall not be deemed a waiver of any future right to demand performance in accordance with this Agreement or to seek enforcement of any provision of this Agreement.

18. All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been given (a) when delivered personally to the recipient; (b) one (1) business day after being placed in the hands of a commercial courier service for next business day delivery; (c) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid; or (d) when sent by email, two (2) business days after transmission with an electronic delivery/read receipt or, in the absence of such a receipt, upon the recipient's written acknowledgment of receipt, if properly addressed to the receiving party at its address as set forth below, or any other address that either party shall designate by written notice to the other.

LDAMC:	Franchisee:
LDA Management Company, Inc.	_____
Attn: Legal Department	_____
12201 Merit Drive, Suite 900	_____
Dallas, Texas 75251	Attn: _____
With a mandatory copy to:	Legalnotices@LeDuffAmerica.com

19. This Agreement may be executed in one or more counterparts, and any agreement bearing an original signature, whether on one or more pages, shall be considered an original. Any such counterpart may be evidenced by facsimile, and such facsimile shall be deemed an original.

20. In the event that a party hereto brings any legal action or other proceeding or engages an attorney to enforce or interpret any of the rights, obligations, or provisions of this Agreement, because of a dispute, breach, or default in connection with any of the provisions of this Agreement, the non-defaulting party shall be entitled to recover from the defaulting party its reasonable attorneys' fees and all other costs in such engagement, action, or proceeding, in addition to any other relief to which such non-defaulting party may be entitled.

21. All disputes, including all disputes relating to the scope, validity, or enforceability of this Agreement and this Section 21, shall be submitted for binding arbitration to the office of the AAA located nearest to our corporate headquarters in Dallas, Dallas County, Texas, on demand of either party. Such arbitration proceedings shall be conducted by an arbitrator who is experienced in the arbitration of disputes in the franchise and food service businesses, if such an arbitrator is available, and in accordance with the then-current commercial arbitration rules of the AAA. The arbitrator(s) shall have the right to award or include in their award any relief which they deem proper in the circumstances, including money damages (with interest on unpaid amounts from the due date), specific performance, and injunctive relief. Provided that, to the fullest extent permitted by law, the parties stipulate and agree that the arbitrators shall not provide for, and no arbitration award shall include, any punitive or exemplary damages, all of which are hereby waived by the parties. The award and decision of the arbitrator(s) shall be conclusive and binding upon all parties and adjustment may be taken on the award notwithstanding the termination or expiration of this Agreement. We and you agree that arbitration shall be conducted on an individual, not a class-wide, basis. We and you agree that any arbitration between us or our affiliates and you shall not be consolidated with any other arbitration that may be taking place between us and the other party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the last date shown below, after Franchisee's signature on this and as of LDAMC's date of signature.

FRANCHISEE

_____

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

LDA MANAGEMENT COMPANY, INC.

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

EXHIBIT A TO ADMINISTRATIVE SERVICES AGREEMENT

The following la Madeleine® Bakery & Cafés will be included as Bakery & Cafés within the scope of this Agreement:

[TO BE COMPLETED]

EXHIBIT B TO ADMINISTRATIVE SERVICES AGREEMENT

As of the date of this Agreement, LDAMC provides the following services to Franchisee to support Information Technology (IT) systems required by Franchisor to operate Cafés:

☐ **Help Desk Services**: LDAMC provides Cafés with Technology support which is made available through email and telephone. The Help Desk provides live coverage Sunday – Saturday 6 AM CST - 7 PM CST

- After Hours Emergency Support is available Sunday – Saturday 5 AM CST - 6 AM CST and 7 PM CST – Midnight CST

The Help Desk's primary role is to resolve basic issues with la Madeleine's technology systems, manage and dispatch third party technology support vendors (paid separately) and escalate to other resources when needed. LDAMC reserves the right to modify the Help Desk coverage hours in the future.

Onsite & Off Premises Point of Sale Set Up and Cross Enterprise Menu Support: LDAMC provides la Madeleine franchisees with menu management support across multiple platforms, including platforms such as Aloha, LevelUp, Grubhub, Olo, Uber Eats, Postmates, DoorDash and other integrated third-party software and vendors that will represent the la Madeleine menu to Café guests and take orders for entry into the on-site POS System. This support includes the management of menu changes for price tiers, limited time offers and full menu roll outs. Any issues with menu management can be submitted through the Help Desk. Any request for a change to menus, prices, taxes, or other items rolled out for use in the la Madeleine system must be made via a "Franchise Request," which will be reviewed and approved or rejected by the Franchise Operations team before LDAMC will move forward with the requested change.

Managed Infrastructure: LDAMC provides and manages a secure hosted network solution for Cafés. The solution includes network hardware such as firewalls, cabling, and switches, software updates, and monitoring services to minimize the risk of security breaches and data integrity. These services may include sourcing and managing Internet Service Providers and a voice over IP (VOIP) telephone solution. LDAMC will provide general support for the network system and, when necessary, escalate to and manage any third party vendor providers for supported elements of the la Madeleine infrastructure.

Schedule of Administrative Fee: The following fees, which constitute the Administrative Fee, will be incurred by each of Franchisee's Cafés for Services and Administration provided by LDAMC. Services, software, and equipment purchased directly from each vendor are billed directly to Franchisee from each vendor and are not reflected here. Some third-party technology vendors will bill LDAMC, and those costs will be rebilled to Franchisee as incurred. Those costs are not reflected below.

System	One-Time Setup Fee per new Café	Monthly Fee per Café
IT Support Services includes: Help Desk Support, Onsite & Off Premises Point of Sale Set Up, Cross Enterprise Menu Support and Managed Infrastructure Support	$2,860	$418

EXHIBIT G TO LA MADELEINE FRANCHISE AGREEMENT

FORM OF AGREEMENT REGARDING LEASED LOCATION BY TENANT

AGREEMENT REGARDING LEASED LOCATION
BY TENANT

THIS AGREEMENT REGARDING LEASED LOCATION BY TENANT (this "Agreement") is made and entered into this _____ day of _____, 20__ by _____, a _____company/corporation/individual ("Landlord"), **LA MADELEINE FRANCHISING COMPANY, INC.**, a Delaware corporation ("Franchisor"), and_____, a _____ company ("Tenant").

WITNESSETH:

WHEREAS, Tenant is a franchisee of Franchisor, pursuant to that certain Franchise Agreement dated _____ (the "Franchise Agreement"); and

WHEREAS, Landlord and Tenant entered into that certain Lease Agreement dated _____, a copy of which is attached hereto as Exhibit A and incorporated herein by reference (the "Lease") respecting certain real property located in _____ as more particularly described in the Lease (the "Premises");

NOW, THEREFORE, as consideration for (i) Tenant entering into the Lease with Landlord and (ii) Tenant entering into the Franchise Agreement with Franchisor, Landlord, Franchisor and Tenant agree that as long as the Franchise Agreement remains in effect, or in the event of the assignment of the Lease or sublease of the Premises, pursuant to Section 4 below, or the termination of the Lease, pursuant to Section 9 herein, the following shall apply:

1. Use of Premises. Landlord agrees that Tenant shall have the right to use the Premises for the operation of a café and bistro offering soups, salads, sandwiches, hot or cold entrée items, premium quality assorted breads, bagels, pastries, muffins, desserts, cookies, juices, espresso-based beverages, coffees, teas, smoothies, alcoholic and non-alcoholic beverages, for both on and off premises consumption all in accordance with the Lease. The Premises may also be used for catering and delivery of the foregoing items and for the sale at retail of branded packaged food items, packaged coffees, spices, gift items, cookbooks, cooking utensils and cooking classes, all as incidental to the primary use as a cafe. Tenant's use may be under the tradename "la Madeleine", or such other tradenames that Franchisor may allow (the "Tradename"). The Landlord acknowledges that the use described above does not violate any now existing exclusives granted to any existing tenant in the center where the Premises are located.

2. Modifications to Premises. Tenant shall have the right to make interior, non-structural changes to the Premises, or any part thereof in accordance with Franchisor's decor and trade dress, as it may exist from time to time, without Landlord's consent or approval. Any change which affects the roof of the Premises or any structural elements thereof (including any penetration of the roof or increasing stresses on the roof and/or structural elements of the Premises), regardless of whether or not an actual change to

the roof or structural elements is made, will be considered to be a structural change and may not be made by Tenant without Landlord's prior written approval.

3. Signage for the Premises. Tenant shall have the right to erect standard sign(s) for the Tradename, provided that such signs (including the method of attachment of such signs to the Premises) comply with applicable law, local codes and/or ordinances. In addition, Tenant may use standard interior window lights and interior advertising materials being a part of Franchisor's trade dress relating to the Tradename.

4. Assignment and Subleases. Tenant may, without Landlord's prior consent, assign this Lease or sublet the Premises to Franchisor, an affiliate of the Franchisor or any franchisor, franchisee or developer of a café operating under the Tradename, provided that no such assignment shall release or discharge Tenant and Tenant shall remain liable for the payment and performance of all of such duties, liabilities, obligations and responsibilities following such assignment. Landlord agrees that Franchisor may further assign the Lease to any affiliate of Franchisor or any franchisor, franchisee or developer of a café operating under the Tradename. In the event of any such assignment or sublease, all of the terms and conditions set forth in this Agreement shall survive and remain in effect.

5. Franchisor's Rights in the Premises. Franchisor may enter the Premises at any time to make modifications reasonably necessary to protect the System or the Proprietary Marks, as defined herein, provided that Franchisor may not (i) make any exterior or structural changes to the Premises other than the removal of any exterior signs of Tenant bearing Franchisor's Proprietary Marks, or (ii) remove from the Premises any fixtures or other personal property which Tenant is not entitled to remove from the Premises pursuant to the terms of the Lease. Franchisor shall not enter and exercise any dominion or control over all or any part of the Premises for any other purpose unless Tenant's interest in the Lease has been assigned to Franchisor pursuant to an assignment document or under the terms of this Agreement, and Franchisor has assumed and agreed to perform all of Tenant's liabilities, duties, responsibilities and obligations under the Lease. Upon any termination of the Lease or of Tenant's right to possession of the Premises (even if the Lease is not terminated), Franchisor, within thirty (30) days after receipt of Landlord's written request and in accordance with the provisions of this paragraph, will make all modifications to the Premises which Franchisor deems reasonably necessary to protect or remove the System or the Proprietary Marks from the Premises. Following the expiration of such thirty (30) day period, it shall conclusively be presumed that no further modifications to the Premises are reasonably necessary to protect the System or the Proprietary Marks, Franchisor shall have no further right to enter the Premises or to make any modifications thereto, and Franchisor has no objection to Landlord using or disposing of any and all fixtures and other personal property of Tenant then remaining in the Premises in such manner as Landlord, in its sole discretion, considers appropriate without being subject to any claim by Franchisor that such use or disposition violates or infringes the System or the Proprietary Marks. Promptly following the completion of any modifications to the Premises pursuant to this paragraph, Tenant, at its expense, shall repair any damage caused to the Premises in connection with the modifications and leave the Premises in good repair and condition. The "System" shall

mean all systems developed by Franchisor relating to the preparation and promotion of fresh bakery goods, entrees, sandwiches, soups, salads, pastries, gourmet coffees, wine, and privately-labeled retail items such as soups, salad dressings and gourmet coffees in connection with its café operations. The "Proprietary Marks" shall mean Franchisor's and its affiliates' trade names, service marks, trademarks, copyrights, logos, emblems, and indicia of origin, including but not limited to the mark "LA MADELEINE" and such other trade names, service marks, trademarks, copyrights, logos, emblems, and indicia of origin as may hereafter be provided to Tenant by Franchisor. Landlord further agrees that Franchisor's interest in any System or Proprietary Marks installed on the Premises shall be superior to any interest of Landlord in said items. Landlord consents to Tenant's use of such Proprietary Marks as Franchisor may prescribe from time to time, provided that such use otherwise complies with the provisions of the Lease.

6. Insurance. Prior to any entry and at all times thereafter when Franchisor and/or its employees, agents or contractors are on the Premises, Franchisor shall maintain in effect for Landlord's benefit liability insurance at least equivalent in amount and terms to that Tenant is required by the Lease to carry (including naming Landlord and its mortgagee as additional insureds and providing proof of such insurance to Landlord), and, in addition to such liability insurance, Franchisor will indemnify, defend (by legal counsel selected by Franchisor and approved by Landlord) and hold harmless Landlord, its successors, assigns, legal representatives, employees and agents, and each of them, from and against any and all liability, claims, causes of action, damages, loss, cost and expense (including reasonable attorney's fees, court costs and other defense costs) relating to, arising out of or caused by any such entry, except to the extent caused by the negligence or misconduct of an indemnified party (which obligation will survive the termination of such entry and the expiration or earlier termination of the Lease).

7. Lease Defaults and Documents. Landlord shall send Franchisor a copy of any notice relating to a breach or default by Tenant under the Lease, and Tenant irrevocably authorizes Landlord to send such copy to Franchisor. If Tenant fails to cure any default within the period provided in the Lease, if any, then Landlord shall give Franchisor immediate written notice of such failure to cure. Landlord agrees that Franchisor, at its sole option and without obligation so to do, may cure any such default within the applicable cure period, if any, afforded to Tenant under the Lease, in which event Landlord shall accept such cure as if the same had been made by Tenant. If as a result of such default, Landlord is electing to terminate the Lease or Tenant's right of possession of the Premises, then Landlord shall offer to Franchisor and Franchisor shall have the right to accept, an assignment of the Lease or a new lease containing the same terms and conditions of the Lease, whichever Franchisor elects. If Franchisor elects to continue the use of the Leased Premises under an assignment of the Lease or a new lease, it shall so notify the Landlord in writing within thirty (30) days after it has received written notice from the Landlord specifying the defaults the Tenant has failed to cure within the grace period specified in the Lease. Upon receipt of such notice from Franchisor, the Landlord shall promptly execute and deliver to Franchisor an assignment of the Lease or a new lease, whichever Franchisor requests, and shall deliver to Franchisor possession of the Leased Premises, free and clear of any rights of the Tenant or any third party.

Franchisor, before taking possession of the Leased Premises, shall promptly cure the defaults specified by the Landlord in its notice to Franchisor and shall execute and deliver to the Landlord its acceptance of the assignment of the Lease or of the new lease, as the case may be.

8. Lease Documentation. Tenant irrevocably authorizes Landlord that upon Franchisor's request, Landlord will provide to Franchisor copies of all Lease modifications, amendments, extensions, ancillary documents, estoppel certificates, non-disturbance agreements or any other agreements between Tenant and Landlord relating to the Lease upon the request of Franchisor. Tenant shall also provide to Franchisor at Franchisor's request, and Franchisor has the right to review, inspect and copy, records of Tenant for all Lease modifications, amendments, extensions, ancillary documents, estoppel certificates, non-disturbance agreements or any other agreements between Tenant and Landlord relating to the Lease.

9. Rights upon Termination of Franchise Agreement. If the Franchise Agreement is terminated or expires for any reason during the term of the Lease or any extension thereof, the Tenant, upon the written request of Franchisor, shall assign to Franchisor all of its right, title and interest in and to the Lease. If Franchisor elects to accept the assignment of the Lease from the Tenant, it shall give the Tenant and the Landlord written notice of its election to acquire the leasehold interest. The Landlord hereby consents to the assignment of the Lease from the Tenant to Franchisor, subject to the Tenant's and/or Franchisor's curing any defaults of the Tenant under the Lease before Franchisor takes possession of the Leased Premises. Alternatively, in the event of a termination or expiration of the Franchise Agreement, Franchisor may elect to enter into a new lease with the Landlord containing terms and conditions no less favorable than the Lease. Upon the Landlord's receipt of written notice from Franchisor advising the Landlord that Franchisor elects to enter into a new lease, the Landlord shall execute and deliver such new lease to Franchisor for its acceptance. Notwithstanding anything set forth in this Agreement to the contrary, in the event of (i) the assignment of the Lease by Tenant to Franchisor, or (ii) the election by Franchisor to enter into a new lease in the manner set forth herein above, or (iii) the subsequent assignment of the existing lease or new lease to any franchisor, franchisee or developer of a café operating under the Tradename pursuant to Paragraph 4 herein, this Agreement shall survive and remain in effect. The Landlord and the Tenant shall deliver possession of the Leased Premises to Franchisor, free and clear of all rights of the Tenant or third parties, subject to Franchisor's curing any defaults of the Tenant, under the Lease, and executing an acceptance of the assignment of Lease or the new lease, as the case may be. In the event that Tenant has breached the Franchise Agreement, Franchisor is terminating Tenant's rights thereunder or the Franchise Agreement has expired, and in either case Franchisor desires to have the Tenant's leasehold interest under the Lease assigned to it, then Franchisor shall give notice thereof to Landlord and Tenant upon which Tenant's rights under the Lease shall be deemed, automatically without any further documentation, assigned to Franchisor effective the date of Franchisor's notice. Notwithstanding such assignment, Tenant shall remain liable for any obligations under the Lease. Upon receiving such notice from Franchisor, Landlord further consents, if such consent is necessary, to Franchisor's use

of Tenant's personal property located in the Premises, however such consent does not grant Franchisor any right to do so.

10. Use Restrictions. Landlord agrees that during the term of the Lease (except during any portion of the term following Landlord's termination of Tenant's right to possession of the Premises without a termination of the Lease) not to lease space in the shopping center in which the Premises are located to any Competing Business, as defined below. "Competing Business" is defined as any entity or café that derives fifteen percent (15%) or more of its gross revenue from the sale of: 1) freshly-baked bakery goods including but not limited to breads, bagels, muffins, scones, Danishes or other pastries; 2) café items including but not limited to French-themed entrees, sandwiches, salads, soups, quiches, pastas, desserts, gourmet coffees and wines; and/or 3) privately-labeled retail items including but not limited to soups, salad dressings and gourmet coffees. Competing Businesses include but are not limited to the following: Atlanta Bread Company, Au Bon Pain, Café Express, Camille's Sidewalk Café, Corner Bakery, Cosi, Eatzi's Market & Bakery, Einstein Brothers, First Watch, Keke's Breakfast Café, Le Pain Quotidien, Manhattan Bagels, McAlister's Deli, Newk's Eatery, Panera Bread, Paradise Bakery, Paris Baguette, Paul Bakery, Starwood Café, Tatte Bakery & Café, and other similar café concepts.

11. Delivery of Possession. If it becomes necessary for the Landlord to pursue legal action to evict the Tenant in order to deliver possession of the Premises to Franchisor, Franchisor shall, at the written request of the Landlord, pay into an interest-bearing escrow account all amounts necessary to cure any default of the Tenant's, pending delivery of the Premises to Franchisor. If the Landlord may not legally obtain possession of the Premises or if the Landlord is unable to deliver the Premises to Franchisor within three (3) months from the date Franchisor notifies the Landlord of its election to continue the use of the Leased Premises, then Franchisor shall have the right at any time thereafter to rescind its election to acquire a leasehold interest in the Leased Premises and to terminate the Lease or any new lease between it and the Landlord for the Leased Premises, whereupon all amounts deposited by Franchisor in escrow, together with interest earned thereon, shall be returned forthwith to Franchisor, and the Landlord shall release Franchisor from all of its obligations under the Lease or under any new lease.

12. Franchisor not a Guarantor. The Landlord acknowledges and agrees that notwithstanding any terms or conditions contained in this Agreement or any other agreement, Franchisor shall in no way be construed as a guarantor or surety of the Tenant's obligations under the Lease. Notwithstanding the foregoing, in the event Franchisor becomes the Tenant by assignment of the Lease in accordance with the terms hereof or enters into a new lease with Landlord, then Franchisor shall be liable for all of the obligations of the Tenant on its part to be performed or observed under the Lease or a new lease.

13. Notices. Any notice, demand, consent, approval or other communication to be given to a party will be written and deemed given (a) when delivered personally to the recipient; (b) one (1) business day after being placed in the hands of a commercial courier

service for next business day delivery; (c) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid; or (d) when sent by email, two (2) business days after transmission with an electronic delivery/read receipt or, in the absence of such a receipt, upon the recipient's written acknowledgment of receipt, if addressed to Franchisor, Landlord or Tenant as follows:

Franchisor: La Madeleine Franchising Company, Inc.

Notice Address: La Madeleine Franchising Company, Inc.
12201 Merit Drive, Suite 900
Dallas, Texas 75251
Attention: Franchise Department

With a copy to: La Madeleine Franchising Company, Inc.
12201 Merit Drive, Suite 900
Dallas, Texas 75251
Attention: Legal Department
Email: LegalNotices@lamadeleine.com

Landlord: _____

Notice Address: _____
_____
_____
Email: _____

Tenant: _____

Notice Address: _____
_____
_____
Email: _____

14. Binding Effect. This Agreement shall be binding upon the parties hereto, their heirs, executors, successors, assigns and legal representatives.

15. Severability. If any provision of this Agreement or any part thereof is declared invalid by any court of competent jurisdiction, such act shall not affect the validity of this Agreement and the remainder of this Agreement shall remain in full force and effect according to the terms of the remaining provisions or part of provisions hereof.

16. Remedies. The rights and remedies created herein shall be deemed cumulative and no one of such rights or remedies shall be exclusive at law or in equity of the rights and remedies which Franchisor may have under this or any other agreement to which Franchisor and the Tenant are parties.

17. Attorneys' Fees. If any action is instituted by any party to enforce any provision of this Agreement, the prevailing party shall be entitled to recover all attorneys' fees and costs incurred in connection therewith.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written. Except for those terms and conditions of the Lease modified herein, the Lease shall remain unchanged. In the event of a conflict between the Lease and this Agreement, the provisions of this Agreement shall control.

LANDLORD:

_____

By:_____
Title:_____

FRANCHISOR:

LA MADELEINE FRANCHISING COMPANY, INC.

By:_____
Title:_____

TENANT:

_____

By: _____
Title:_____

EXHIBIT “A” to AGREEMENT REGARDING LEASED LOCATION BY TENANT

The Lease

EXHIBIT B TO THE FRANCHISE DISCLOSURE DOCUMENT

Development Agreement

Location:_____

Developer Name:_____

Agreement Date:_____

DEVELOPMENT AGREEMENT

la Madeleine® Development Agreement

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LA MADELEINE® DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT ("Agreement") is entered into on _____ between **LA MADELEINE FRANCHISING COMPANY, INC.**, a Delaware corporation ("we" or "us"), and _____, a _____, with its principal place of business at _____ ("you").

BACKGROUND

A. We and our affiliates, through significant expenditures of time, skill and money have developed a proprietary system relating to the establishment and operation of restaurants specializing in the sale of various French-themed entrées, pastas, French pastries, hot and cold sandwiches, soups, salads, and other food and beverage items (the "System").

B. The distinguishing characteristics of the System include country French cuisine, French pastries, baked goods and other food and beverage items prepared in accordance with secret and proprietary recipes and manufacturing processes owned by us and our affiliates; distinctive exterior and interior design layouts, décor, color scheme, fixtures, and furnishings; standards and specifications for ingredients, food preparation, equipment, and supplies; uniform standards, specifications, methods, policies and procedures for la Madeleine Bakery & Café operations, proprietary inventory and management control, training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by us and our affiliates from time to time.

C. We identify the System and the restaurants operating under it ("la Madeleine Bakery & Cafés") by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including but not limited to the mark LA MADELEINE® and such other trade names, service marks, and trademarks as we may hereafter designate for use in connection with the System (the "Proprietary Marks").

D. You wish to obtain the right to develop two or more la Madeleine Bakery & Cafés under the System and the Proprietary Marks within the territory defined in this Agreement.

NOW, THEREFORE, the parties agree as follows:

1. DEVELOPMENT RIGHTS AND OBLIGATIONS, FRANCHISE AGREEMENT AND INITIAL FRANCHISE FEE

1.1 We grant you the right, and you undertake the obligation, pursuant to the terms and conditions of this Agreement, to develop _____ (__) la Madeleine Bakery & Cafés (the "Bakery & Cafés"), solely within the territory defined in Exhibit A to this Agreement (the "Development Area"). The Bakery & Cafés will be located only at the specific locations we approve in writing pursuant to Section 4.1 below. The Bakery & Cafés will be developed in accordance with the schedule set forth in Exhibit B to this Agreement (the "Development Schedule"). Exhibit A, the Development Area and Exhibit B the Development Schedule are incorporated herein as if fully set forth in this Agreement.

1.2 To exercise your development rights, you must execute a separate LA MADELEINE Franchise Agreement ("Franchise Agreement") with us for each Bakery & Café to be developed, in accordance with Section 4.1 below. The initial franchise fee payable for each

Bakery & Café is Forty Thousand and No/100 Dollars ($40,000) ("Initial Franchise Fee"). A portion of the Development Fee paid in accordance with Section 3 below will be applied against the Initial Franchise Fee for each Bakery & Café, until the Development Fee is exhausted, as follows: We will apply $40,000 of the Development Fee paid by you toward the Initial Franchise Fee for the first Bakery & Café that you open under your Development Agreement. Additional portions of the Development Fee will be applied to subsequent Initial Franchise Fees upon the signing of each subsequent Franchise Agreement at the rate corresponding to the per-store amounts stated in Section 3 of this Agreement, with the balance of the Initial Franchise Fee payable when you sign each subsequent Franchise Agreement. All amounts collected shall be deemed fully earned immediately upon receipt and shall be non-refundable.

1.3 If you fail to open a Bakery & Café within the time period specified in the Development Schedule, or if fewer than the required number of Bakery & Cafés are in operation on any deadline specified in the Development Schedule, we will have the option to (a) terminate this Agreement, or (b) reduce the size of the Development Area, each by written notice to you. Our rights under this Section 1.3 will be in addition to any other remedy we may have for failure to meet the Development Schedule.

1.4 This Agreement does not grant you any right to use the Proprietary Marks or the System. All rights to use the Proprietary Marks and the System are granted solely under the terms of the Franchise Agreement. You acknowledge that you will have no right or power under this Agreement or under any Franchise Agreement to sub-franchise any other person or legal entity to use the Proprietary Marks or the System.

1.5 While this Agreement is in effect, as long as you are not in default beyond any applicable cure period, we will not establish la Madeleine Bakery & Cafés or franchise others to establish la Madeleine Bakery & Cafés within the Development Area, subject to the rights reserved in Sections 1.6 and 1.7 below.

1.6 We and our affiliates retain the rights, despite anything to the contrary in Section 1.5 and regardless of the proximity to or effect on any Bakery & Café that you operate:

1.6.1 To own, acquire, establish, operate and franchise or license others to operate la Madeleine Bakery & Cafés located outside of the Development Area;

1.6.2 To own, acquire, establish, operate, and franchise or license others to operate outlets at Non-Traditional Locations under the LA MADELEINE® name or any other name, whether inside or outside of the Development Area. "Non-Traditional Location" means a facility where the primary function is not a la Madeleine Bakery & Café business, such as (but not limited to) a performing arts center, arena, stadium, shopping mall, department store, retail store, wholesale club, grocery store, supermarket, casino, amusement park, fairground, college or university, factory, hospital, penal institution, military base, airport, turnpike, limited access highway rest stop, or other transportation facility;

1.6.3 To develop, manufacture, have manufactured, market, sell and distribute, at retail or wholesale, and license others to manufacture, sell or distribute, packaged food products or any other goods or services under the LA MADELEINE® mark or any other name or mark, through any channel of distribution other than a la Madeleine Bakery & Café, including but not limited to the Internet, supermarkets, specialty food stores, convenience stores, wholesale clubs and retail food stores, anywhere in the world; and

1.6.4 To use the LA MADELEINE® brand in other lines of business besides the operation of restaurants, anywhere in the world.

1.7 While this Agreement is in effect, if we acquire the ownership or assets of any business operating at one or more sites located within the Development Area, which we determine in our sole discretion to convert to a la Madeleine Bakery & Café (an "Acquisition Site"), we will offer to sell you the Acquisition Site for the price we paid for the Acquisition Site (plus the amounts identified in Section 1.7.1), provided that, in our judgment: (1) the sale would not conflict with any existing legal obligation of ours or of the business being acquired; (2) the sale would not preclude the completion of the acquisition on the terms agreed to by us; and (3) the sale would not interfere with any other agreement, arrangement or combination or affect federal or state income tax consequences arising from the acquisition; and provided further, that you agree: (a) to execute, concurrently with your purchase, a Franchise Agreement as modified for use in connection with each Acquisition Site; (b) to convert each Acquisition Site to a la Madeleine Bakery & Café as soon as practicable thereafter (but in no event later than the date specified by us) in accordance with our standards and specifications; and (c) to close or sell within a reasonable time period specified by us any Acquisition Sites which are not suitable for conversion to la Madeleine Bakery & Cafés. Any Acquisition Site you purchase and convert under this Section 1.7 will be counted toward the number of Bakery & Cafés required by the Development Schedule. Notwithstanding anything to the contrary in this Section 1.7, we will not convert an Acquisition Site that is within a Protected Area, as defined in the Franchise Agreement for any Bakery & Café that is located within the Development Area, unless we provide reasonable evidence that the conversion will not have a material adverse effect on the Net Sales of your Bakery & Café.

1.7.1 The purchase price you pay will include that portion of the direct and indirect costs and liabilities we incur or assume in making the acquisition and allocate to the Acquisition Site, whether paid or owed to the seller of the Acquisition Site, us, our affiliates, or third parties, plus any improvements we have made and other expenses allocated or otherwise related to the Acquisition Site (including losses, whether from continuing operations or closing acquired units and renovation costs), plus interest at our cost of money on the balance of such amounts from time to time.

1.7.2 You will have sixty (60) days after receipt of our offer in which to accept or reject the offer by written notice to us. If accepted, you will have thirty (30) days from the date of acceptance to complete the acquisition.

1.7.3 If you reject or fail to timely accept our offer to sell the Acquisition Site, or if we are not obligated to extend an offer to you for any of the reasons stated in this Section 1.7, we may operate, alter, modify, refurbish, remodel, promote and market or franchise others to operate the Acquisition Site as a la Madeleine Bakery & Café or any other business. For purposes of this Section, all references to us will be deemed to include our affiliates.

2. TERM

Unless terminated sooner as provided in this Agreement, the term of this Agreement (the "Agreement Term") shall expire upon the earlier of (a) the original scheduled opening deadline of the final Bakery & Café required by the Development Schedule, or (b) the actual opening date of the final Bakery & Café required by the Development Schedule. "Opening date" means the actual date the Bakery & Café opens for business to the general public.

3. DEVELOPMENT FEE

In consideration of the development rights granted to you, upon execution of this Agreement you must pay us a non-refundable fee of _____ and No/100 Dollars ($___,000.00) (the "Development Fee"). The Development Fee for a commitment of 3 – 10 la Madeleine Bakery & Cafés is the sum of $40,000 for the first la Madeleine Bakery & Café and $20,000 for each additional la Madeleine Bakery & Café that you commit to open. The Development Fee for a commitment of 11 – 19 la Madeleine Bakery & Cafés is the sum of $40,000 for the first la Madeleine Bakery & Café, $20,000 for each of la Madeleine Bakery & Cafés 2 – 10, and $10,000 for each of la Madeleine Bakery & Cafés 11 – 19 that you commit to open. The Development Fee for a commitment of 20 la Madeleine Bakery & Cafés or more is the sum of $40,000 for the first la Madeleine Bakery & Café, $20,000 for each of la Madeleine Bakery & Cafés 2 – 10, $10,000 for each of la Madeleine Bakery & Cafés 11 – 19, and $5,000 for la Madeleine Bakery & Café 20 and each additional la Madeleine Bakery & Café that you commit to open, as set forth in the Development Schedule. You acknowledge and agree that the Development Fee is fully earned by us upon your signing this Agreement.

4. SITE SELECTION AND ACCEPTANCE

4.1 At your own expense, you must identify and obtain a site for each Bakery & Café to be developed hereunder. Before acquiring a site by lease or purchase, you must submit to us information and materials about the proposed site, including the lease and the lease terms, the landlord's contact information, the land acquisition terms, demographic criteria and preliminary site plans showing building orientation, pad size, parking layout and other information, as we may reasonably request to evaluate the site. Information for each Bakery & Café and the request for acceptance should be submitted to us by the date set forth in the Development Schedule. Within 30 days after we receive all requested information and materials, we will accept or reject the proposed site in our sole discretion. Our acceptance of this site does not guarantee that a Bakery & Café operated at the site will be successful or that it will achieve a certain sales volume or level of profitability. Our acceptance means only that the proposed site meets our minimum criteria for a la Madeleine Bakery & Café.

4.2 If we accept the proposed site, after we receive all of the required information from you necessary to prepare the Franchise Agreement, including the physical address of the site, we will issue the Franchise Agreement and the site will be known as the "Premises" referred to in the Franchise Agreement. You must return the executed Franchise Agreement, along with a completed set of all required exhibit documents within 30 days, of your receipt of the Franchise Agreement or we can withdraw our acceptance of the site. The terms of the Franchise Agreement shall govern the development, build-out and opening of the Bakery & Café. The development time frame shall be governed by this Agreement. Concurrently with the Franchise Agreement you and your owners must execute and deliver a general release (substantially in the form of the Release attached to the our Franchise Disclosure Document) of any and all claims against us and our affiliates, officers, directors, employees, agents, successors and assigns, subject to any limits imposed by applicable law. No site will be deemed accepted unless we have accepted it in writing. You must pay us the balance of the Franchise Fee when you execute and return the Franchise Agreement for the accepted site.

5. TRAINING

You must comply with the training requirements of the Franchise Agreement for each Bakery & Café that you open pursuant to this Agreement. Before starting training, you and your employees must sign a Liability Waiver in the form we prescribe, the current form of which is attached to this Agreement as Exhibit G. You agree not to employ in any Bakery & Café any individuals who have not completed our training requirements.

6. OPERATION OF THE BAKERY & CAFÉ

6.1 Compliance in Accordance with the Franchise Agreement. You must comply with the operations requirements of the Franchise Agreement for each Bakery & Café that you open pursuant to this Agreement.

6.2 Lead Operator. If you are, or at any time become, a business corporation, partnership, limited liability company or other legal entity, you must designate a "Lead Operator" in Exhibit A. The Lead Operator must be an individual approved by us who must (a) directly or indirectly own and control, or have the right to own and control (subject to terms and conditions reasonably acceptable to us), not less than a 10% interest in your equity; (b) have the authority to bind you regarding all operational decisions with respect to the Bakery & Cafés; and (c) have completed our training program to our satisfaction.

7. CONFIDENTIAL INFORMATION

7.1 Nondisclosure. You must not, during the term of this Agreement or at any time thereafter, communicate, divulge, or misuse for your benefit or for the benefit of any other person or entity any confidential information, knowledge, trade secrets, or know-how which may be communicated to you or of which you may be apprised by virtue of your activities under this Agreement. You may divulge such confidential information only: (i) to your employees who must have access to it in order to operate or develop the Bakery & Café; and (ii) to your contractors and the landlord of the Premises with our prior written approval. All information, knowledge, trade secrets, know-how, techniques, and other data which we designate as confidential will be deemed confidential for purposes of this Agreement, except information which you can demonstrate came to your attention by lawful means prior to disclosure thereof by us, or which, at or after the time of disclosure by us to you, had become or later becomes a part of the public domain, through publication or communication by others.

7.2 Owners and Employees. At our request, you must require your owners, general manager, and assistant managers (if applicable) to execute agreements that they will maintain the confidentiality of our information. The agreements must be in a form satisfactory to us and identify us as a third-party beneficiary with the independent right to enforce the agreement. At our request, you must use your best efforts to obtain similar agreements from your landlord, contractors, and any other person to whom you wish to disclose any of our confidential information.

8. SALE OR ASSIGNMENT

8.1 By Us. We have the right to transfer or assign this Agreement or any part of our rights or obligations under this Agreement to any person or legal entity. You agree that we will have no liability after the effective date of the transfer or assignment for the performance of any

obligations hereunder. You acknowledge that we can sell our assets; sell securities in a public offering or in a private placement; merge with, acquire, or be acquired by another company; or undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring, without restriction and without affecting your obligations under this Agreement.

8.2 By You. You acknowledge that the rights and duties set forth in this Agreement are personal to you and that we have granted these rights in reliance on your business skill, financial capacity, and personal character (or, if you are a business entity, on the business skill, financial capacity, and personal character of your owners and management). Accordingly, except as provided in Section 8.3, neither you nor any immediate or remote successor to any interest in this Agreement, nor any individual, partnership, corporation, or other legal entity which directly or indirectly owns any interest in you, will sell, assign, transfer, convey, pledge, encumber or give away any direct or indirect interest in this Agreement or in you, without our prior written consent as provided in Sections 8.5 and 8.7, which will not be unreasonably withheld. You must notify us in writing of any proposed transfer at least thirty (30) days before the transfer is to take place, and must provide all information and documentation relating to the proposed transfer that we reasonably request.

8.3 Transfer to an Affiliated Franchisee or Your Employees. You may transfer and assign your right to develop and operate a Bakery & Café to any of your affiliates (each a "Franchisee Affiliate") who will then become the franchisee (the "Franchisee") under the Franchise Agreement for that Bakery & Café provided you maintain direct control of the Franchisee and you obtain our prior written consent in accordance with Section 8.5. We must receive written notice of each transfer at least thirty (30) days before the transfer, which notice must identify the transferee, describe the transferee's position of employment, and include a calculation demonstrating that the planned transfer complies with this Section 8.3. If Franchisee is a business entity, your owner or owners may, without our prior written consent, sell, assign, transfer or give away to employees of Franchisee an aggregated amount of not more than twenty percent (20%) of Franchisee's outstanding equity, including the equity interest granted to the Lead Operator as required under Section 6 above, provided: (i) we receive written notice of each transfer at least thirty (30) days before the transfer, which notice must identify the transferee, describe the transferee's position of employment, and include a calculation demonstrating that the planned transfer complies with this Section 8.3; and (ii) the transfer, when combined with all prior transfers of equity in Franchisee, does not result in a transfer of more than twenty percent (20%) of the outstanding equity or in a change of control of Franchisee.

8.4 Our Right of First Refusal. We have the right, exercisable within thirty (30) days after receipt of a written request for our approval of a proposed transfer pursuant to Section 8.2, to purchase the interest proposed to be transferred. The request for approval of transfer must include a true and complete copy of the term sheet, letter of intent, proposed purchase agreement, assignment document, or any other document necessary to implement the transfer, and not be subject to financing or any other contingencies. Our thirty (30) day period for determining whether or not to exercise our right of first refusal will not begin until the transferor has provided all information and documentation required hereunder in a form and substance satisfactory to us. If we desire to exercise our right of first refusal, we will do so by providing written notice (the "Purchase Notice") to the transferor, as follows:

8.4.1 If the transfer is proposed to be made pursuant to a sale, we may purchase the interest proposed to be transferred on the same financial terms and conditions offered by the third party. Closing on our purchase will occur within sixty (60) days after the date of the

transferor's receipt of the Purchase Notice. If the consideration, terms, and/or conditions offered by the third party are such that we may not reasonably be required to furnish the same consideration, terms, and/or conditions, then we may purchase the interest proposed to be sold for the reasonable equivalent in cash. If, within thirty (30) days of the transferor's receipt of the Purchase Notice the parties cannot agree as to the reasonable equivalent in cash consideration, an independent appraiser will be appointed by mutual agreement and the determination of the appraiser will be binding. Any material change in the terms of the offer from a third party after we have elected not to purchase the interest sought to be transferred will constitute a new offer subject to the same rights of first refusal by us as in the case of the third party's initial offer.

8.4.2 If the transfer is proposed to be made by gift, you and we will jointly designate, at our expense, an independent appraiser to determine the fair market value of the interest proposed to be transferred. We may purchase the interest at the fair market value determined by the appraiser. Closing on the purchase will occur within 45 days after our notice to the transferor of the appraiser's determination of fair market value.

8.5 Conditions of Our Consent. If we elect not to exercise our right of first refusal under Section 8.4, if applicable, the proposed transferor may complete the transfer after obtaining our written consent as required under Section 8.2 and this Section 8.5. We may withhold our consent on any reasonable grounds, or may give our consent subject to reasonable conditions, which may include, but are not limited to, the following:

8.5.1 That all of your accrued monetary obligations and all other outstanding obligations to us and our affiliates have been satisfied;

8.5.2 That you are not in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between you and us or our affiliates;

8.5.3 That the transferor executes a general release, in a form satisfactory to us, of any and all claims against us, our affiliates and their respective past, present, and future officers, directors, shareholders, and employees, in their corporate and individual capacities;

8.5.4 That the transferee (and if the transferee is a corporation, partnership, or limited liability company, such owners of a beneficial interest in the transferee as we may request) enter into a written assignment, in a form satisfactory to us, assuming and agreeing to discharge all of your obligations under this Agreement; or, at our option, enter into our then current form of Franchise Agreement; and, if the transferor guaranteed your obligations under this Agreement, that the transferee guarantee the performance of all such obligations in writing in a form satisfactory to us;

8.5.5 If the transferee is an existing LA MADELEINE developer or franchisee, that the transferee is not in default under its agreements with us and has a good record of customer service and compliance with our operating standards;

8.5.6 That the transferee, whether or not an existing LA MADELEINE developer or franchisee, demonstrates to our satisfaction that he or she meets (or, if the transferee is a business entity, that its owners and management team meet) our educational, managerial, and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the business contemplated hereunder (as may be

evidenced by prior related business experience or otherwise); and has adequate financial resources and capital to fulfill your obligations hereunder in a timely manner; and

8.5.7 That the transferor pays a transfer fee equal to 50% of the then-current initial franchise fee.

8.5.8 That the transferee (if an entity, the Lead Operator) and any employees of the transferee who have not previously completed a training program approved by us complete any training programs then in effect for new franchisees, at their expense.

8.6 Death, Incapacity or Bankruptcy. If you or any Owner dies, becomes incapacitated, or enters bankruptcy proceedings, that person's executor, administrator, personal representative, or trustee must apply to us in writing within 3 months after the event (death, declaration of incapacity, or filing of a bankruptcy petition) for consent to transfer the person's interest. The transfer will be subject to the provisions of this Section 8, as applicable. In addition, if the deceased or incapacitated person is the Lead Operator, we will have the right (but no obligation) to take over operation of the Bakery & Café upon giving notice to the executor, administrator, personal representative, or trustee and to manage the Bakery & Café until the transfer is completed. If we exercise this right, we can charge a reasonable management fee for our services. For purposes of this Section, "incapacity" means any physical or mental infirmity that will prevent the person from performing his or her obligations under this Agreement (i) for a period of 30 or more consecutive days, or (ii) for 60 or more total days during a calendar year. In the case of transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the conditions of Section 8.5, the executor may transfer the decedent's interest to another successor that we have approved, subject to all of the terms and conditions for transfers contained in this Agreement. If an interest is not disposed of within one (1) year after the date of death or appointment of a personal representative or trustee, we can terminate this Agreement under Section 9.1.8.

8.7 Private Securities Offering. If you or any Owner desires to offer securities in a private offering, the offering will be subject to all of the conditions of this Section 8, including our right of first refusal. All materials required for the offering by federal or state law must be submitted to us for review and consent before use. No offering may imply, by use of the Proprietary Marks or otherwise, that we are participating in underwriting, issuing, or offering the securities. Our review of the offering materials will be limited solely to the subject of the relationship between you and us. All participants in the offering must fully indemnify us in connection with the offering. For each proposed offering, we may require you to pay, in addition to the transfer fee under Section 8.5, a non-refundable fee of up to $10,000 to reimburse us for our costs and expenses associated with reviewing the proposed offering. You must give us written notice at least thirty (30) days before the commencement date of any offering for which we have completed our review and any consent of the offering materials.

8.8 Nonconforming Transfers Void. Any purported assignment or transfer that is not in compliance with this Section 8 will be null and void and will constitute a material breach of this Agreement, for which we may terminate this Agreement without opportunity to cure pursuant to Section 9.1 below. Our consent to a transfer will not constitute a waiver of any claims we may have against the transferor, nor will it be deemed a waiver of our right to demand exact compliance by the transferor, transferee or you with any of the terms of this Agreement.

9. DEFAULT AND TERMINATION

The terms and conditions regarding default and termination contained herein shall be subject to any applicable state statutes or regulations regarding the termination of a franchise.

9.1 Material Defaults With No Opportunity to Cure. You shall be deemed to be in Material Default and we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, effective immediately upon receipt of notice of such termination from us to you, upon the occurrence of any of the following events:

9.1.1 You become insolvent or make a general assignment for the benefit of creditors; a petition in bankruptcy is filed by you or is filed against you and not opposed by you; you are adjudicated as bankrupt or insolvent; a bill in equity or other proceeding for the appointment of a receiver or other custodian for your business or assets is filed and consented to by you; a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; proceedings for a composition with creditors under any state or federal law are instituted by or against you; a final judgment against you remains unsatisfied or of record for thirty (30) days or longer (unless *supersedeas* bond is filed); your company is dissolved; execution is levied against your business or property; a suit to foreclose any lien or mortgage against you is instituted and not dismissed within thirty (30) days or you enter into any agreement that is in lieu of such foreclosure; you are sold after levy thereupon by any sheriff, marshal, or constable

9.1.2 There is a default under any Franchise Agreement for which there is no opportunity to cure or which has remained uncured following the applicable cure period;

9.1.3 Failure to satisfy the Development Schedule as described in Section 1.3 of this Agreement;

9.1.4 If you cease to operate or otherwise abandon a Bakery & Café, lose the right to possession of the Premises, or forfeit the right to do or transact business in the jurisdiction where the Premises for a Bakery & Café are located. However, if, through no fault of your own, the Premises are damaged or destroyed by an event such that repairs or reconstruction cannot be completed within sixty (60) days thereafter, then you will have thirty (30) days after that event in which to apply for our approval to relocate and/or reconstruct the Bakery & Café, which approval will not be unreasonably withheld;

9.1.5 If you, or any person or entity with an interest in you purports to transfer an interest other than in accordance with Section 8;

9.1.6 If you or if any entity, shareholder, member, partner, or other person with a direct or indirect ownership interest in you (each an "Owner", collectively "Owners"), by act or omission, permits or commits tortious conduct or a violation of any applicable law, ordinance, rule or governmental regulation (including, but not limited to, any applicable employment law (e.g., harassment, discrimination, retaliation, equal employment, treatment of disabled persons, child labor or wages and hour law)) constituting a felony, or constituting a misdemeanor, lesser criminal offense or a violation of law which in our sole judgment has, or is likely to have, an adverse effect upon the System, the Proprietary Marks, or the goodwill associated therewith;

9.1.7 If a threat or danger to public safety results from the your, a Franchisee's, or a Franchisee Affiliate's negligence or willful misconduct related to the construction, maintenance or operation of a Bakery & Café.

9.1.8 If, as required by 8.6, an approved transfer is not effected within one (1) year following death or declaration of mental incapacity, or if any transfer by bequest or intestate succession is made to an heir or beneficiary who is unable to meet the conditions of Section 8;

9.1.9 If you fail to comply with the restrictions on competition in Section 11.1 below;

9.1.10 If you disclose or divulge any contents of the Manuals or other confidential information of ours, except as permitted under Section 7.1;

9.1.11 If you knowingly maintain false books or records or knowingly submit any false reports to us;

9.1.12 If you refuse to permit us to inspect the Premises, books, records, or accounts of a Bakery & Café, as provided in the applicable Franchise Agreement;

9.1.13 If after curing a default pursuant to Section 9.2 or Section 9.3 hereof, you commit the same default again within one (1) year, whether or not cured after notice;

9.1.14 If we have delivered notices advising you that you are in default under Section 9.2 or Section 9.3 three (3) times within any twelve-month period, whether such defaults are of a similar or different nature and whether or not any of them is cured after notice;

9.1.15 If any franchise agreement we issue to a Franchisee or Franchisee Affiliate, or to any company owned or controlled by a shareholder or partner of yours, is terminated for any reason other than by mutual consent of the parties to the franchise agreement or the expiration of its term. A default under any franchise agreement that you or an affiliate have with us will constitute a default under this Agreement without separate notice to you, but the cross-default under this Agreement will be subject to any applicable provisions for notice and cure of the default set forth in the franchise agreement; or

9.1.16 If we have delivered a notice of termination for any other agreement between us (or any of our affiliates) and you or any Franchisee Affiliate (except for termination with our prior written consent). A default under any other agreement that you or an affiliate have with us will constitute a default under this Agreement without separate notice to you, but the cross-default under this Agreement will be subject to any applicable provisions for notice and cure of the default set forth in the other agreement.

9.2 Termination for Non-Payment. If you fail, refuse, or neglect to pay any monies owing to us or our affiliates, or fail to submit financial or other information as required under this Agreement, within ten (10) days after receipt of notice of default from us, we may immediately terminate this Agreement upon written notice to you.

9.3 Termination Following Expiration of Cure Period. Except as provided in Sections 9.1 through 9.3, we may terminate this Agreement only in the event of your default, and only by giving you written notice of termination stating the nature of the default at least thirty (30) days

before the effective date of termination. If the default is not cured to our reasonable satisfaction within the thirty (30) day period (or such longer period as applicable law may require), we may terminate this Agreement upon further notice to you, effective as of the date stated in the notice. Any failure to comply with the requirements imposed by this Agreement (as it may from time to time reasonably be supplemented by the Manuals) will be a default under this Section 9.3.

9.4 Alternative Remedies. In addition to and without limiting our other rights and remedies under this Agreement, any other agreement between you and us, and applicable law, upon the occurrence of any of the events that give rise to our right to terminate this Agreement under Section 9, we may, at our sole option and upon delivery of written notice to you, elect to take any or all of the following actions without terminating this Agreement:

9.4.1 temporarily suspend or permanently terminate your right to develop new la Madeleine Bakery & Cafés in any geographic area that is part of the Development Area, in which event (i) your rights and the restrictions on us and our affiliates under Section 1.5 of this Agreement shall no longer apply in that geographic area, and (ii) we (and our affiliates) may operate, and authorize any other parties to operate, la Madeleine Bakery & Cafés the physical premises of which are located within that geographic area and engage, and allow others to engage, in any other activities we desire within that geographic area without any restrictions whatsoever, subject only to your (or Franchisees') rights under then existing franchise agreements with us; and/or

9.4.2 reduce the number of remaining Bakery & Cafés to be developed under the Development Schedule, in which event Developer shall comply with the reduced Development Schedule that we provide in our written notice. For the avoidance of doubt, upon our exercise of our rights under this Section 9.4, we are not required to refund any portion of the Development Fee paid with respect to the Bakery & Cafés that you is no longer permitted or required to develop, nor required to apply any of that portion of the Development Fee towards the initial franchise fee payable under Franchise Agreements that you (or its Franchisee Affiliates) signs thereafter.

Our exercise our its rights under this Section 9.4 will not be a defense for you to our enforcement of any other provision of this Agreement or any other between you and us (or our affiliates) or, except as provided in Section 9.4.2, waive or release you from any of your other obligations under this Agreement or any other agreement between you and us (or our affiliates). Our exercise of these rights will not be our sole or exclusive remedy for your default.

10. OBLIGATIONS UPON TERMINATION OR EXPIRATION

10.1 De-Identification and Cessation of Activities. Upon termination or expiration of this Agreement, you and Owners will have no right to establish or operate any Bakery & Café for which a Franchise Agreement has not been executed by us prior to termination; and we will be entitled to establish, and to franchise others to establish, Bakery & Cafés at any location in the Development Area except as may be otherwise provided under the terms of any Franchise Agreement which remains in effect between us and you. Further, upon termination or expiration of this Agreement, except as may be otherwise provided under the terms of any Franchise Agreement which remains in effect between us and you, you and your Owner's must:

10.1.1 Cease any action to select, negotiate, develop or construct a site for a Bakery & Café.

10.1.2 Cease to use the confidential methods, procedures, and techniques associated with the System, the "la Madeleine" name and mark, all other Proprietary Marks, the Works, and all other distinctive forms, slogans, signs, symbols, Web sites, domain names, e-mail addresses, other electronic identifiers, and devices associated with the System; withdraw all advertising matter (including electronic marketing); and except as provided in Section 10.2 below not thereafter, directly or indirectly, represent yourself to the public or hold yourself out as a present or former franchisee of ours;

10.1.3 Deliver to us the Manuals and all other records, correspondence, and instructions in your possession or control, in any medium, that contain confidential information, trade secrets, or know-how relating to the System or the operation of a Bakery & Café, all of which you acknowledge to be our property;

10.1.4 Take such action as may be necessary to cancel any assumed name registration or equivalent registration, and any e-mail address or domain name registration, obtained by you which contains "la Madeleine" or any other Proprietary Marks, and furnish evidence satisfactory to us of compliance with this obligation within five (5) days after termination or expiration of this Agreement. You hereby appoint us your attorney-in-fact to carry out the requirements of this Section 10.1.4, if you fail to do so within such five (5) day period;

10.1.5 Not use any reproduction, counterfeit, copy, or colorable imitation of the Proprietary Marks or the Works in connection with any other business which, in our sole discretion, is likely to cause confusion, mistake, or deception or to dilute our and our affiliates' rights in and to the Proprietary Marks and the Works. You must not use any designation of origin or description or representation which, in our sole discretion, falsely suggests or represents an association or connection with us.

10.1.6 Promptly pay all sums owing to us and our affiliates. In the event of termination for your default, the sums will include all damages, costs, and expenses incurred by us as a result of the default, including, but not limited to, reasonable attorneys' fees. You will have no right to a refund of all or any part of the Development Fee, regardless of whether you entered into a Franchise Agreement prior to such termination. We will retain all amounts paid to us pursuant to the terms of this Agreement.

10.1.7 Comply with all obligations that expressly or by their nature survive termination of this Agreement, including the restrictions on competition contained in Section 11.2. No right or remedy herein conferred upon or reserved to us is exclusive of any other right or remedy provided or permitted to us by law or in equity.

10.1.8 Not publish or communicate in any way (or assist with, encourage, or support the publication or communication) to any third party any statement that might reasonably be construed to be disparaging, defamatory, derogatory, negative, or critical of the personal or business reputation, acumen, skill, practices, or conduct of ours, our subsidiaries, or affiliates, including each party's respective officers, directors or employees, in connection with this Agreement or any prior agreement between the parties and the purchase and operation of any la Madeleine Bakery & Café and franchise. **With regard to this provision**, **the person alleged to have violated this provision agrees to waive his/her rights to prior restraint on speech and consents to the issuance of a temporary restraining order, temporary injunction, or other available injunctive relief designed to prevent any further breach of this provision. Additionally, if you, your Owners, or Lead Operator publish or communicate any statement**

to a third-party that is disparaging, defamatory, derogatory, negative, or critical of the personal or business reputation, acumen, skill, practices, or conduct of ours, our subsidiaries, or affiliates, including each party's respective officers, directors or employees, you, your Owners, and Lead Operator will assign all copyrights to such publications or communications to us. You, your owners, and Lead Operator agree to take whatever action (including signing assignment or other documents) that we request to evidence our ownership or to help us obtain intellectual property rights in the copyrights to such publications or communications.

10.2 Continuing Obligations. After termination, or expiration, of this Agreement under any circumstances, you and your Owners will remain liable to us for certain obligations. Among other things, you must:

10.2.1 Promptly pay all sums owing to us and our affiliates;

10.2.2 Permit access to, and examination of your books and records relating to the development of the Bakery & Cafés:

10.2.3 Protect our confidential information as provided in Section 7;

10.2.4 Not make any statements about us or any of our franchisees or affiliates that may constitute trade disparagement;

10.2.5 Comply with the post-term restrictions on competition in Section 11;

10.2.6 Indemnify us as provided in Section 14; and

10.2.7 Pay us all damages, costs, and expenses (including, but not limited to, reasonable attorneys' fees) we incur in obtaining injunctive, declaratory, or other relief to enforce this Section 10.

11. RESTRICTIONS ON COMPETITION

11.1 During the Agreement Term. You and your Owners specifically acknowledge that you will receive valuable, specialized training from us and access to confidential information regarding our operational, sales, promotional, and marketing methods and techniques of the System. You and your Owners agree that, during the Agreement Term, except as we otherwise approve in writing, you will not, either directly or indirectly, for yourself or through, on behalf of, or in conjunction with any person or legal entity:

11.1.1 Own, maintain, operate, engage in, be employed by, provide any assistance to, or have any interest in any Competing Business, as defined below. "Competing Business" is defined as any business that derives (or is expected to derive) fifteen percent (15%) or more of its gross revenue from the sale of: 1) freshly-baked bakery goods including but not limited to breads, bagels, muffins, scones, Danishes or other pastries; 2) café items including but not limited to sandwiches, French-themed entrees, salads, soups, quiches, pastas, desserts, gourmet coffees and wines; and/or 3) privately-labeled retail items including but not limited to soups, salad dressings and gourmet coffees; or

11.1.2 Divert or attempt to divert any present or prospective business or customer to any Competing Business by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System.

11.2 After Expiration, Termination, or Transfer. You and your Owners agree that, except pursuant to Franchise Agreements with us or our affiliates, or as we otherwise approve in writing, you will not, for one (1) year after the expiration or termination of this Agreement or the approved transfer of this Agreement to a new developer or the transfer to a Franchisee as may be permitted hereunder, either directly or indirectly, for yourself or through, on behalf of, or in conjunction with any person or legal entity, own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in any Competing Business which is, or is intended to be, located within the Development Area.

11.3 Enforcement.

11.3.1 We have the right, in our sole discretion, to reduce the scope of any restriction in Sections 11.1 and 11.2 by giving you written notice.

11.3.2 You agree that the existence of any claims you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of this Section 11.

11.3.3 You acknowledge that your violation of the terms of this Section 11 would result in irreparable injury to us for which no adequate remedy at law may be available, and you accordingly consent to the issuance of an injunction prohibiting any conduct by you in violation of the terms of this Section 11. Injunctive relief will be in addition to any other remedies we may have.

11.3.4 If you or any other person bound by this Section 11 fails or refuses to abide by any of the foregoing restrictions on competition, and we obtain enforcement in a judicial or arbitration proceeding, the obligations under the breached restriction will continue in effect for a period ending one (1) year after the date the person begins to comply with the order enforcing the restriction.

12. BUSINESS ENTITY REQUIREMENTS

12.1 Governing Documents. At our request, you must promptly furnish to us copies of your articles of incorporation, bylaws, partnership agreement, certificate of formation, limited liability company operating agreement, or other governing documents, as applicable. You must give us at least thirty (30) written days prior written notice of any proposed amendments to your governing documents.

12.2 Stop-Transfer Instructions. You must maintain stop-transfer instructions against the transfer on your records of any ownership interests in you. If such ownership interests are certificated, each certificate must conspicuously display on its face a printed legend in substantially the following form, adjusted as necessary if you are other than a corporation:

> The transfer of any ownership represented by this certificate is subject to the terms and conditions of an Agreement with LA

MADELEINE FRANCHISING COMPANY, INC. Reference is made to the provisions of the Agreement and to the governing documents of the Company.

12.3 Ownership Information. You represent and warrant that the ownership information on Exhibit C and C-1 to this Agreement is correct and complete as of the Agreement Date. You must maintain a current list of all stockholders, general partners, limited partners, members, or other direct or indirect beneficial owners (as applicable) and furnish the list to us upon request.

12.4 Personal Obligations of Owners, Officers, Directors, Management Personnel and Spouses. Each person who is or becomes an Owner, director or officer of yours must execute a Guaranty in the form we prescribe, undertaking to be bound jointly and severally by the terms of this Agreement including but not limited to those provisions in Section 11 above. The current form of Guaranty is attached to this Agreement as Exhibit D. Each person who is, or becomes, an owner or executive officer of yours must also execute a Confidentiality and Non-competition Agreement in a form we prescribe, the current form of which is attached to this Agreement as Exhibit E. If you are a publicly-held entity, the requirements in this Section will not apply to ownership in you of less than five percent (5%) beneficial interest. In addition, at our request, if the Guarantor resides in a community property state, the Guarantor will cause his or her spouse, if any, to execute a Guaranty and you must also obtain signed Confidentiality and Non-competition Agreements referred to above. Confidentiality and Non-competition Agreements must also be obtained from any manager who has received or will receive training from us.

12.5 Control Arrangements. Any voting trust, management agreement, or other arrangement affecting the power to direct and control your affairs requires our prior written consent. You must furnish such information and documentation as we may request concerning any proposed control arrangement.

13. INDEPENDENT CONTRACTOR

13.1 Nature of the Relationship. It is understood and agreed by the parties that this Agreement does not create a fiduciary relationship between them, that you shall be an independent contractor, and that nothing in this Agreement is intended to make either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever. It is understood and agreed that nothing in this Agreement authorizes you to make any contract, agreement, warranty, or representation on our behalf, or to incur any debt or other obligation in our name, and that we shall in no event assume liability for or be deemed liable hereunder as a result of any such action or by reason of any act or omission of yours.

13.2 Identification. You shall conspicuously identify yourself in all dealings with your clients, contractors, suppliers, public officials and others, as an independent developer having only a contractual relationship with us, and shall place such notice of independent ownership on all forms, business cards, stationery, advertising, signs and other materials and in such fashion as we may, in our sole discretion, specify and require from time to time.

13.3 No False Representations. Except as otherwise expressly authorized by this Agreement, neither party hereto shall make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between you and us is other than that of franchisor and developer.

We do not assume any liability, and shall not be deemed liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement, nor shall we be obligated for any damages to any person or property which directly or indirectly arise from or relate to a Bakery & Café developed hereunder.

14. INDEMNIFICATION

14.1 YOU AND EACH OF YOUR OWNERS SHALL, AT ALL TIMES, DEFEND, INDEMNIFY, RELEASE AND HOLD HARMLESS TO THE FULLEST EXTENT PERMITTED BY LAW US, OUR SUBSIDIARIES, AFFILIATES, SUCCESSORS AND ASSIGNS AND OUR AND THEIR RESPECTIVE DIRECTORS, OFFICERS, SHAREHOLDERS, PARTNERS, SERVANTS, EMPLOYEES, AGENTS AND REPRESENTATIVES (COLLECTIVELY, THE "INDEMNIFIED PARTIES") FROM ALL "LOSSES AND EXPENSES" (AS DEFINED IN SECTION 14.4 BELOW) INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING CLAIM, DEMAND, INVESTIGATION OR INQUIRY (FORMAL OR INFORMAL), OR ANY SETTLEMENT THEREOF (WHETHER OR NOT A FORMAL PROCEEDING OR ACTION HAS BEEN INSTITUTED) WHICH ARISES OUT OF OR IS BASED UPON ANY OF THE FOLLOWING:

14.1.1 THE INFRINGEMENT, ALLEGED INFRINGEMENT, OR ANY OTHER VIOLATION, OR ALLEGED VIOLATION BY YOU OR ANY OF YOUR OWNERS OF ANY PATENT, MARK, COPYRIGHT OR OTHER PROPRIETARY RIGHT OWNED OR CONTROLLED BY THIRD PARTIES (EXCEPT AS SUCH MAY OCCUR WITH RESPECT TO ANY RIGHTS IN THE PROPRIETARY MARKS GRANTED TO YOU UNDER A FRANCHISE AGREEMENT), INCLUDING MATTERS CAUSED BY OR ARISING OUT OF, OR CLAIMED TO BE CAUSED BY OR ARISING OUT OF, THE INFRINGEMENT OR VIOLATION OF ANY PATENT, TRADEMARK OR COPYRIGHT BY THE INDEMNIFIED PARTIES;

14.1.2 THE VIOLATION, BREACH OR ASSERTED VIOLATION OR BREACH BY YOU OR ANY OF YOUR OWNERS OF ANY FEDERAL, STATE OR LOCAL LAW, REGULATION, RULING STANDARD OR DIRECTIVE, OR ANY INDUSTRY STANDARD, INCLUDING MATTERS CAUSED BY OR ARISING OUT OF, OR CLAIMED TO BE CAUSED BY OR ARISING OUT OF, THE BREACH OR VIOLATION OF ANY REGULATION, RULING, STANDARD OR DIRECTIVE OR ANY INDUSTRY STANDARD BY THE INDEMNIFIED PARTIES;

14.1.3 LIBEL, SLANDER OR ANY OTHER FORM OF DEFAMATION OF US OR THE SYSTEM, BY YOU OR BY ANY OF YOUR OWNERS;

14.1.4 THE VIOLATION OR BREACH BY YOU OR BY ANY OF YOUR OWNERS OF ANY WARRANTY, REPRESENTATION, AGREEMENT OR OBLIGATION IN THIS AGREEMENT OR IN ANY FRANCHISE AGREEMENT OR OTHER AGREEMENT BETWEEN YOU AND US OR OUR SUBSIDIARIES OR AFFILIATES; AND

14.1.5 THE DEVELOPMENT OF THE BAKERY & CAFÉS, INCLUDING NEGLIGENT ACTS, ERRORS OR OMISSIONS, WILLFUL MISCONDUCT OR BREACH OF ANY CONTRACT OR WARRANTY BY YOU, ANY OF YOUR SUBSIDIARIES OR AFFILIATES AND ANY OF YOUR OWNERS AND THE OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, AGENTS, INDEPENDENT CONTRACTORS, SERVANTS, EMPLOYEES AND REPRESENTATIVES OF YOU AND YOUR SUBSIDIARIES AND AFFILIATES IN CONNECTION WITH THE PERFORMANCE OF THE DEVELOPMENT ACTIVITIES CONTEMPLATED UNDER THIS AGREEMENT OR THE ESTABLISHMENT AND OPERATION

OF ANY LA MADELEINE BAKERY & CAFÉ PURSUANT TO A FRANCHISE AGREEMENT, INCLUDING BUT NOT LIMITED TO NEGLIGENT ACTS, ERRORS OR OMISSIONS OF ANY OF THE FOREGOING PARTIES IN THE OPERATION OF ANY MOTOR VEHICLE. THIS DEFENSE AND INDEMNITY OBLIGATION INCLUDES MATTERS CAUSED BY OR ARISING OUT OF, OR CLAIMED TO BE CAUSED BY OR ARISING OUT OF, ANY INDEMNIFIED PARTY'S OWN NEGLIGENT ACTS, ERRORS OR OMISSIONS, BREACH OF WARRANTY OR BREACH OF CONTRACT. YOUR OBLIGATION TO DEFEND AND INDEMNIFY ANY INDEMNIFIED PARTY FOR ITS OWN NEGLIGENCE APPLIES WHETHER SUCH NEGLIGENCE IS ALLEGED OR PROVEN TO BE SOLE, JOINT OR CONCURRENT, ACTIVE OR PASSIVE.

14.2 YOU AND EACH OF YOUR OWNERS AGREE TO GIVE US IMMEDIATE NOTICE OF ANY SUCH ACTION, SUIT, PROCEEDING, CLAIM, DEMAND, INQUIRY OR INVESTIGATION. AT THE EXPENSE AND RISK OF YOU AND EACH OF YOUR OWNERS, WE MAY ELECT TO CONTROL (BUT UNDER NO CIRCUMSTANCE IS OBLIGATED TO UNDERTAKE), AND ASSOCIATE COUNSEL OF OUR OWN CHOOSING WITH RESPECT TO, THE DEFENSE AND/OR SETTLEMENT OF ANY SUCH ACTION, SUIT, PROCEEDING, CLAIM, DEMAND, INQUIRY OR INVESTIGATION. SUCH AN UNDERTAKING BY US SHALL, IN NO MANNER OR FORM, DIMINISH THE OBLIGATION OF YOU AND EACH OF YOUR OWNERS TO INDEMNIFY US AND TO HOLD US HARMLESS.

14.3 IN ORDER TO PROTECT PERSONS OR PROPERTY OR ITS REPUTATION OR GOODWILL, OR THE REPUTATION OR GOODWILL OF OTHERS, AN INDEMNIFIED PARTY MAY, AT ANY TIME AND WITHOUT NOTICE, AS SUCH INDEMNIFIED PARTY IN ITS JUDGMENT DEEMS APPROPRIATE, CONSENT OR AGREE TO SETTLEMENTS OR TAKE SUCH OTHER REMEDIAL OR CORRECTIVE ACTION AS SUCH INDEMNIFIED PARTY DEEMS EXPEDIENT WITH RESPECT TO THE ACTION, SUIT, PROCEEDING, CLAIM, DEMAND, INQUIRY OR INVESTIGATION IF, IN SUCH INDEMNIFIED PARTY'S SOLE JUDGMENT, THERE ARE REASONABLE GROUNDS TO BELIEVE THAT:

14.3.1 ANY OF THE ACTS OR CIRCUMSTANCES ENUMERATED IN SECTION 14.1 ABOVE HAS OCCURRED; OR

14.3.2 ANY ACT, ERROR OR OMISSION AS DESCRIBED IN SECTION 14.1.5 MAY RESULT DIRECTLY OR INDIRECTLY IN DAMAGE, INJURY OR HARM TO ANY PERSON OR ANY PROPERTY.

14.4 ALL LOSSES AND EXPENSES INCURRED UNDER THIS SECTION 14 SHALL BE CHARGEABLE TO AND PAID BY YOU OR ANY OF YOUR OWNERS PURSUANT TO ITS OBLIGATIONS OF INDEMNITY UNDER THIS SECTION, REGARDLESS OF ANY ACTION, ACTIVITY OR DEFENSE UNDERTAKEN BY THE INDEMNIFIED PARTY OR THE SUBSEQUENT SUCCESS OR FAILURE OF SUCH ACTION, ACTIVITY OR DEFENSE. AS USED IN THIS SECTION 14, THE PHRASE "LOSSES AND EXPENSES" SHALL INCLUDE ALL LOSSES, COMPENSATORY, EXEMPLARY OR PUNITIVE DAMAGES, FINES, CHARGES, COSTS, EXPENSES, LOST PROFITS, LEGAL FEES, COURT COSTS, SETTLEMENT AMOUNTS, JUDGMENTS, COMPENSATION FOR DAMAGES TO LA MADELEINE REPUTATION AND GOODWILL, COSTS OF OR RESULTING FROM DELAYS, FINANCING, COSTS OF ADVERTISING MATERIAL AND MEDIA TIME/SPACE AND 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.

14.5 NO INDEMNIFIED PARTY ASSUMES ANY LIABILITY FOR ACTS, ERRORS OR OMISSIONS OF THOSE WITH WHOM YOU, ANY OF YOUR OWNERS OR YOUR SUBSIDIARIES AND AFFILIATES MAY CONTRACT, REGARDLESS OF THE PURPOSE.

14.6 UNDER NO CIRCUMSTANCES SHALL ANY INDEMNIFIED PARTY BE REQUIRED OR OBLIGATED TO SEEK RECOVERY FROM THIRD PARTIES OR OTHERS OR MITIGATE THEIR LOSSES TO MAINTAIN A CLAIM AGAINST YOU OR ANY OF YOUR OWNERS. YOU AND EACH OF YOUR OWNERS AGREE THAT THE FAILURE TO PURSUE SUCH RECOVERY OR MITIGATE LOSS WILL IN NO WAY REDUCE THE AMOUNTS RECOVERABLE ON YOU OR ANY OF YOUR OWNERS BY ANY INDEMNIFIED PARTY PURSUANT TO THIS SECTION.

14.7 YOU AND YOUR OWNERS EXPRESSLY AGREE THAT THE TERMS OF THIS SECTION 14 SHALL SURVIVE THE TERMINATION, EXPIRATION OR TRANSFER OF THIS AGREEMENT OR ANY INTEREST HEREIN.

15. APPROVALS AND WAIVERS

15.1 Approvals. Whenever this Agreement requires our prior approval or consent, you must make a timely written request to us, and our approval or consent must be obtained in writing and signed by one of our officers.

15.2 No Warranty. We make no warranties or guarantees upon which you may rely and assume no liability or obligation to you by providing any waiver, approval, consent, or suggestion to you in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefor.

15.3 No Implied Waiver. No delay or failure by us to exercise any right reserved to us under this Agreement or to insist upon strict compliance by you with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, will constitute a waiver of our right to exercise such right or to demand exact compliance by you with any of the terms hereof. Waiver by us of any particular default by you will not affect or impair our rights with respect to any subsequent default of the same, similar, or a different nature. Acceptance by us of any payments due to us hereunder will not be deemed to be a waiver by us of any preceding breach by you.

16. NOTICES

All written notices permitted or required to be delivered under this Agreement will be deemed so delivered: (a) when delivered personally to the recipient; (b) one (1) business day after being placed in the hands of a commercial courier service for next business day delivery; (c) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid; or (d) when sent by email, two (2) business days after transmission with an electronic delivery/read receipt or, in the absence of such a receipt, upon the recipient's written acknowledgment of receipt.

Notices shall be sent to the addresses set forth below and/or, with respect to any approvals or notices that we provide to you or your owners, the Bakery & Café's address. Either party may specify a different address by notifying the other party in writing of that different address.

Notices to us: LA MADELEINE FRANCHISING COMPANY, INC.
12201 Merit Drive
Suite 900
Dallas, Texas 75251
Attn: Legal Department
Email: LegalNotices@lamadeleine.com

Notices to you: _____
_____
_____
_____
Email: _____

17. ENTIRE AGREEMENT

This Agreement and the documents referred to herein constitute the entire agreement between us and you concerning the subject matter hereof and supersede all prior agreements, negotiations, representations, and correspondence concerning the same subject matter, except that nothing in this Agreement is intended to disclaim any representations made to you in any Franchise Disclosure Document that you received from us in connection with this Agreement. Except for those permitted to be made unilaterally by us hereunder, no amendment, change, or variance from this Agreement will be binding on either party unless agreed to by the parties in a writing executed by their authorized officers or agents.

18. SEVERABILITY AND CONSTRUCTION

18.1 Severability. If any provision of this Agreement is determined to be invalid or in conflict with any existing or future law or regulation by a court or agency having valid jurisdiction, the invalidity will not impair the operation of any other provisions which remain otherwise intelligible. The latter will continue to be given full force and effect, and the invalid provisions will be deemed not to be a part of this Agreement.

18.2 The Exercise of our Judgment. We have the right to operate, develop and change the System and System standards in any manner that is not specifically prohibited by this Agreement. Whenever we have reserved in this Agreement a right to take or to withhold an action, or to grant or decline to grant you a right to take or omit an action, we may, except as otherwise specifically provided in this Agreement, make our decision or exercise our rights based on information readily available to us and our judgment of what is in the best interests of us or our affiliates, the la Madeleine Bakery & Café network generally, or the System at the time its decision is made, without regard to whether it could have made other reasonable or even arguably preferable alternative decisions or whether our decision promotes our or our affiliates' financial or other individual interest. Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated or completed actions that require our approval.

18.3 Survival of Obligations. All obligations that expressly or by reasonable implication are to be performed, in whole or in part, after the expiration, termination, or assignment of this Agreement will survive expiration, termination, or assignment.

18.4 No Implied Third Party Beneficiaries. Except as explicitly provided to the contrary herein, nothing in this Agreement is intended or will be deemed to confer any rights or remedies on any person or legal entity other than you, your owner(s), us, and our affiliates.

18.5 Lesser Included Obligations. You agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from (i) striking any portion of a provision that a court or agency may hold to be unreasonable and unenforceable; or (ii) reducing the scope of any promise or covenant to the extent required to comply with a court or agency order.

18.6 Construction. References in this Agreement to us, with respect to all of our rights and all of your obligations to us under this Agreement, include any of our affiliates with whom you deal in connection with the Bakery & Cafés. The term "affiliate" means any individual or legal entity directly or indirectly owned or controlled by, under common control with, or owning or controlling the party indicated. "Control" means the power to direct or cause the direction of management and policies. If two or more persons are at any time the owners of the rights under this Agreement and the Bakery & Café, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several. "Person" (whether or not capitalized) means any individual or legal entity. The term "Bakery & Café" includes all of the assets of the Bakery & Café you operate under the applicable Franchise Agreement, including its revenue and income. The headings of the Sections, Subsections and paragraphs are for convenience only and do not define, limit or construe their contents. Unless otherwise specified, all references to a number of days shall mean calendar days and not business days. The words "include," "including," and words of similar import shall be interpreted to mean "including, but not limited to" and the terms following such words shall be interpreted as examples of, and not an exhaustive list of, the appropriate subject matter. All references to your "owner" or "owners" shall be interpreted to mean any person holding a direct and indirect ownership interest (whether of record, beneficially, or otherwise) in you.

19. DISPUTES

19.1 Subject only to Section 19.3, the parties agree to submit all disputes, controversies, claims, causes of action and/or alleged breaches or failures to perform arising out of or relating to this Agreement (and any attachments or addenda to this Agreement or any provision herein) or the relationship created by this Agreement (collectively, "Disputes") to non-binding mediation prior to filing any action in court or any in arbitration with respect to the Dispute. The mediation shall be conducted in Dallas County, Texas. The parties shall attempt to select a mediator by agreement of the parties so long as the mediator selected is experienced in the mediation of disputes in the franchise and food service businesses. If the parties are unable to agree upon such a mediator within a reasonable period of time (not to exceed fifteen (15) days, then the mediation of any Dispute shall be submitted by either party to the American Arbitration Association ("AAA") for resolution in accordance with its rules governing mediation, at the office of the AAA located nearest to our corporate headquarters in Dallas, Dallas County, Texas. The costs and expenses of mediation, including compensation and expenses of the mediator, shall be borne by the parties equally. If the parties are unable to resolve the Dispute within ninety (90) days after the mediator has been appointed, then either party may submit such Dispute to binding arbitration in accordance with Section 21.2 below.

19.2 Subject only to Section 19.1 and 19.3, all Disputes that are not resolved through mediation in accordance with Section 19.1, including all disputes relating to the scope, validity, or enforceability of this Arbitration Agreement and any provision in this Section 19.2, shall be submitted for binding arbitration to the office of the AAA located nearest to our corporate headquarters in Dallas, Dallas County, Texas, on demand of either party. Such arbitration proceedings shall be conducted by an arbitrator who is experienced in the arbitration of disputes in the franchise and food service businesses, if such an arbitrator is available, and in accordance with the then-current commercial arbitration rules of the AAA. The arbitrator(s) shall have the right to award or include in their award any relief which they deem proper in the circumstances, including money damages (with interest on unpaid amounts from the due date), specific performance and injunctive relief. Provided, that, to the fullest extent permitted by law, the parties stipulate and agree that the arbitrators shall not provide for, and no arbitration award shall include, any punitive or exemplary damages, all of which are hereby waived by the parties. The award and decision of the arbitrator(s) shall be conclusive and binding upon all parties and adjustment may be taken on the award notwithstanding the termination or expiration of this Agreement. We and you agree that arbitration shall be conducted on an individual, not a class-wide basis. We and you agree that any arbitration between you and us shall not be consolidated with any other arbitration that may be taking place between us and another party.

19.3 Notwithstanding anything herein to the contrary, either party may bring an action in any court having jurisdiction and without first submitting such action to mediation or arbitration (a) for injunctive relief or other extraordinary relief, (b) involving the possession or disposition of, or other relief relating to real property, or (c) in aid of enforcing the parties' obligations to arbitrate under Section 20.2 above.

19.4 You have signed this Agreement and submitted it to us for our acceptance and execution at our corporate headquarters in Dallas, Dallas County, Texas. You shall make all payments and perform other obligations arising hereunder at Dallas County, Texas, and this Agreement is made and entered into at Dallas County, Texas. The provisions of this Section 19.4 shall apply to the fullest extent permitted under applicable state law.

19.5 THIS AGREEMENT IS EXECUTED AND DELIVERED IN CONNECTION WITH A TRANSACTION NEGOTIATED AND CONSUMMATED IN DALLAS COUNTY, TEXAS. ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER FEDERAL LAW, THIS AGREEMENT AND ANY AND ALL CONTROVERSIES, DISPUTES, OR CLAIMS ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP BETWEEN THE PARTIES (REGARDLESS OF THE FORM OF THE CAUSE OF ACTION ASSERTED) SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS. THE PARTIES AGREE THAT, WITH RESPECT TO ANY SUCH CONTROVERSIES, DISPUTES, OR CLAIMS ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE PARTIES' RELATIONSHIP CREATED BY THIS AGREEMENT, ANY SUCH CONTROVERSIES, DISPUTES, OR ACTIONS SHALL BE BROUGHT, MAINTAINED, AND CONCLUDED EXCLUSIVELY IN THE DISTRICT COURTS OF DALLAS COUNTY, TEXAS, OR THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION. YOU, FOR YOURSELF AND YOUR SUCCESSORS AND ASSIGNS, HEREBY IRREVOCABLY (A) SUBMIT TO THE JURISDICTION OF THE DISTRICT COURTS OF DALLAS COUNTY, TEXAS, AND THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS

DIVISION, (B) WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION THAT YOU MAY NOW OR IN THE FUTURE HAVE TO THE LAYING OF VENUE OF ANY LITIGATION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT SET FORTH ABOVE; AND , (C) WAIVE ANY OBJECTION YOU MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING BROUGHT IN SUCH COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. YOU HEREBY IRREVOCABLY AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON YOU IN ANY LEGAL PROCEEDING RELATING TO ANY DISPUTE BY ANY MEANS ALLOWED BY TEXAS LAW. You and we acknowledge that the parties' agreement regarding applicable state law and forum set forth herein provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any Dispute covered herein. You and we further acknowledge the receipt and sufficiency of mutual consideration for such benefit. Notwithstanding the foregoing, the parties acknowledge and agree that either party may institute legal action for injunctive relief in any court of competent jurisdiction as set forth in Section 21.3 above.

19.6 Jury Trial Waiver. TO THE EXTENT PERMITTED UNDER APPLICABLE STATE LAW, YOU AND WE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

19.7 Waiver of Punitive and Exemplary Damages. EXCEPT FOR YOUR INDEMNIFICATION OBLIGATIONS UNDER SECTION 14, YOUR FAILURE TO COMPLY WITH YOUR CONFIDENTIALITY OBLIGATIONS UNDER SECTION 7 AND NON-COMPETITION OBLIGATIONS UNDER SECTION 11, AND EXCEPT FOR PUNITIVE DAMAGES AVAILABLE TO EITHER PARTY UNDER FEDERAL LAW, THEN TO THE EXTENT PERMITTED UNDER APPLICABLE STATE LAW, THE PARTIES HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER, AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF COMPENSATORY DAMAGES SUFFERED BY THE PARTY.

19.8 You and we acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 21.5 provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any Dispute. You and we further acknowledge the receipt and sufficiency of mutual consideration for such benefit. Notwithstanding the foregoing, the provisions of this Section 21.8 shall only apply to the extent permitted under applicable state law.

19.9 Individual Capacity. In the event that an action in court is permitted, any legal action commenced by either party shall be brought in an individual capacity, and not on a class-wide basis. All parties waive their rights to initiate a class-action lawsuit in any court.

19.10 Statute of Limitations. Except for claims arising from your non-payment or underpayment of amounts you owe to us, and subject to applicable law, any claim or cause of action asserted by either party arising out of or related to use of this Agreement or the relationship of the parties must be filed within 2 years after such claim or cause of action arose or be forever barred when the applicable statute of limitations is greater than 2 years. This provision does not affect or apply to any claim or cause of action where the applicable statute of limitations is less than 2 years.

20. ACKNOWLEDGMENTS

YOU ACKNOWLEDGE AND RECOGNIZE THAT DIFFERENT TERMS AND CONDITIONS, INCLUDING DIFFERENT FEE STRUCTURES, MAY PERTAIN TO DIFFERENT AREA DEVELOPMENT AGREEMENTS AND FRANCHISE AGREEMENTS OFFERED IN THE PAST, CONTEMPORANEOUSLY HEREWITH, OR IN THE FUTURE, AND THAT WE DO NOT REPRESENT THAT ALL AREA DEVELOPMENT AGREEMENTS OR FRANCHISE AGREEMENTS ARE OR SHALL BE IDENTICAL.

[Signatures on following page]

FRANCHISOR:	**DEVELOPER:**
LA MADELEINE FRANCHISING COMPANY, INC.	(Developer)
By: _____	By: _____
Print Name:	Print Name:
Title:	Title:

EXHIBIT A TO LA MADELEINE DEVELOPMENT AGREEMENT

DEVELOPMENT AREA

The Development Area (see Section 1.1) will be the following:

EXHIBIT B TO LA MADELEINE DEVELOPMENT AGREEMENT

DEVELOPMENT SCHEDULE

Number of Sites	Date by which Bakery & Café must be open	Cumulative # of Bakery & Cafés Open

EXHIBIT C TO LA MADELEINE DEVELOPMENT AGREEMENT

DISCLOSURE OF OWNERSHIP INTERESTS

Lead Operator: _____

You are a: _____ (Corporation/limited liability company/partnership)

Entity Name: _____

You were formed/organized on _____ under the laws of the State of _____

Federal Identification Number _____

If you are a corporation, partnership, limited liability company, the following persons constitute all of the owners of a legal and/or beneficial interest:

Name	Type of Interest	Percentage Ownership
_____	_____	_____

The following persons constitute all of your officers, directors and the management personnel that has or will receive training of the System:

Name	Position
_____	_____

THIS INFORMATION IS ACCURATE AS OF THE _____ DAY OF _____, _____.

EXHIBIT C-1 TO LA MADELEINE DEVELOPMENT AGREEMENT

DISCLOSURE OF OWNERSHIP INTERESTS

(IF OPERATING ENTITY IS DIFFERENT THAN DEVELOPER)

Lead Operator:_____

Operating Entity is a:_____
(Corporation/limited liability company/partnership)

Operating Entity was formed/organized on _____, 20_____ under the laws of the State of _____

Federal Identification Number_____

If entity is a corporation, partnership, limited liability company, the following persons constitute all of your direct and indirect owners ("Owners") of a legal and/or beneficial interest:

Name	Type of Interest	Percentage Ownership
_____	_____	_____%
_____	_____	_____%
_____	_____	_____%
_____	_____	_____%

The following persons constitute all of Operating Entity officers, directors and the management personnel that is or will receive training of the System:

Name	Position
_____	_____
_____	_____
_____	_____
_____	_____

THIS INFORMATION IS ACCURATE AS OF THE_____DAY OF _____ _____, 20___.

EXHIBIT D TO LA MADELEINE DEVELOPMENT AGREEMENT

DEVELOPMENT AGREEMENT GUARANTY

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS (this "Guaranty") is given _____, by _____.

In consideration of, and as an inducement to, the execution of that certain Development Agreement (the "**Agreement**") on this date by **LA MADELEINE FRANCHISING COMPANY, INC.** ("**Franchisor**"), each of the undersigned personally and unconditionally (a) guarantees to Franchisor and its successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that _____ ("**Developer**") will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement); and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including, without limitation, the arbitration, non-competition, confidentiality, and transfer requirements.

Each of the undersigned acknowledges that he, she or it is either an owner (whether direct or indirect) of Developer or otherwise has a direct or indirect relationship with Developer or its affiliates; that he, she or it will benefit significantly from Franchisor's entering into the Agreement with Developer; and that Franchisor would not enter into the Agreement unless each of the undersigned agrees to sign and comply with the terms of this Guaranty.

Each of the undersigned consents and agrees that: (1) his, her or its direct and immediate liability under this Guaranty will be joint and several, both with Developer and among other guarantors; (2) he, she or it will render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon Franchisor's pursuit of any remedies against Developer or any other person or entity; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which Franchisor may from time to time grant to Developer or to any other person or entity, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including, without limitation, the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Developer or any of its owners or guarantors, and for so long as Franchisor has any cause of action against Developer or any of its owners or guarantors; and (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any direct or indirect interest in the Agreement or Developer, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation that any of the undersigned may have against Developer arising as a result of the undersigned's execution of and performance under this Guaranty, for the express purpose that none of the undersigned shall be deemed a "creditor" of Developer under any applicable bankruptcy law with respect to Developer's obligations to Franchisor; (ii) all rights to require Franchisor to proceed against Developer for any payment required under the Agreement, proceed against or exhaust any security from Developer, take any action to assist any of the undersigned

in seeking reimbursement or subrogation in connection with this Guaranty or pursue, enforce or exhaust any remedy, including any legal or equitable relief, against Developer; (iii) any benefit of, or any right to participate in, any security now or hereafter held by Franchisor; and (iv) acceptance and notice of acceptance by Franchisor of his, her or its undertakings under this Guaranty, all presentments, demands and notices of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest, notices of dishonor, notices of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices and legal or equitable defenses to which he, she or it may be entitled. Franchisor shall have no present or future duty or obligation to the undersigned under this Guaranty, and each of the undersigned waives any right to claim or assert any such duty or obligation, to discover or disclose to the undersigned any information, financial or otherwise, concerning Developer, any other guarantor, or any collateral securing any obligations of Developer to Franchisor. Without affecting the obligations of the undersigned under this Guaranty, Franchisor may, without notice to the undersigned, extend, modify, supplement, waive strict compliance with, or release all or any provisions of the Agreement or any indebtedness or obligation of Developer, or settle, adjust, release, or compromise any claims against Developer or any other guarantor, make advances for the purpose of performing any obligations of Developer under the Agreement, and/or assign the Agreement or the right to receive any sum payable under the Agreement, and the undersigned each hereby jointly and severally waive notice of same. The undersigned expressly acknowledge that the obligations hereunder survive the expiration or termination of the Agreement.

In addition, the undersigned each waive any defense arising by reason of any of the following: (a) any disability, counterclaim, right of set-off or other defense of Developer, (b) any lack of authority of Developer with respect to the Agreement, (c) the cessation from any cause whatsoever of the liability of Developer, (d) any circumstance whereby the Agreement shall be void or voidable as against Developer or any of its creditors, including a trustee in bankruptcy of Developer, by reason of any fact or circumstance, (e) any event or circumstance that might otherwise constitute a legal or equitable discharge of the undersigned's obligations hereunder, except that the undersigned do not waive any defense arising from the due performance by Developer of the terms and conditions of the Agreement, (f) any right or claim of right to cause a marshaling of the assets of Developer or any other guarantor, and (g) any act or omission of Developer.

If Franchisor is required to enforce this Guaranty in a judicial proceeding, and prevail in such proceeding, Franchisor shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If Franchisor is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse Franchisor for any of the above-listed costs and expenses it incurs.

SUBJECT TO THE MEDIATION AND ARBITRATION OBLIGATIONS IN THE AGREEMENT, EACH OF THE UNDERSIGNED AGREES THAT WITH RESPECT TO ANY CONTROVERSIES, DISPUTES, OR CLAIMS ARISING OUT OF OR RELATED TO THE AGREEMENT, THIS GUARANTY, OR THE RELATIONSHIP BETWEEN FRANCHISOR AND THE UNDERSIGNED, ANY SUCH CONTROVERSIES, DISPUTES, OR ACTIONS SHALL BE BROUGHT, MAINTAINED, AND CONCLUDED EXCLUSIVELY IN THE DISTRICT COURTS OF DALLAS COUNTY, TEXAS, OR THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION. THE UNDERSIGNED, FOR ITSELF

AND ITS SUCCESSORS AND ASSIGNS, HEREBY IRREVOCABLY (A) SUBMITS TO THE JURISDICTION OF THE DISTRICT COURTS OF DALLAS COUNTY, TEXAS, AND THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION; (B) WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION THAT IT MAY NOW OR IN THE FUTURE HAVE TO THE LAYING OF VENUE OF ANY LITIGATION ARISING OUT OF OR IN CONNECTION WITH THE AGREEMENT OR THIS GUARANTY; AND (C) WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING BROUGHT IN SUCH COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, EACH OF THE UNDERSIGNED IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, ARISING UNDER OR RELATING TO THIS GUARANTY OR ITS ENFORCEMENT, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

If any of the undersigned resides in a community property state, the undersigned will cause their spouse, if any, to execute this Guaranty.

GUARANTORS:

_____ Spouse: _____

Print Name: _____ Print Name: _____

Date: _____ Date: _____

_____ Spouse: _____

Print Name: _____ Print Name: _____

Date: _____ Date: _____

_____ Spouse: _____

Print Name: _____ Print Name: _____

Date: _____ Date: _____

EXHIBIT E TO LA MADELEINE DEVELOPMENT AGREEMENT

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

In conjunction with your investment in _____ ("Developer"), a _____, the undersigned individual or business entity ("you"), acknowledges and agrees as follows:

Developer is developing two or more la Madeleine Bakery & Café restaurants ("Bakery & Cafés") pursuant to a Development Agreement (the "Development Agreement") with LA MADELEINE FRANCHISING COMPANY, INC. ("LMFC"). The Development Agreement requires persons with legal or beneficial ownership interests in Developer to be personally bound by Developer's obligations under the Development Agreement, including restrictions on competition, confidentiality obligations, restrictions on ownership changes, and dispute resolution provisions.

All capitalized terms used in this document have the same meaning as in the Development Agreement.

You own or intend to own a legal or beneficial ownership interest in Developer. You acknowledge and agree that: (a) your execution of this Agreement is a condition of acquiring and holding your ownership interest in Developer; and (b) you have received good and valuable consideration for executing this Agreement. LMFC may enforce this Agreement directly against you.

If a business entity signs this Agreement, all persons who have a legal or beneficial ownership interest in that business entity must also execute this Agreement.

You may gain access to confidential information and trade secrets of LMFC as a result of investing in Developer. You agree that while you have a legal or beneficial ownership interest in Developer and thereafter you: (a) will not use the confidential information in any other business or capacity (such use being an unfair method of competition); (b) will exert best efforts to maintain the confidentiality of the confidential information; and (c) will not make unauthorized copies of any portion of the confidential information disclosed in written, electronic or other form. If you cease to have an interest in Developer, you must deliver to LMFC any such confidential information in your possession or control.

During the term of the Development Agreement and for as long as you have any legal or beneficial ownership interest in Developer, you agree that you will not, without LMFC's consent (which consent may be withheld at LMFC's discretion) directly or indirectly (such as through an affiliate or family members) own any legal or beneficial interest in, or render services or give advice in connection with: (a) any Competing Business located anywhere; or (b) any entity located anywhere that grants franchises or licenses interests to others to operate any Competing Business.

For a period of one (1) year after the expiration or termination of the Development Agreement or the approved transfer of the development rights to a new owner, you will not directly or indirectly (such as through an affiliate or family members) will own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in any Competing Business which is, or is intended to be, located within the Development Area or within five (5) miles of any Bakery & Café, except for any business operated pursuant to a valid franchise agreement with us or our

affiliate, or as we otherwise approve in writing. If you fail to or refuse to abide by any of the foregoing restrictions on competition and LMFC obtains enforcement in a judicial or arbitration proceeding, the obligations under the breached restriction will continue in effect for a period ending one (1) year after the date you begin to comply with the order enforcing the restriction.

You acknowledge that you possess skills and abilities of a general nature and the opportunity to exploit such skills in other ways, so that enforcement of the restrictions contained in Sections 6 and 7 will not deprive you of your personal goodwill or ability to earn a living. If any restriction in this Agreement is deemed unenforceable by virtue of its scope or in terms of geographic area, the type of business activity prohibited and/or length of time, but could be rendered enforceable by reducing any part or all of it, you agree that it will be enforced to the fullest extent permissible under applicable law and public policy. LMFC may obtain in any court of competent jurisdiction any injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause it irreparable harm. You acknowledge that any violation of Sections 5, 6 or 7 hereof would result in irreparable injury for which no adequate remedy at law may be available. If LMFC files a claim to enforce this Agreement and prevails in the proceeding, you agree to reimburse LMFC for all its costs and expenses, including reasonable attorneys' fees.

OWNERS OF DEVELOPER:

If an Individual:

_____
Print Name:

Date: _____

_____
Print Name:

Date: _____

_____
Print Name:

Date: _____

_____
Print Name:

Date: _____

If any Owner of Developer is another business entity:

Type of Business Entity: _____
State of Organization: _____

By: _____
Print Name: _____
Title: _____

Date: _____

Shareholders/partners/members of Business Entity named immediately above:

_____
Print Name:

Date: _____

_____
Print Name:

Date: _____

EXHIBIT F TO LA MADELEINE DEVELOPMENT AGREEMENT

THIS ACKNOWLEDGMENT SHALL NOT BE COMPLETED BY YOU, AND WILL NOT APPLY, IF THE OFFER OR SALE OF THE FRANCHISE IS SUBJECT TO THE STATE FRANCHISE DISCLOSURE LAWS OF CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN. IF THE FRANCHISE IS TO BE OPERATED IN, OR YOU ARE A RESIDENT OF, MARYLAND, DO NOT SIGN THIS ACKNOWLEDGMENT.

DISCLOSURE ACKNOWLEDGEMENT STATEMENT

LA MADELEINE FRANCHISING COMPANY, INC. ("we" or "us"), through the use of this Disclosure Acknowledgement Statement, wishes to ascertain that _____ ("Developer") and its owners fully understand that the execution of a Development Agreement and/or Franchise Agreement (the "Agreement") for a franchise to own and operate a la Madeleine Bakery & Café is a business decision, complete with associated risks, and that it is our policy to verify that Developer and its owners are not relying upon any oral, written or visual statements, representations, promises or assurances which we have not authorized. In this document, "you" means Developer and each of its owners.

You make the following representations to us, and we rely on them in entering into the Agreement. If any statement is not correct, or if you are aware of exceptions to them, note them after #11 below.

1. You recognize and understand that business risks which exist in connection with the ownership, development and operation of any business make the success or failure of the Bakery & Café franchise subject to many variables, including your skills and abilities, competition, interest rates, the economy, inflation, location(s), operation, labor and supply costs, lease terms and costs and the marketplace. Further, you understand that the economic and business factors that exist at the time you open your franchise may change. You acknowledge that you have conducted an independent investigation of the business venture contemplated by the Agreement and recognize that the success of the venture involves substantial business risk and will be dependent primarily on your ability as an independent business person. You hereby acknowledge your willingness to undertake these business risks.

2. You acknowledge that you received our Franchise Disclosure Document ("FDD") at least 14 days prior to the date you executed the Agreement or paid us any money for the franchise. You acknowledge that you have received, had the opportunity to personally read and review, and understand the FDD, Agreement and attachments. You acknowledge that we have permitted you ample time and opportunity to consult with advisors of your own choosing about the potential benefits and risks associated with operating a la Madeleine Bakery & Café franchise and entering into an Agreement. You also acknowledge that we have not made any oral, written or visual claims, representations, promises, agreements, contracts, commitments, understandings or statements which contradict or are inconsistent with and are not contained in the Franchise Disclosure Document.

3. You acknowledge that you received from us this Agreement and all applicable attachments with all blanks filled in at least seven (7) calendar days prior to the execution of the

Development Agreement. You represent that you have read the Development Agreement in its entirety and that you have been given the opportunity to clarify any provisions that you did not understand and to consult with an attorney or other professional advisor.

4. You agree that the decision to enter into this business risk is in no manner predicated upon any oral, written or visual representations, assurances, warranties, guarantees or promises made by us or any of our directors, officers, employees or agents (including any franchise broker) as to the likelihood of success of the franchise.

5. You acknowledge that we expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any information, representations, assurances, warranties, guarantees or promises made by us or any of our directors, officers, employees or agents (including any franchise broker) concerning the actual, average, projected or forecasted franchise sales, revenues, profits, earnings or likelihood of success that you might expect to achieve from operating a la Madeleine Bakery & Café that are contrary to the information presented in Item 19 of the FDD that you received from us.

6. You acknowledge that we expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any promises, agreements, contracts, commitments, representations, understandings, "side deals" or any other assurances, expressed or implied, orally or otherwise, made to or with you with respect to any matter concerning advertising, marketing, television, radio or other media support, site location, market penetration, training, operating and support assistance or other services that are contrary to the statements made in the FDD.

7. You acknowledge that you will independently evaluate and investigate the proposed site(s) for each la Madeleine Bakery & Café and the lease or purchase agreement for the site(s). You acknowledge that you bear primary responsibility for selecting the site(s) and negotiating the terms and conditions of your lease(s), sublease(s) or purchase agreement(s) for the site(s).

8. You acknowledge that, although we will provide you with basic drawings and specifications for a LA MADELEINE restaurant, will specify certain furniture, fixtures and equipment, and will maintain certain rights of review and/or approval under our Development Agreement and/or Franchise Agreement with you, we have not made, and you have not received or relied upon any warranty concerning the LA MADELEINE restaurant(s) or the drawings, specifications, furniture, fixtures and equipment. You acknowledge that you are solely responsible for, and we will have no liability or obligation in connection with, the plans or the construction or conversion remodeling of the LA MADELEINE restaurant(s). You acknowledge that it is solely your responsibility to ensure that the construction or conversion remodeling complies with any and all laws, codes or regulations.

9. You acknowledge that the initial investment costs in Item 7 of the FDD are based on our current design concept, which is always subject to change, and that if we change the design concept after you sign your Agreement, your investment costs may be affected.

10. You understand that we and our affiliates have the right to issue franchises for and/or operate businesses that may compete with you, as described in Item 12 of the FDD.

11. **Developer's corrections and/or exceptions to the above statements are as follows:** (If no corrections or exceptions, write "none" and initial.) Attach additional sheets if necessary.

_____
_____
_____

The following language applies only to transactions governed by the Maryland Franchise Registration and Disclosure Law:

Do not sign this Acknowledgment Statement if you are a resident of Maryland or the franchise is to be operated in Maryland.

The following language applies only to transactions governed by the Washington Franchise Investment Protection Act:

This Acknowledgment Statement does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

DEVELOPER:

(Name of corporation or other legal entity, if applicable)

By: _____

Print Name:

Its:

EXHIBIT G TO LA MADELEINE DEVELOPMENT AGREEMENT

LIABILITY WAIVER BY DEVELOPER

I am the managing member of _____("Company"). Company has signed a Development Agreement and/or Franchise Agreement with LA MADELEINE FRANCHISING COMPANY, INC. In consideration for the training to be provided to the Company's employees by LA MADELEINE FRANCHISING COMPANY, INC. and/or its affiliates (collectively "LMFC"), Company agrees to hold LMFC harmless from, and hereby waives any and all liability of LMFC and its officers, directors, agents, employees, insurers, and franchisees for, any injury, claim, damage or incident which occurs in the course of training at any Bakery & Café or other designated training facility(s) owned or controlled by LMFC, specifically including personal injury and property damage, and even if caused in whole or in part by the negligence of LMFC or any LMFC employee.

Company understands that:

- LMFC has invited Company's employees onto its premises for training solely by virtue of Company's franchise relationship with LMFC;

- Training may involve a variety of risks, including the risk of physical and/or emotional injury and property damage; and

- LMFC assumes no liability to the Company, or employees of the Company for any harm incurred while in training and/or on LMFC's premises.

Company acknowledges that its employees must look solely to the Company and its benefits programs and workers compensation insurance to cover the costs of any treatment for injuries or other losses or damages that its employees may sustain in training. Company will not attempt to hold LMFC liable or financially responsible for any such losses or damages. Company acknowledges that the indemnification clause of Company's franchise agreement with LMFC would apply to any claim against LMFC by any of my employees.

Company certifies that it has and will maintain minimum insurance coverage as required by the franchise agreement, including worker's compensation and employees' liability per statutory requirements. At LMFC's request, Company agrees to provide a certificate of insurance completed by Company's insurance carrier, certifying that the required minimum insurance coverage is in effect.

Company consents for LMFC to arrange for medical treatment for any illness or injury that Company's employees might suffer while participating in the training program.

COMPANY:

(Name of corporation or other legal entity, if applicable)

By:_____

Print name_____

Title:_____

Date:_____

EXHIBIT C TO THE FRANCHISE DISCLOSURE DOCUMENT

Non-Traditional Addendum to the Franchise Agreement

NON-TRADITIONAL ADDENDUM

TO FRANCHISE AGREEMENT

La Madeleine Franchising Company, Inc., a Delaware corporation, ("LMFC," "we," "us," "our," or "Franchisor") and _____ ("Franchisee" or "you") agree to this Addendum (the "Addendum") to that certain Franchise Agreement (the "Franchise Agreement") executed simultaneously herewith, between LMFC and Franchisee for the development and operation of an Express Bakery & Café in a Non-Traditional Facility. All capitalized terms not defined in this Addendum shall have the meanings assigned to them in the Franchise Agreement.

AGREEMENTS

A. Franchisee acknowledges that this Addendum allows Franchisee to operate outside certain operational policies and procedures as set forth in the Franchise Agreement and Manuals for the development and operation of La Madeleine® Bakery & Cafés, as set forth herein.

B. Franchisee acknowledges that this Addendum allows us to impose additional or different obligations on Franchisee, as set forth herein. Franchisee also acknowledges that such additional obligations may deviate from the requirements set forth in the Franchise Agreement, and our operational policies and procedures as set forth in the Manuals.

AMENDMENTS

A. Amended Provisions of the Franchise Agreement.

(1) Sections 1.6 and 1.10 of the Franchise Agreement are deleted in their entirety and replaced with the language below. All other Sections of Article 1 shall remain unchanged and in full force and effect:

1. DEFINITIONS

1.6 "Gross Sales" Defined. "Gross Sales" means the amount received by Franchisee for all sales of any food, beverages (including alcoholic beverages), or other products sold by Franchisee or any other person or entity in, or from the Bakery & Café for cash, credit or otherwise, including but not limited to sales and services where the order originated in, at or from the Bakery & Café regardless of where delivery or performance is made, minus (i) non-branded, non-proprietary merchandise (e.g., newspapers); (ii) refunds to customers that were previously included in Gross Sales, (iii) coupons and other forms of discounts, the issuance of which have been pre-approved by Franchisor, such that only the cash or credit charge amount received in a sale will be included, (iv) sales, excise or similar taxes imposed by any governmental authority and collected from customers and paid out by Franchisee, and (v) the value of meals provided to employees working at the Bakery & Café, incident to their employment. In the event there is an interruption to your business operations and you receive business interruption insurance proceeds, then the amount of Gross Sales used by you to determine your loss will be deemed the Gross Sales for that period and deemed made when you receive the insurance proceeds. "Gross Sales" does not include any sales tax or other taxes you collect from customers. We reserve the right to modify our policies

consistent with restaurant industry practices regarding revenue recognition, revenue reporting, and the inclusion in or exclusion of certain revenue from "Gross Sales" as circumstances, business practices, and technology change.

1.10 "Protected Area" means the facility in which the Premises are located, unless a different area is specified in Exhibit A to this Agreement. For the purposes of the Franchise Agreement, as hereby amended by the Addendum, Facility shall have the relevant meaning ascribed to it in Section 1.7 ("Non-Traditional Facility").

(2) Article 3 of the Franchise Agreement is deleted in its entirety and replaced with the language below:

3. TERM AND SUCCESSOR FRANCHISE AGREEMENT

3.1. Initial Term. Subject to the rights of termination set forth herein and Franchisee's rights under the Lease, the term of this Agreement shall commence on the Effective Date and expire the earlier of ten (10) years thereafter or when the Lease terminates with the facility (the "Term") as stated in the Bakery & Café Opening Date Letter (in the form attached to the Franchise Agreement as Exhibit "E") that you are to sign and send to us within five (5) days of the Bakery & Café Opening date. Upon expiration or termination of this Agreement, Franchisee shall fully comply with its post-termination obligations described in Section 18 and any of Franchisee's obligations that by their nature or terms survive the termination or expiration of this Agreement. If the landlord requires a mid-term refresh, Franchisee must notify Franchisor and Franchisor will participate in determining how to refresh the unit to then-current standards.

3.2. Renewal Term. Franchisee will have a one-time option, exercisable upon expiration of the Agreement Term, to renew the license granted hereunder for one additional term of the lesser of ten (10) years or the remainder of the then-current term of the Lease, subject to the following conditions:

(a) Franchisee must give Franchisor written notice of its intention to renew at least six (6) months (but not more than nine (9) months) before the end of the initial Term;

(b) Franchisee must not be in default of this Agreement or any other agreement with Franchisor, either at the time of giving the notice in Section 3.2(a) or during the remainder of the initial Term, and must have substantially complied with the agreements throughout their respective terms;

(c) Franchisee must be current on all monetary obligations to Franchisor, and must have timely met those obligations throughout the initial Term;

(d) If the Franchise Agreement is renewed for an additional ten (10) year term, Franchisee must remodel and/or refresh the Bakery & Café as soon as practicable following the expiration of the initial Term and in accordance with System Standards;

(e) Franchisee must sign Franchisor's then-current form of Franchise Agreement, which will supersede this Agreement in all respects;

(f) Franchisee and its owners must sign a general release, in a form acceptable to Franchisor, of any and all claims against Franchisor, its affiliates, and their respective past and present officers, directors, shareholders, and employees, in their corporate and individual capacities, relating to the Bakery & Café; and

(g) Franchisee must pay a renewal fee equal to one-half of the then-current fee that a new Franchisee would be required to pay for a new Non-Traditional Bakery & Café.

(3) Section 6.1 of the Franchise Agreement is deleted in its entirety and replaced with the language below. All other Sections of Article 6 shall remain unchanged and in full force and effect:

6. FEES

6.1 Franchise Fee. In consideration of the rights granted herein, you must pay us a non-refundable initial franchise fee of Twenty Thousand Dollars ($20,000). The Initial Franchise Fee is deemed fully earned upon receipt by Franchisor, and is non-refundable.

(4) Article 8 of the Franchise Agreement is deleted in its entirety and replaced with the language below:

8. TRAINING

8.1 Training. Prior to the opening of the Bakery & Café, Franchisee shall hire, train and maintain the number of level of management and hourly personnel which Franchisee in its good faith business judgment as a leading operator of branded food service businesses deems is required for the conduct of its business including, without limitation, a full-time general manager ("General Manager") and a full-time additional manager in accordance with guidelines established from time to time by Franchisor. Franchisor shall provide initial training to Franchisee's designated General Manager as is reasonably necessary for Franchisee to open and operate the Bakery & Café in accordance with the Standards and to train other employees as required hereunder. Franchisee shall send three (3) designated managers to such training, which shall not exceed six (6) weeks unless otherwise requested by you or required by us. Training shall occur in the service of Franchisor for a training session and is included in the initial Franchise Fee except for travelling and hotel expenses. Any additional day of training shall be paid by Franchisee to Franchisor on a basis of US$750.00 per trainer per day if such additional training is

required by Franchisee. All expenses incurred by Franchisee in having its designated manager attend such training, including, but not limited to, travel costs, room and board expenses, salaries and benefits, shall be the sole responsibility of Franchisee. If such manager (or any replacement thereof) ceases at any time during the Term to serve as the manager of the Bakery & Café, Franchisee shall promptly replace such manager and obtain training for such manager from Franchisor, which manager shall be required to complete to Franchisor's satisfaction within 60 (sixty) days after Franchisee's prior manager has ceased to serve in such capacity. All costs for such training shall be Franchisee's responsibility.

8.2 If the manager satisfactorily completes such initial training and is certified by Franchisor as a trainer, the manager shall provide all initial training to employees working at the Bakery & Café in accordance with the Standards. If such training of the employees is conducted fully in compliance with the Standards, such training shall be deemed the equivalent of attending Franchisor's training program.

8.3 Franchisor shall have the right to require Franchisee's manager to attend and complete to Franchisor's satisfaction such additional and refresher training as Franchisor reasonably determines appropriate in connection with the testing of the operation of the Bakery & Café and to become certified to train the employees working at the Bakery & Café in connection with such additional or refresher training. All costs of such training as described above shall be borne by Franchisee. If the manager satisfactorily completes such training, the manager shall provide all such training to employees working at the Bakery & Café in accordance with the Standards. If such training of the employees is conducted fully in compliance with the Standards, such training shall be deemed the equivalent of attending Franchisor's training programs.

(5) The following sections in Article 14 of the Franchise Agreement are modified in accordance with the below:

14. ADVERTISING AND PROMOTION

(a) Your Weekly Advertising Obligation. Section 14.2 of the Franchise Agreement is deleted in its entirety and replaced with the following language:

14.2 Your Weekly Advertising Obligation. During the Agreement Term, you must spend the amount we periodically specify, but not more than 1% of Gross Sales, on a weekly advertising obligation ("WAO").

(b) Local Store Marketing. The following language is added to the end of Section 14.5 of the Franchise Agreement:

Notwithstanding the foregoing, you are not required to spend a percentage of your Gross Sales for local advertising and promotion of the Bakery & Café.

(c) Grand Opening. The following language is added to the end of Section 14.7 of the Franchise Agreement:

> Notwithstanding the forgoing, the minimum grand opening expenditure to conduct grand opening marketing activities is reduced to five thousand dollars ($5,000).

(6) Section 16.5.7 of the Franchise Agreement is deleted in its entirety and replaced with the language below. All other Sections of Article 15 shall remain unchanged and in full force and effect:

16. SALE OR ASSIGNMENT

16.5.7 That the transferor pays a transfer fee equal to $500.

(D) This Addendum does not modify the terms of the Franchise Agreement except as specifically stated herein. Franchisee and Franchisor acknowledge and agree that the Franchise Agreement, as modified by this Addendum, is ratified and shall continue in full force and effect.

[Signatures appear on following page]

LA MADELEINE FRANCHISING COMPANY, INC.,
a Delaware corporation

By: _____

Title: _____

FRANCHISEE: If a corporation, partnership, or limited liability company, print name of business entity on the line below:

By: _____
Print Name: _____
Title: _____

If Franchisee is one or more individuals:

By: _____

By: _____

EXHIBIT D TO THE FRANCHISE DISCLOSURE DOCUMENT

Letter of Intent, Asset Purchase Agreement, and Re-Franchising Addendum to Franchise Agreement

[BUYER'S LETTERHEAD]

[Date]

La Madeleine of _____, LLC
_____
_____
_____

Re: Letter of Intent – Sale and Purchase of Company-Owned Restaurants

Dear _____:

This letter of intent ("LOI") sets out the basic terms agreed upon between La Madeleine of _____, LLC ("La Madeleine") and _____ ("Buyer") regarding the proposed sale of certain assets (the "Acquired Assets") of the company-owned La Madeleine® Bakery & Cafés restaurants in _____ (the "Restaurants") at the locations listed on the attached Exhibit A (the "Premises"), Buyer becoming a franchisee with respect to the operation of the Restaurants and Buyer entering into a development agreement (the "Development Agreement") with La Madeleine Franchising Company, Inc. ("Franchisor") upon the terms and conditions described in this LOI.

The purpose of this letter is to give certainty to both parties as to what the definitive Asset Purchase Agreement (the "APA"), Development Agreement and Franchise Agreement will contain on the points set forth above. However, this LOI is non-binding and signing this LOI does not obligate either Buyer or La Madeleine to enter into any of the agreements described above.

Buyer and La Madeleine agree as follows:

1. Asset Purchase Agreement. The form of the APA will be the current standard form used by La Madeleine for the sale of company-owned restaurants to franchisees. The purchase price for the Acquired Assets, as well as certain other key terms that will be included in the APA, are set forth in Exhibit B attached hereto. It will also include the following terms:

    a. A description of the Acquired Assets as well as assets excluded from the sale.

    b. A calculation of the purchase price of the Acquired Assets.

    c. A description of the leases for the Premises (the "Leases") as well as any equipment leases and other liabilities that Buyer will assume.

    d. The conditions to closing, the date of the closing and a description of the documents and other items to be delivered by La Madeleine and Buyer at the closing.

e. A description of the adjustments for inventory on hand at the Restaurants, prepaid expenses, and other overlapping operational items that will be made at the closing ***[add, if the Buyer is an existing Franchisee,*** **all amounts due between Buyer and the Franchisor relating to Buyer's existing franchise locations must be settled at or before the closing]**.

f. La Madeleine will give Buyer the opportunity to hire current employees of the Restaurants, if they are interested in working for Buyer. If Buyer hires any current employees Buyer must permit said employees to carry over unused vacation time and unused sick time. Buyer must give the said employees credit for time in service with La Madeleine for purposes of Buyer's benefit plans.

g. Buyer and La Madeleine will indemnify each other for any claims relating to their respective representations and warranties, and with respect to the operation of the Restaurants after and before closing, respectively.

2. Franchise Documents. Prior to the mutual execution of the APA, Franchisor will provide Buyer with a Franchise Disclosure Document ("FDD") and Buyer will execute and return the Acknowledgment of Receipt for the FDD. At the closing of the sale of the Acquired Assets, along with the APA, the parties will enter into:

a. A Franchise Agreement for each of the Restaurants in the current standard form offered to new franchisees.

b. A Development Agreement for the development of additional restaurants in the Territory and in accordance with the schedule set forth in Exhibit B.

c. Personal Guarantees and other agreements related to the foregoing agreements, as disclosed in the FDD.

d. Agreement Regarding Leased Location By Tenant which is an agreement between Buyer, La Madeline and Buyer's landlord.

3. Materials, Information and Confidentiality. La Madeleine has previously entered into that certain Confidentiality Agreement (the "NDA") with respect to certain material and information La Madeleine will provide to Buyer (the "Confidential Information"). The terms and conditions of the NDA will dictate the use, handling and ownership of the Confidential Information.

4. No Franchise. This LOI does not grant Buyer a franchise or any right or license to use any La Madeleine trademarks, service marks, logos, software or systems. Buyer will not have any such rights for the Restaurants unless and until Buyer enters into a Franchise Agreement for the Restaurants.

5. Negotiations. During the term of this LOI, the parties will diligently pursue negotiation and execution of the APA and related documents which will include the terms set forth in this LOI and such other terms as may be agreed upon by the parties that are consistent with this LOI.

6. Inspections. During the term of this LOI, Buyer will have the right to physically inspect the Restaurants and the Acquired Assets in the Restaurants to determine if they are in satisfactory

working condition; provided, however, that any such inspections shall be performed in the presence of a designated La Madeleine representative at times and locations that are mutually agreeable. Without the prior consent of _____ as main point of contact and deal manager of La Madeleine, Buyer agrees not to contact any La Madeleine employee working at, or responsible for the supervision of, the Restaurants. While this LOI remains in effect, La Madeleine will also provide Buyer with operating data and information related to the Restaurants as Buyer may reasonably request. In connection with the disclosure of any such operating data or information, at the request of La Madeleine, Buyer agrees to sign an acknowledgment of receipt of the same setting forth certain assumptions and disclaimers about the information being disclosed. Buyer understands that it will be purchasing the Acquired Assets on an "as is" "where is" condition.

7. Expiration and Termination. The parties will endeavor to reach a definitive APA within a reasonable time, but in any case not more than thirty (30) days from the date La Madeleine delivers its current form of APA to Buyer. This LOI will terminate automatically at the end of the thirty (30) day period if the APA has not been signed. This LOI shall be deemed automatically withdrawn and of no further force or effect if not fully executed by all parties on or before 5:00 p.m., C.S.T., on _____, ____.

8. Buyer's Right to Terminate. Buyer shall have the right to terminate this LOI at any time without reason or cause. Except as provided in the NDA referenced in Paragraph 3, all rights, obligations, and liabilities under this LOI will end upon its expiration or termination.

9. Entity Information. If Buyer is a corporation, partnership or limited liability company ("Company"), Buyer must:

- Provide La Madeleine and Franchisor with proof from the state of organization that the Company is in existence and in good standing.

- Provide La Madeleine and Franchisor with a complete list of owners (shareholders, partners or members), including their percentages of ownership.

- Designate one of the owners to be personally responsible for performance of all obligations and requirements relating to this LOI. The designated person must have the power to speak for and to bind the Company in any dealings with La Madeleine and Franchisor.

10. Expenses. The parties will each bear their own costs for any travel, professional advice, and other expenses related to the proposed sale of the Restaurants, including this LOI, the APA, the Development Agreement and any Franchise Agreement and related documents. Buyer will be responsible for any costs or expenses incurred or charged by a landlord for review of or assignment to Buyer of any leases included in the Acquired Assets.

11. Governing Law. This LOI is governed by the laws of the State of Texas, without giving effect to any principles regarding conflict of laws that would cause the application of any other law. All actions to be performed hereunder are deemed to occur in Dallas County, Texas. Venue for any dispute relating to this LOI shall be in the federal or state courts located in Dallas County, Texas. Buyer hereby submits to the jurisdiction of those courts over Buyer and to venue in those courts.

12. Financial Ability. Buyer represents to La Madeleine that: (a) Buyer has, or intends to have prior to execution of a definitive APA, sufficient capital, financial and operational resources to purchase the Restaurants contemplated herein; (b) at least one of Buyer's owner's initial investment in the franchise is in excess of _____ Dollars ($_____); and (c) Buyer or one of Buyer's affiliates or parent has been in a similar business for at least five (5) years and has a net worth of at least _____ Million Dollars ($__,000,000). Buyer agrees to furnish such other information as La Madeleine may reasonably request in order to assess Buyer's qualifications for the acquisition. This may include, but is not limited to, a detailed summary of experience, detailed information about Buyer's investors, detailed evidence of financial qualification including a Sources and Uses statement, loan commitment, etc.

13. Conditional Exclusivity. Provided the conditions and Buyer's representations set forth herein are met and correct, La Madeleine will not enter into a letter of intent, memorandum of intent, or any definitive agreement involving the sale of the Restaurants until this LOI expires or is terminated.

Please acknowledge La Madeleine's acceptance of the terms and conditions set forth above by signing in the space provided below and returning a signed copy to me.

Best Regards,

_____

By: _____

_____

Accepted by:

La Madeleine of _____, LLC

By: _____
Its: _____

EXHIBIT A - RESTAURANTS

	Address	Restaurant Name or No.
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

EXHIBIT B – KEY TERMS

1. Purchase Price. The purchase price shall equal $_____ (the "Purchase Price"), to be paid in cash at the closing of the transactions contemplated by the APA by wire transfer of immediately available funds. The purchase price is payable as follows:

(a) A deposit of $_____ shall be: (a) paid by Buyer within two (2) business days of the execution of the APA by Buyer and La Madeleine; (b) deposited with _____ Title Company Attn: _____ (the "Title Company"), and (c) held in escrow by the Title Company to be paid in accordance with the APA.

(b) The balance of the Purchase Price shall be paid at closing by wire transfer of immediately available funds at the closing under the APA.

The Purchase Price is exclusive of adjustments, including, without limitation, all inventory held at the Restaurants, change funds, real estate recording fees and closing costs, title insurance, transfer taxes, prorated prepaid expenses, liquor license and other transfer fees, cost incurred or charged by Landlord for assignment of leases, and other similar costs and expenses.

2. Due Diligence Period. Buyer shall have a period of not less than sixty (60) days from the full execution of the APA to complete a final due diligence review of the Restaurants. The parties agree to work toward closing of the transaction under the APA as soon as practicable following expiration of the Due Diligence Period, subject to obtaining necessary consents to the transfer of liquor licenses, leases and other assets at closing.

3. Lease Agreements. Buyer and La Madeleine will seek to have La Madeleine and any affiliated guarantors released from liability under the Leases for the Restaurants which the parties agree to transfer by means of an assignment of such Lease(s) to Buyer. La Madeleine shall not be required to offer or pay any consideration for the contemplated release(s) of liability under such Lease assignments or for the Landlord's review, consideration and approval (if required) of the Lease assignments. To the extent that a full release of La Madeleine is not obtained with respect to any of the Leases, Buyer will execute certain personal guarantees to La Madeleine guaranteeing La Madeleine's obligations under such Leases and shall indemnify La Madeleine from and against any and all obligations or liabilities relating to the Leases arising from and after the closing.

4. Franchise Agreements.

(a) The Franchise Agreements for each Restaurant shall have the following terms:

i. The Initial Franchise Fee shall be $40,000.00 per store (which amount shall be included as part of the Purchase Price and allocated by the parties to the Initial Franchise Fee);

ii. The Royalty Fee rate shall be five percent (5%) of the Gross Sales of such Restaurant; and

iii. The initial term shall be ten (10) years.

(b) For each Restaurant, Buyer shall have a periodic advertising and promotion obligation to the Brand Marketing Fund in an amount up to three percent (3.0%) of Gross Sales. The initial contribution shall be two percent (2.0%) of Gross Sales and La Madeleine may increase the percentage by up to one quarter of one percent (0.25%) per calendar year, but not to exceed three percent (3.0%).

5. Refresh Requirements. Buyer will be required to refurbish, remodel, redecorate and/or renovate ("Refresh") _____ (__) of the Restaurants (Store #s _____) to meet La Madeleine's current Refresh standards to be set forth in a separate letter agreement between the parties, which will be cross-defaulted to the Franchise Agreement for each of the Restaurants, and the Development Agreement. In carrying-out the Refresh, Buyer must spend an amount required to meet the scope requirements listed in Exhibit C. The total amounts listed in Exhibit C are La Madeleine's estimates and reflect historic Refresh spending by La Madeleine. The total and individual amounts by store may be less as long as Buyer meets the scope requirements and has La Madeleine's signoff on the completed Refresh scope. Buyer's obligation to complete the Refresh shall be completed as follows: (i) Refresh of 1 Restaurant to be completed by the end of _____; (ii) Refresh of one additional Restaurant by the end of _____.

6. Development Territory and Schedule. Pursuant to the Development Agreement, Buyer will be required to open _____ additional restaurants in the following Territory: _____. The schedule for the openings shall be:

Number of Sites	Date by which restaurant must be open	Cumulative # of restaurants

7. Development Fee. The Development Fee under the Development Agreement for each additional restaurant required to be developed in conjunction with the Acquisition shall be $_____ which is the sum of $40,000.00 for the first restaurant and $5,000 - $20,000.00, depending on how many additional restaurants that Buyer commits to open as set forth in the Development Schedule. This amount is in addition to the Purchase Price. The Development Fee shall be credited towards the then current Franchise Fee for each new restaurant when opened.

EXHIBIT C – REFRESH REQUIREMENTS

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement"), dated as of **[**_____**]**, 202_, (the "Effective Date") is entered into by and among [_____], a [_____] with its principal place of business at [_____] ("Purchaser"), and La Madeleine of [_____], LLC, a Delaware limited liability company with its principal place of business at 12201 Merit Drive, Suite 900, Dallas, Texas 75251 ("Seller").

RECITALS

A. Seller is engaged in the operation of [a] LA MADELEINE® restaurants in **[***insert city/state or other description of the trade area***]** (the "Restaurants"), at the locations listed on Exhibit A (the " Premises").

B. Purchaser desires to purchase and assume from Seller, and Seller desires to sell, or cause to be sold, to Purchaser, certain assets located on the Premises, for the consideration and upon the terms and subject to the conditions set forth in this Agreement.

C. In order to induce Seller to sell the Acquired Assets to Purchaser, Seller's Affiliate and Purchaser have entered into a multi-unit development agreement ("Development Agreement") contemporaneously with the execution and delivery of this Agreement by Purchaser and Seller.

AGREEMENT

In consideration of the foregoing and the respective representations, warranties, covenants and agreements contained in this Agreement and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I
Purchase and Sale

1.1 Purchase and Sale of Assets. Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time, Seller, or its Affiliates, will grant, sell, assign, transfer and deliver, or caused to be granted, sold, assigned, transferred and delivered, to Purchaser or its designee(s), and Purchaser or its designee(s) will purchase and accept from Seller, all of the Acquired Assets, free and clear of all Liens, other than Permitted Liens set forth in Schedule 1.1.

1.2 Acquired Assets. As used herein, "Acquired Assets" shall mean, subject to those assets excluded in Section 1.3, all right, title and interest of Seller or any of its Affiliates in and to the following properties and assets on the Premises (collectively, the "Acquired Assets") on an "AS IS" "WHERE IS" basis:

(a) all machinery, equipment, tools, furniture, furnishings, fixtures, signs, supplies, materials and other items of tangible personal property owned by Seller, or any of its Affiliates in, at or on the Premises;

(b) all right, title and interest of Seller, or any of its Affiliates, in the building and other leasehold improvements located on the Premises;

(c) all rights and benefits of Seller under the contracts, personal property leases, real property leases, agreements, sales and purchase orders, binding agreements, warranties and commitments listed expressly in Schedule 1.2(b) (collectively, "Assumed Contracts");

(d) all inventory of Seller on the Premises as of the Effective Time to be used or consumed by Seller or any of its Affiliates in the production of finished goods sold in the Restaurants (collectively, the "Inventory");

(e) all Petty Cash, as defined in Section 3.3(c), located at the Restaurants;

(f) to the extent transferrable, all licenses, authorizations, permits and other approvals issued to, granted to, given to, or required to be obtained or maintained by Seller or any of its Affiliates, by any Governmental Entity or pursuant to any Legal Requirement with respect to the operation of the Restaurants or any of the other Acquired Assets and all pending applications therefor or renewals thereof, in each case, which are listed expressly in Schedule 1.2(f) (collectively, the "Permits");

(g) all of the intangible rights and properties of Seller related exclusively to the Restaurants, including going concern value, good-will (reputation, skill and know-how, that represents the relationship established by and between the Restaurants and their guests within the surrounding community), signage located at the Premises, telephone numbers [and online advertising] for the Restaurants; and

(h) all security deposits, credits, advance payments, prepaid expenses and other prepaid items related to the Restaurants or any other Acquired Asset, in each case, which are described expressly in Schedule 1.2(h).

1.3 Excluded Assets. Purchaser expressly understands and agrees that, at the Effective Time, Purchaser will not purchase, accept or assume, and Seller will not grant, sell, assign, transfer or deliver to Purchaser, and the term "Acquired Assets" will not include, any assets, properties and rights of Seller or any of its Affiliates other than the Acquired Assets, including, without limitation, the following excluded assets, properties and rights (collectively, the "Excluded Assets"):

(a) all cash, cash equivalents and similar type items, other than Petty Cash;

(b) all minute books, equity records, financing and accounting records, forecasts, projections, budgets, business plans, and all other books, records, papers, ledgers and files, other than copies of the Assumed Contracts and Permits;

(c) the capital stock and other equity interests of any other Person held by Seller;

(d) all trade accounts receivable and other receivables (including any claims, remedies and other rights related thereto, whether or not billed for products sold by the Restaurants prior to the Effective Time;

(e) all rights to insurance or indemnity, and all claims, causes or action, rights of recovery or set off of any kind and against any Person, to the extent relating to or covering the Premises prior to the Effective Time or related to the Excluded Assets;

(f) all Tax Returns (including any work papers related to Tax Returns), Tax assets and property Tax planning methods and techniques;

(g) all refunds of Taxes related to the Excluded Liabilities or Tax obligations due prior to the Effective Time;

(h) all rights in connection with and assets of any "employee benefits plan" within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974 ("ERISA") and any other program, arrangement, or policy providing benefits to any present or former employee or contractor of Seller or any of its Affiliates;

(i) all liquor licenses issued by the [_____] Alcoholic Beverage [*insert applicable name*] Commission;[on a case by case basis the liquor licenses may be part of the Acquired Assets]

(j) all of the intangible rights and properties of Seller and its Affiliates located at the Restaurants not used or held for use exclusively in connection with the Restaurants;

(k) all Intellectual Property of Seller or any of its Affiliates; and

(l) all other assets listed on Schedule 1.3.

1.4 Assumption of Assumed Liabilities. Subject to Section 1.5 below, at the Effective Time, upon the terms and subject to the conditions set forth in this Agreement, Purchaser or its designee(s) will assume and agree to pay, discharge or perform, when due, the following Liabilities of Seller related exclusively to the Restaurants (the "Assumed Liabilities"):

(a) all Liabilities of Seller or its Affiliates under or related to the Assumed Contracts, to the extent arising out of or relating to performance after the Effective Time;

(b) all Liabilities relating to the Acquired Assets arising after the Effective Time;

(c) all Liabilities arising out of or relating to the operation or conduct of the Restaurants after the Effective Time;

(d) all Liabilities of Purchaser under or relating to Article VI; and

(e) all other Liabilities of Seller or its Affiliates described on Schedule 1.4.

1.5 Excluded Liabilities. Notwithstanding any provision in this Agreement to the contrary, at the Effective Time, Purchaser will assume only the Assumed Liabilities and will not assume any other Liability of Seller or any of its Affiliates. From and after the Effective Time, Seller will remain liable for and will pay, perform and discharge when due all Liabilities of Seller that are not Assumed Liabilities (collectively, the "Excluded Liabilities").

ARTICLE II
Closing

2.1 Closing. The closing of the transactions contemplated by this Agreement (the "Closing") will take place at 10:00 a.m., CST, on [_____] or, if the closing conditions set forth in Article VIII (other than those closing conditions that by their nature are to be satisfied at the Closing) have not been satisfied or waived by [_____], then on the third business day following the satisfaction or waiver of the conditions to Seller's and Purchaser's obligations to effect the Closing set forth in Article VIII (other than those closing conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions at that time) at the offices of Seller at 12201 Merit Drive, Suite 900, Dallas, Texas 75251, or at such other time and place as the parties may mutually agree. The date on which the Closing occurs is herein referred to as the "Closing Date." Notwithstanding the foregoing, the parties will endeavor in good faith to effectuate the Closing simultaneously in different locations to avoid the travel and additional expenses of requiring all parties to be simultaneously located in the same place. In furtherance thereof, the parties will deliver, in escrow to their respective counsel and other appropriate parties, executed versions of all Ancillary Agreements and other matters and things necessary to affect the Closing in such manner. The parties agree that the Closing shall be deemed to be effective for all purposes as of 12:01 a.m. (midnight), CST, on the first day following the Closing Date (the "Effective Time").

2.2 Closing Deliveries.

(a) Seller. At the Closing, Seller shall deliver or cause to be delivered to Purchaser the following:

(i) a bill of sale, assignment and assumption agreement, in substantially the form attached hereto as Exhibit B (the "Bill of Sale"), duly executed by Seller;

(ii) an assignment and assumption of lease for each of the Restaurants (the "Leases"), in substantially the form attached hereto as Exhibit C or such other appropriate document or instrument of transfer, as the case may require, in a form mutually satisfactory to Purchaser and Seller (collectively, the "Assignment and Assumption of Lease"), each duly executed by Seller and, if required, with the written consent of the applicable landlord;

(iii) **[optional]** a management agreement, in substantially the form attached hereto as Exhibit D for interim operations pending Purchaser's receipt of beverage permits from the applicable Governmental Entities (the "Management Agreement"), duly executed by Seller;

(iv) an administrative services agreement, in substantially the form attached hereto as Exhibit E (the "Administrative Services Agreement"), duly executed by Seller;

(v) a franchise agreement for the each of the Restaurants, in substantially the form attached hereto as Exhibit F (the "Franchise Agreement"), together with an Addendum to Franchise Agreement in the form attached as

Exhibit F-1, duly executed by La Madeleine Franchising Company, Inc., a Delaware corporation;

(vi) an Agreement Regarding Leased Location by Tenant in substantially the form attached here as Exhibit G (the "Agreement Regarding Leased Location") which is an agreement between Purchaser, La Madeleine Franchising Company, Inc. and Purchaser's landlord for each of the Premises;

(vii) a Development Agreement in the form attached hereto as Exhibit H (the "Development Agreement"), duly executed by La Madeleine Franchising Company, Inc.; and

(viii) such other documents and items as are contemplated by this Agreement or as Purchaser may reasonably request, each in form and substance reasonably satisfactory to Purchaser.

(b) Purchaser. At the Closing, Purchaser shall deliver or pay, or cause to be delivered or paid, to Seller:

(i) an amount equal to the Closing Date Payment plus the Development Fee set forth in the Development Agreement, by wire transfer of immediately available funds to the account(s) designated in writing by Seller;

(ii) the Bill of Sale, duly executed by Purchaser;

(iii) the Assignment and Assumption of Lease for each of the Restaurants, duly executed by Purchaser, together with any release document releasing Seller duly executed by the landlord for the Premises;

(iv) [optional} the Management Agreement, duly executed by Purchaser;

(v) the Administrative Services Agreement, duly executed by Purchaser;

(vi) the Franchise Agreement and related documents including guaranties for the each of the Restaurants, duly executed by Purchaser;

(vii) the Agreement Regarding Leased Location, duly executed by Purchaser;

(viii) the Development Agreement and related documents including guaranties duly executed by Purchaser;

(ix) evidence reasonably satisfactory to Seller confirming that Purchaser has obtained all insurance policies required under the Leases, naming Seller and the landlord as additional insureds thereunder, including copies of certificates of insurance evidencing such policies; and

(x) such other documents and items as are contemplated by this Agreement or as Seller may reasonably request, each in form and substance reasonably satisfactory to Seller.

ARTICLE III
[Earnest Money Deposit] Purchase Price; Ancillary Agreements; Certain Allocations

3.1 [Earnest Money Deposit. Within two (2) business days after the Effective Date, Purchaser shall deposit the sum of _____ Thousand and No/100 Dollars ($_____) as Earnest Money ("Earnest Money") with _____ whose address is _____, _____, _____, as Escrow Agent ("Escrow Agent") pending the Closing of this sale or termination of this Agreement. If Purchaser fails to deposit the Earnest Money with the Escrow Agent within such 5 day period, Seller may terminate this Agreement by providing written notice thereof to Purchaser before Purchaser deposits the Earnest Money. The Escrow Agent shall hold the Earnest Money in an interest bearing account and all references to "Earnest Money" shall be deemed to include the interest, if any, earned on such sums. The Earnest Money shall be non-refundable upon Purchaser's satisfaction or waiver of the inspection contingency set forth in Section 8(1)(a) and shall be applied to the amount of the Closing Date Payment to be paid by Purchaser. In the event that Purchaser terminates this Agreement prior to the expiration of the Inspection Period, as defined in Section 8.1(a), the Earnest Money [less $_____ for costs and expenses incurred by Seller including *(need to insert a description of the costs and expenses)*] shall be returned to Purchaser.

3.2 Purchase Price. The aggregate purchase price for the Acquired Assets (the "Purchase Price") shall consist of the following: (a) the Cash Purchase Price and (b) the assumption by the Purchaser of the Assumed Liabilities. As provided in Section 2.2(b), Purchaser shall pay at the Closing an amount equal to the Closing Date Payment, to or at the direction of Seller, by wire transfer of immediately available funds to the account(s) designated in writing by Seller.

3.3 Post-Closing Adjustment and Prorations.

(a) Adjustments and Prorations. All revenues and expenses from Seller arising from the operation of the Restaurants prior to the Effective Time, including, without limitation, those arising under the Assumed Contracts, any Taxes, insurance costs, common area maintenance expenses or other expenses due to the landlords under the Leases, business and license fees, utility charges, real and personal property Taxes levied against the Acquired Assets, leasehold rentals and other charges, property and equipment rentals, fees, sales and service charges, other Taxes, wages, salaries, vacation, and sick leave, personal days, commissions and other employee compensation pay for Terminated Employees, prepaid and deferred items, shall be prorated between Purchaser and Seller, and an appropriate adjustment to the Purchase Price shall be made, in accordance with the principle that, except as otherwise expressly set forth in this Agreement, (i) Seller shall receive all revenues, and shall be responsible for all expenses, relating to the operation of the Restaurants for the period ending immediately prior to the Effective Time, and (ii) Purchaser shall receive all revenues, and shall be responsible for all expenses, relating to the operation of the Restaurants thereafter. An adjustment to the Purchase Price shall be made in favor of Purchaser to the extent that Purchaser assumes any liability under any Assumed Contracts to refund (or to credit against payments otherwise due) any security deposit or similar prepayment paid to Seller by any lessee or other third party which is not

otherwise credited to Purchaser. An adjustment of the Purchaser Price shall be made in favor of Seller to the extent that Seller has made (A) any security deposit or similar prepayment under any Assumed Contract regardless of the period to which such deposit may be prorated or (B) any other payment under any Assumed Contract relating to the period beginning at the Effective Time, to the extent Purchaser receives the post-Closing benefits associated with such prepayment. Except as otherwise expressly set forth in this Agreement, Seller shall be liable for all of the costs of employee compensation or other benefits relating to the operation of the Restaurants attributable to services provided by Terminated Employees prior to the Effective Time, including (1) all Taxes and related contributions, vacations, paid time off and sick pay due and owing and (2) all group medical dental or death benefits, whether reported by the Effective Time or thereafter. Purchaser shall be liable for all of the costs of employee compensation and other benefits relating to the operation of the Restaurants attributable to service provided by Terminated Employees, if any, as well as by Transferred Employees to Purchaser after the Effective Time and shall also be responsible for honoring unused vacation time, paid time off and sick time accrued by Transferred Employees prior to the Effective Time as further described in Article VI. If the amount of Taxes with respect to any of the Acquired Assets for the calendar year in which the Closing occurs has not been determined as of the Closing Date, then the Taxes with respect to such Acquired Assets for the preceding calendar year shall be used to calculate such prorations, with known changes in valuation being applied as reasonably determined by Seller and Purchaser. Prorations pursuant to this Section 3.3(a) and the related adjustments to the Purchase Price will be determined in accordance with GAAP (which may include, as appropriate for period expenses such as certain Taxes, prorations based on number of days in the period elapsed through the Closing Date and number of days remaining in the period following the Closing Date) and, insofar as feasible, paid on the Closing Date based upon Seller's good faith calculation delivered to Purchaser no less than three (3) days prior to the Closing Date.

(b) Inventory. Following the close of business of the Restaurants on the Closing Date, Seller shall conduct, or cause to be conducted, a full physical count and qualitative inspection of all unopened Inventory. Purchaser shall have the right to designate one or more representatives to observe, participate in and verify such physical inventory, at Purchaser's expense, to which physical inventory Seller shall provide such Purchaser representatives with full access thereto. Except for mathematical errors, such unopened Inventory count shall be final, binding and conclusive on the parties for all purposes of this Agreement. The unopened Inventory shall be valued at cost in accordance with GAAP and shall be determined utilizing the inventory derived from the foregoing physical counts and qualitative inspections.

(c) Petty Cash. As used herein, the term "Petty Cash" means an amount in U.S. Dollars equal to [_____]. Seller shall collect, or (if applicable) cause its armored car service to collect, all cash other than the Petty Cash located at the Premises on the first day following the Closing Date, and Purchaser shall grant Seller and its representatives, including Seller's armored car services access to the Premises to enable such collection.

(d) Proposed Adjustment Statement. On or before 5:00 p.m., CST, on the thirtieth (30th) day after the Closing Date, Seller shall prepare in good faith and submit to Purchaser a statement (the "Proposed Adjustment Statement"), setting forth in reasonable detail and with reasonable supporting documentation, Seller's proposed calculation of (i)

the Cash Purchase Price, (ii) adjustments or prorations required by Section 3.2(a), and (iii) the value of the unopened Inventory determined in accordance with Section 3.2(b), and in each case of the foregoing clauses (i) through (iii) determined in accordance with this Agreement and, to the extent not inconsistent with this Agreement and otherwise applicable to the particular calculation, GAAP.

(e) Review of Proposed Adjustment Statement. Seller shall grant Purchaser and its authorized representatives access to such work papers or other documents and information as Purchaser may reasonably request relating to Seller's calculation, and Purchaser's review of the calculation, of the amounts included in the Proposed Adjustment Statement and shall make appropriate officers available to assist Purchaser and its representatives and timely respond to questions in connection with Purchaser's review of the Proposed Adjustment Statement.

(f) Notices of Disputes. Purchaser shall have until 5:00 p.m., CST, on the twentieth (20th) day after the date of receipt by Purchaser of the Proposed Adjustment Statement to give to Seller written notice of any dispute regarding the amounts reflected in the Proposed Adjustment Statement. If Purchaser does not timely give Seller written notice of a dispute in accordance with this Section 3.3(f), the Proposed Adjustment Statement shall be deemed to have been accepted and agreed to by Purchaser in the form in which it was delivered as the Final Adjustment Statement and shall be final and binding on all parties hereto in all respects. Any written notice of dispute regarding the Proposed Adjustment Statement (a "Dispute Notice"), as to each dispute, shall, to the extent reasonably practicable, set forth in reasonable details the elements and amounts with which Purchaser disagrees, including the amounts of any adjustments that are necessary in the reasonable judgment of Purchaser for the computations contained in the Proposed Adjustment Statement and the general basis for Purchaser's suggested adjustments. During the twenty (20)-day period ending at 5:00 p.m., CST, on the twentieth (20th) day following the date of Seller's receipt of a Dispute Notice, Purchaser and Seller shall make reasonable good faith efforts to resolve any disputed items and agree in writing upon the final content of the Proposed Adjustment Statement or to stipulate to such portion thereof with respect to which there is no dispute.

(g) Dispute Resolution.

(i) If Purchaser and Seller are unable to resolve or stipulate to all disputed items relating to the Proposed Adjustment Statement within the twenty (20)-day period referenced in Section 3.3(f), the matters with respect to which no resolution or stipulation can be reached (the "Disputed Items") shall be submitted to and resolved by a nationally recognized independent accounting firm selected by mutual agreement of Purchaser and Seller (the "Independent Accounting Firm"); provided, however, if the Independent Accounting Firm is unwilling to so serve (the date of notice of such unwillingness to serve, the "Decline Date") and Purchaser and Seller are unable to agree on another nationally recognized independent accounting firm within five (5) days after the Decline Date, then within ten (10) days after the Decline Date, each of Purchaser and Seller shall select an office of an independent accounting firm of nationally recognized standing and such two (2) firms shall, within fifteen (15) days after the Decline Date, then select a third independent accounting firm of nationally recognized standing to resolve

any remaining Disputed Items (the firm selected in accordance with the foregoing, the "Settlement Firm").

(ii) Purchaser and Seller (A) shall each immediately enter into a customary engagement letter with the Settlement Firm in which the scope of the Settlement Firm's engagement is specified in reasonable detail that is consistent with this Agreement and (b) shall instruct the Settlement Firm that a written determination (which shall contain the underlying reasoning) of the Settlement Firm with respect to such Disputed Items and the accuracy of the Proposed Adjustment Statement as a result of the resolution of such Disputed Items shall be completed and provided to Purchaser and Seller within thirty (30) days after the engagement of the Settlement Firm. The Settlement Firm shall only resolve each Disputed Item by making an adjustment to the Proposed Adjustment Statement that is within the range for the Disputed Item defined by the amount of such Disputed Item in the Proposed Adjustment Statement delivered by Purchaser or Seller pursuant to Section 3.3(d) and the amount of such Disputed Item included in the respective Dispute Notice. The resolution and determination of the Disputed Items by the Settlement Firm shall be based solely on the provisions of this Agreement and on written submissions and presentations by Purchaser and Seller (or their respective representatives), and not on independent review by the Settlement Firm and such resolution by the Settlement Firm shall be conclusive, final and binding on all parties in all respects, absent fraud or manifest error.

(iii) The term "Final Adjustment Statement" means, as applicable, (A) the Proposed Adjustment Statement (including the final amounts contained therein) if Purchaser does not timely dispute such statement in accordance with Section 3.3(f), (B) there are no Disputed Items, the Final Adjustment Statement (including the final amounts contained therein) mutually agreed to by Purchaser and Seller or (C) if there are Disputed Items, the Final Adjustment Statement (including the final amounts contained therein) determined by the Settlement Firm after its resolution and determination of the Disputed Items in accordance with Section 3.3(g)(ii). The Final Adjustment Statement, however determined in accordance with this Agreement shall be conclusive, final and binding on all parties in all respects and shall constitute an arbitral award upon which a judgment may be rendered by a Governmental Entity having proper jurisdiction thereover.

(h) Allocation of Fees, Costs and Expenses of Settlement Firm. Fifty percent (50%) of the fees, costs and expenses of the Settlement Firm shall be borne by Purchaser and the remaining fifty percent (50%) of the fees, costs and expenses of the Settlement Firm shall be borne by Seller.

(i) True-Up Payment.

(i) If the Closing Date Payment is less than the Cash Purchase Price, as reflected in the Final Adjustment Statement, then Purchaser shall pay to or at the direction of Seller, by wire transfer of immediately available funds to an account designated by Seller, the amount in U.S. dollars of such shortfall within two (2) business days after the final determination of the Final Adjustment Amount.

(ii) If the Closing Date Payment exceeds the Cash Purchase Price, as reflected in the Final Adjustment Statement, then Seller shall pay to or at the direction of Purchaser, by wire transfer of immediately available funds to an account designated by Seller, the amount in U.S. dollars of such excess within two (2) business days after the final determination of the Final Adjustment Amount.

3.4 Allocation. No less than fifteen (15) days prior to the Closing Date, Seller shall provide to Purchaser a schedule allocating the Purchase Price among the Acquired Assets and the Initial Franchise Fee set forth in the Franchise Agreements (the "Draft Allocation Schedule") for Purchaser's review, comment and consent (such consent not to be unreasonably withheld, conditioned or delayed). Upon agreement between Seller and Purchaser (including any adjustments to the Draft Allocation Schedule agreed to by the parties), such schedule shall be the "Agreed Allocation Schedule". In the event that Seller and Purchaser cannot agree on an Agreed Allocation Schedule, (a) the items in disagreement shall be promptly submitted to the Independent Accounting Firm and (b) in the absence of fraud or manifest error, such resolution by the Independent Accounting Firm will be conclusive and binding upon Purchaser and Seller. After the Effective Time, the parties shall make consistent use of the allocation, fair market value and useful lives specified in the Agreed Allocation Schedule for all Tax purposes and in any and all Tax Returns, forms, filings, declarations and reports related to Taxes with any Governmental Entity, including the United States Internal Revenue Service (the "IRS"), including the forms required to be filed under Section 1060 of the Code, if applicable, it being understood that Purchaser shall prepare and deliver IRS Form 8594 to Seller within forty-five (45) days after the Closing Date if such form is required to be filed with the IRS.

ARTICLE IV
Representations and Warranties of Seller

Seller represents and warrants to Purchaser as of the date hereof as follows:

4.1 Authorization. Seller has the requisite power and authority to execute and deliver this Agreement and the Ancillary Agreements to which it is or will be a party and to fully perform its obligations hereunder and thereunder. This Agreement has been validly executed and delivered by Seller and, assuming the due authorization, execution and delivery of this Agreement by Purchaser, constitutes a valid and binding agreement of Seller, and is enforceable against Seller in accordance with its terms, except as that enforceability may be subject to (a) any applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting or relating to enforcement of creditors' rights generally and (b) general equitable principles (regardless of whether enforcement is sought in a proceeding at law or in equity).

4.2 No Violation; Required Consents. Neither the execution and delivery of this Agreement or any of the Ancillary Agreements to which Seller is or will be a party by Seller nor the consummation of the transactions contemplated hereby and thereby by Seller shall (a) violate any Legal Requirement to which such Seller is a party or is bound or to which any of the Acquired Assets is subject or is bound, or (b) subject to obtaining any consents or sending any notices required under any contracts, violate or result in a material breach of or constitute a material default (or would result in or constitute such a breach or default with notice or lapse of time or both) under any provision of any contract except those contracts listed in Schedule 4.2.

4.3 Title to Acquired Assets. Seller, or its Affiliates, has good and valid title to, or a valid leasehold interest in, all of the material tangible personal property included in the Acquired

Assets, free and clear of Liens other than Permitted Liens and Liens that will be released as of Closing.

4.4 Tax Matters.

(a) Seller has timely filed within the time period for filing, or any extension granted with respect thereto, all Tax Returns which such Seller is required to file relating to any and all Taxes and such Tax Returns are true and correct in all material respects;

(b) Seller has paid all Taxes, if any, due and payable by such Seller prior to Closing in connection with the Acquired Assets or that arise or accrue out of the ownership of the Acquired Assets or the operation of the Restaurants; and

(c) There are (i) no current Liens for past due Taxes, (ii) no pending audits, examinations, assessments, asserted deficiencies or claims for Taxes which, if adversely determined, would result in a Lien on the Acquired Assets or (iii) outstanding agreements or waivers extending the statutory period of limitation applicable to any Tax Return of Seller for any period.

4.5 Permits. As of the date hereof, to Seller's Knowledge, all material Permits included in the Acquired Assets are valid and in full force and effect. No Proceeding is pending or, to Seller's Knowledge, threatened to revoke or terminate any material Permit or declare any material Permit invalid in any respect.

4.6 Proceedings. As of the date hereof, to Seller's Knowledge, there is not pending against Seller any Proceeding relating to the Restaurants or the Acquired Assets except those listed on Schedule 4.6. As of the date hereof, there is no Order against Seller that adversely affects the Acquired Assets, the Premises or the Restaurants.

4.7 Real Property. Seller does not own any real property used in the operation of the Restaurants. Exhibit A sets forth the address of the leased real property used exclusively by Seller in connection with the operation of the Restaurants, and Schedule 1.2(b) describes the Leases for the Restaurants. Each Lease grants Seller a valid leasehold interest in the leased real property and is in full force and effect. Seller has not sent nor received written notice of any default under any Lease which has not been waived or cured nor has Seller materially breached any material covenant, agreement or condition contained in any Lease which has not been waived or cured, nor, to Seller's Knowledge, has there occurred any event which with the passage of time or the giving of notice or both would constitute such a material breach by Seller under any Lease. All rents due and payable under the Lease have been paid and no amounts are currently past due under any Lease.

4.8 Compliance With Laws Generally. As of the date hereof, to Seller's Knowledge, Seller has complied and is in current compliance in all material respects with all Legal Requirements applicable to the Restaurants as currently conducted or the ownership, use or possession of the Acquired Assets to which it is subject or by which it is bound; provided, however, that no representations or warranties are made pursuant to this Section 4.8 in respect of Legal Requirements relating to Taxes (the sole and exclusive representations and warranties regarding which are set forth in Section 4.4)or whether Government Consents are required.

4.9 "AS IS, WHERE IS" PURCHASE. PURCHASER ACKNOWLEDGES AND AGREES THAT SELLER IS NOT MAKING ANY REPRESENTATIONS OR WARRANTIES EXCEPT AS SET FORTH IN ARTICLE IV AND PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT IT IS ACQUIRING THE ACQUIRED ASSETS ON AN "AS IS, WHERE IS" AND "WITH ALL FAULTS" BASIS WITHOUT REPRESENTATIONS, WARRANTIES OR COVENANTS, EXPRESS OR IMPLIED, OF ANY KIND OR NATURE. IT IS FURTHER UNDERSTOOD AND AGREED BY PURCHASER THAT SELLER IS NOT MAKING, AND SPECIFICALLY DISCLAIMS, ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, AS TO THE PHYSICAL CONDITION OF THE ACQUIRED ASSETS WITH REGARD TO THE VALUE, CONDITION, MERCHANTABILITY, MARKETABILITY, PROFITABILITY, SUITABILITY, OR FITNESS FOR A PARTICULAR USE OR PURPOSE.

ARTICLE V
Representations and Warranties of Purchaser

Purchaser represents and warrants to Seller that as of the date hereof as follows:

5.1 Authorization. Purchaser has the requisite power and authority to execute and deliver this Agreement and the Ancillary Agreements to which it is or will be a party in connection with the transactions contemplated by this Agreement and to fully perform its obligations hereunder and thereunder. This Agreement has been duly executed and delivered by Purchaser and, assuming the due authorization, execution and delivery hereof by Seller, constitutes a valid and binding agreement of Purchaser, and is enforceable against Purchaser in accordance with its terms, except as such enforceability may be subject to (a) any applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting or relating to enforcement of creditors' rights generally and (b) general equitable principles (regardless of whether enforcement is sought in a proceeding at law or in equity).

5.2 No Violation. Neither the execution and delivery of this Agreement or any of Ancillary Agreements to which Purchaser is or will be a party by Purchaser, nor the consummation of the transaction contemplated hereby and thereby by Purchaser shall (i) violate or result in a material breach of or constitute a material default (or would result in or constitute such a breach or default without notice or lapse of time or both) under any of the provisions of any material indenture, mortgage, lease or other agreement to which Purchaser is a party or is bound, or (ii) violate any Legal Requirement to which Purchaser is a party or is bound.

5.3 Proceedings. As of the date hereof, there is not pending nor, to Purchaser's knowledge, threatened against Purchaser any Proceeding, except those listed on Schedule 5.3.

5.4 Financing. Purchaser has available sufficient cash in immediately available funds to consummate the transactions contemplated by this Agreement, as of the date hereof and will have sufficient cash for such at the Closing.

ARTICLE VI
Employment Matters

[To be included on a State by State basis]

Purchaser shall, or shall cause an Affiliate of Purchaser to, offer employment, effective as of the Effective Time, to at least 90% of the employees of Seller or any of its Affiliates working at the Restaurants and engaged exclusively in the operation of the Restaurants, including employees who are absent due to vacation, sickness, paid time off, leave of absence or short-term or long-term disability (the "Restaurant Employees"), with all Restaurant Employees who accept such employment and commence employment as of the Effective Time being referred to herein as "Transferred Employees") and in no case shall Purchaser (together with any of its Affiliates) offer to hire less than the number of Restaurant Employees required to ensure that Seller will not be obligated under the Worker Adjustment and Retraining Notification Act ("WARN") to issue WARN notices to the Restaurant Employees on or before the Effective Time. Such offers shall be made no less than seven (7) business days before the Closing Date and Purchaser shall provide a list to Seller of the Restaurant Employees to whom such offers are being made and whether such offers have been accepted no less than three (3) days before the Closing Date. During the ninety (90) days following the Effective Time, Purchaser agrees not to take any action that would trigger any obligations or liabilities under WARN or any similar Legal Requirement. On the Closing Date, Purchaser will employ the Transferred Employees on terms comparable to industry standards but as determined by Purchaser in its sole discretion. Purchaser shall, or shall cause such Affiliate of Purchaser to, recognize all service of the Transferred Employees with Seller or any of its Affiliates, as if such service were with Purchaser, for vesting, eligibility (including, without limitation, for leaves of absences) and accrual purposes (including unused vacation time, paid time off and sick time); provided, however, such service shall not be recognized to the extent that such recognition would result in a duplication of benefits. If Purchaser offers medical, dental, pharmaceutical, vision, and/or disability benefits to any Transferred Employee, Purchaser will do so as required by law and as required by insurance company coverage policies. Purchaser shall be solely responsible for any obligations arising under Section 4980B of the Code (the "COBRA Requirements") with respect to all "M&A qualified beneficiaries" as defined in Treasury Regulation § 54.4980B-9. In particular, but without limiting the foregoing obligation, Purchaser shall provide and continue to provide all continuation coverage under its, or an Affiliates', group health plans required by ERISA, the Code and applicable law for (i) any Restaurant Employees who terminate (or have terminated and have elected, or are eligible to elect, continuation of coverage under the COBRA Requirements) employment with the Restaurants before the Effective Time or (ii) any Restaurant Employees who terminate employment as of the Effective Time who do not become Transferred Employees ("Terminated Employees"). If Purchaser or its Affiliates do not continue to maintain a group health plan after the Effective Time, and Seller or any of its Affiliates is required by ERISA, the Code, or applicable law to provide continuation coverage under its group health plans to any such employees identified in (i) or (ii) or as an M&A qualified beneficiary, Purchaser shall indemnify Seller or any of its Affiliates, as applicable, for any costs, claims, or liabilities incurred by Seller or any of its Affiliates in connection with it providing such coverage.

ARTICLE VII
Covenants

7.1 Conduct of the Business of the Restaurants. Prior to the Closing, unless Purchaser otherwise consents in writing (which consent shall not be unreasonably withheld or delayed) or

except as expressly contemplated by this Agreement, Seller shall use its commercially reasonable efforts to carry on the business of the Restaurants in the ordinary course in the same manner as presently conducted and to keep the operations supporting the Restaurants materially intact, including preserving Seller's present relationships with licensors, suppliers, customers and others having material business relations with the Restaurants.

7.2 Consents. After the date hereof and prior to the Closing, Seller and Purchaser shall use their commercially reasonable efforts to obtain any third-party consent, approval, or authorization or provide any notification to any third party that is required to be obtained or given in connection with the transactions contemplated by this Agreement and is a counterparty to the contracts identified on Schedule 4.2; provided, that Seller shall not be required to make any expenditure or payment to any such third party or to make any amendment to any of such contracts in any case to obtain such consent or approval and if any such payment, fee, reimbursement for expenses are due, then Purchaser shall reimburse Seller the amount thereof as part of the Proposed Adjustment Statement and Final Adjustment Statement.

7.3 Additional Agreements. Subject to the terms and conditions of this Agreement, each of the parties hereto will use its respective commercially reasonable efforts to take or do, or cause to be taken or done, all things necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement. If at any time after the Closing Date, any further action is necessary to carry out the purposes of this Agreement and the Ancillary Agreements, the parties shall take all such action as is commercially reasonable.

7.4 Post-Closing Cooperation. From and after the Closing Date, each party agrees to cooperate with the other party as may be reasonably necessary for the continued operation of the Restaurants under the circumstances that Purchaser is a separate entity and operator than Seller of the Restaurants.

7.5 Investigation; No Other Representations or Warranties.

(a) Purchaser acknowledges that it has made its own inquiry and investigation into, and, based thereon, has formed an independent judgment concerning, the Restaurants and the Acquired Assets and Purchaser has been furnished with or given full access to such information about the Restaurants and the Acquired Assets as it requested and considered material in determining whether to enter into this Agreement and to consummate the transactions contemplated by this Agreement. Purchaser acknowledges that it has had an opportunity to ask all questions of and receive answers from Seller with respect to any matter it considers material in determining whether to enter into this Agreement and to consummate the transactions contemplated by this Agreement.

(b) Purchaser has relied solely on the representations and warranties expressly and specifically set forth in Article IV of this Agreement and, except for the representations and warranties that are expressly set forth in Article IV of this Agreement, none of Seller or any of its Affiliates or representatives has made, and shall not be deemed to have made, to Purchaser or to any of its representatives, any representation or warranty of any kind. Except as expressly set forth herein, no Person has been authorized by Seller to make any representation or warranty relating to the Restaurants, the Acquired Assets or otherwise in connection with the transactions contemplated by this Agreement and, if made, such representation or warranty may not be relied upon.

7.6 Sales Taxes. Purchaser shall bear one hundred percent (100%) of any sales Taxes, use Taxes, transfer Taxes, documentary charges, recording fees or similar Taxes, charges, fees or expenses ("Transfer Taxes") that may become payable in connection with the sale of the Acquired Assets to Purchaser or in connection with the transactions contemplated by this Agreement. Purchaser and Seller shall reasonably cooperate with one another in minimizing such Transfer Taxes and cooperate in preparing and filing any Transfer Tax exemption or reductions forms.

7.7 Post-Closing Repairs. In the event of any material failure of any major equipment component set forth on Schedule 7.7 (each, a "Major Equipment Component") that is not due to gross negligence, misuse or other fault by Purchaser during the period from and after the Closing Date until 120 days following the Closing Date such that the cost to repair such Major Equipment Component is $1,000 or more per repair work order (in any such case, a "Component Failure"), Purchaser shall give prompt notice to Seller upon discovery thereof by delivering such notice to William Gober, Facilities Manager, at wgober@lamadeleine.com or 972-310-4912. Following receipt of such notice of a Component Failure, Seller shall have the option, in its sole discretion, to elect to (i) repair or restore the Major Equipment Component affected by such Component Failure (the "Affected Equipment Component") to substantially its condition immediately prior to the occurrence of such Component Failure or (ii), if the Affected Equipment Component is destroyed or damaged beyond repair or if the estimated cost of repair exceeds the estimated cost of replacement, replace the Affected Equipment Component. The maximum aggregate amount of repair, restoration, or replacement costs for Affected Equipment Components for which Seller shall be responsible pursuant to this Section 7.7 shall not exceed $20,000. Purchaser agrees to grant Seller and its representatives, access to the Premises at all reasonable times so that Seller and its representatives may evaluate the Affected Equipment Component and make any necessary or appropriate repair, restoration or replacement.

ARTICLE VIII
Conditions to Closing

8.1 Conditions to Purchaser's Obligation. The obligation of Purchaser to consummate the transactions contemplated by this Agreement is subject to the satisfaction of the following conditions at or before the Closing:

(a) Commencing on the Effective Date and extending for a period of thirty (30) days (the "Inspection Period") Purchaser shall have the right to physically inspect the Restaurants and the Acquired Assets in order to determine if they are in satisfactory working condition; provided, however, that such inspections shall be performed in the presence of a designated La Madeleine representative at times and locations that are mutually agreeable. Without the prior consent of _____ as the main point of contact and deal manager of La Madeleine, Purchaser shall not contact any La Madeleine employee working at, or responsible for the supervision of, the Restaurants. Prior to the expiration date of the Inspection Period, Purchaser shall notify Seller in writing that (i) it accepts the Restaurants and Acquired Assets in their current condition, (ii) it waives its right to inspect the Restaurants and/or Acquired Assets or, (iii) it is terminating this Agreement

(b) All representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects at and as of the Closing with the same effect as though such representations and warranties were made at and as of the Closing.

(c) Seller shall have performed or complied in all material respects with all the covenants and agreements required by this Agreement to be performed or complied with by it at or prior to the Closing.

(d) Seller shall have delivered to Purchaser a certificate signed by a duly authorized officer of Seller stating that each of the conditions specified in clauses (a) and (b) of this Section 8.1 have been satisfied.

(e) All documents, instruments, certificates and other items required to be delivered by Seller pursuant to Section 2.2(a) shall have been delivered.

(f) No statute, rule, regulation or Order shall be in effect or shall have been enacted, entered, promulgated, or enforced by, any Governmental Entity of competent jurisdiction that enjoins or prohibits the consummation of the transactions contemplated by this Agreement.

(g) All consents, approvals, Orders, authorizations or other actions of any Governmental Entity ("Government Consents") set forth on Schedule 8.1(f) shall have been filed, occurred, or been obtained.

(h) Purchaser shall have received evidence reasonably acceptable to Purchaser of the release and termination of all Liens on the Acquired Assets, other than Permitted Liens.

(i) Since the date of this Agreement, there shall not have occurred any material adverse changes to the financial condition, Acquired Assets or results of operations of the Restaurants.

(j) Since the date of this Agreement, no Proceeding relating to the Restaurants or the Acquired Assets shall have been commenced, and no Order against Seller shall have been entered, by or before any Governmental Entity that, in the reasonable, good faith determination of Purchaser, is reasonably likely to have a material adverse effect on the financial condition, Acquired Assets or operations of the Restaurants.

Any condition specified in this Section 8.1 may be waived by Purchaser; provided, that no such waiver shall be effective against Purchaser unless it is set forth in a writing executed by an authorized officer of Purchaser.

8.2 Conditions to Seller's Obligation. The obligation of Seller to consummate the transactions contemplated by this Agreement is subject to the satisfaction of the following conditions at or before the Closing:

(a) All representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects at and as of the Closing with the same effect as though such representations and warranties were made at and as of the Closing.

(b) Purchaser shall have performed or complied in all material respects with the covenants and agreements required by this Agreement to be performed or complied with by it at or prior to the Closing.

(c) Purchaser shall have delivered to Seller a certificate signed by a duly authorized officer of Purchaser stating that each of the conditions specified in clauses (a) and (b) of this Section 8.2 have been satisfied.

(d) All documents, instruments, certificates and other items required to be delivered by Purchaser pursuant to Section 2.2(b) shall have been delivered.

(e) No statute, rule, regulation or Order shall be in effect or shall have been enacted, entered, promulgated, or enforced by, any Governmental Entity of competent jurisdiction that enjoins or prohibits the consummation of the transactions contemplated by this Agreement.

(f) All Governmental Consents set forth on Schedule 8.1(f) shall have been filed, occurred, or been obtained.

(g) All Liens on the Acquired Assets, other than Permitted Liens, shall have been released or terminated.

(h) Since the date of this Agreement, no Proceeding relating to the Restaurants or the Acquired Assets shall have been commenced, and no Order against Purchaser shall have been entered, by or before any Governmental Entity that, in the reasonable, good faith determination of Seller, is reasonably likely to have a material adverse effect on the financial condition, Acquired Assets, Premises or operations of the Restaurants.

Any condition specified in this Section 8.2 may be waived by Seller; provided, that no such waiver shall be effective against Seller unless it is set forth in a writing executed by an authorized officer of Seller.

ARTICLE IX
Termination

9.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by mutual written consent of Seller and Purchaser;

(b) by Purchaser in the event of a breach by Seller of any representation, warranty, covenant or agreement contained in this Agreement which (A) would give rise to the failure of a condition to the Closing hereunder and (B) cannot be or has not been cured within the lesser of thirty (30) days or the occurrence of the Termination Date (the "Cure Period") following receipt by Seller of written notice of such breach from Purchaser;

(c) by Seller in the event of a breach by Purchaser of any representation, warranty, covenant or agreement contained in this Agreement which (A) would give rise to the failure of a condition to the Closing hereunder and (B) cannot be or has not been cured during the Cure Period; provided, however, that there shall be no Cure Period for Purchaser's failure to obtain all funds on or prior to the Closing Date necessary to pay the Closing Date Payment (which failure shall constitute a material breach hereunder);

(d) by either Seller or Purchaser:

(i) if a court of competent jurisdiction or other Governmental Entity shall have issued an Order (which Order the parties hereto shall use their best efforts to lift), in each case, permanently restraining, enjoining or otherwise prohibiting consummation of the transactions contemplated by this Agreement, and such Order shall have become final and nonappealable; or

(ii) if the Closing shall not have occurred by the later of 5:00 p.m., CST, on [_____] (the "Termination Date"); provided, however, that the right to terminate this Agreement under this clause (B) shall not be available to any party whose breach of this Agreement has been the principal cause of, or primarily resulted in, the failure of the Closing to occur on or before the Termination Date.

9.2 Effect of Termination. In the event of a termination of this Agreement by either Seller or Purchaser as provided in Section 9.1, this Agreement shall forthwith become void and of no further force or effect with no liability or obligation hereunder on the part of Purchaser or Seller or their respective Affiliates, officers, directors, managers, employees, members or shareholders; provided, however, that (i) this Section 9.2, Section 9.3, and Article XI (other than Section 11.11, which shall not survive termination) shall survive such termination and (ii) the liability of any party for willful breach by such party of the representations, warranties, covenants or agreements of such party set forth in this Agreement occurring prior to the termination of this Agreement shall survive the termination of this Agreement and the non-breaching party shall be entitled to pursue any and all legally available remedies and to seek the recovery of all Losses, liabilities, damages, costs and expenses of every kind and nature, including reasonable attorneys' fees and court costs.

9.3 Return of Documentation. Following a termination of this Agreement in accordance with Section 9.1, Purchaser shall (a) return all agreements, documents, contracts, agreements, instruments, books, records, materials and all other information relating to the Restaurants, the Assumed Contracts and the Assumed Liabilities provided to Purchaser by Seller or any of its representatives (and the provisions of the Confidentiality Agreement shall apply to all such materials) and (b) destroy all analyses, compilations, data, studies, notes, interpretations, memoranda or other documents prepared by Purchaser or its respective Affiliates or representatives (including in electronic form) that refer to, relate to, discuss, contain or are based on, in whole or in part, any information or documentation set forth in clause (a).

ARTICLE X
Indemnification

10.1 Indemnification Obligations of Seller. Subject to the terms and conditions of this Agreement, Seller shall indemnify, defend, and hold Purchaser, its officers, directors, stockholders, managers, members, employees, heirs, executors, agents, successors, assigns, accountants, advisors and attorneys (the "Purchaser Indemnitees") harmless from and against all any and all Losses suffered or incurred by any such Purchaser Indemnitees to the extent caused by any of the following:

(a) any breach of any representation or warranty made by Seller in this Agreement;

(b) any breach or default in the performance of any agreement or covenant of Seller required by this Agreement to be performed by it; and

(c) the Excluded Liabilities.

10.2 Indemnification Obligations of Purchaser. Subject to the terms and conditions of this Agreement, Purchaser shall indemnify, defend, and hold Seller and its officers, directors, stockholders, managers, members, employees, heirs, executors, agents, representatives, successors, assigns, accountants, advisors and attorneys (the "Seller Indemnitees") harmless from and against any and all Losses suffered or incurred by any such Seller Indemnitees to the extent caused by any of the following:

(a) any breach of any representation or warranty made by Purchaser in this Agreement;

(b) any breach or default in the performance of any agreement or covenant of Purchaser required by this Agreement to be performed by it; and

(c) the Assumed Liabilities.

10.3 Survival and Time Limitations. All representations and warranties contained in this Agreement shall survive the execution and delivery of this Agreement and the Closing until 5:00 p.m., CST, on the one hundred eightieth (180th) day following the Closing Date (the "Expiration Date"); each covenant or agreement contained in this Agreement to be performed at or prior to Closing shall survive the execution and delivery of this Agreement and the Closing until 5:00 p.m., CST, on the ninetieth (90th) day after Closing; and each covenant or agreement contained in this Agreement to be performed after the Closing shall survive in accordance with its terms until fully performed. Any indemnification claim made under Section 10.1 or Section 10.2 must be asserted in a written indemnity claim delivered to the Indemnitor in accordance with Section 10.8 prior to 5:00 p.m., CST, on the last day of the respective survival period as specified in this Section 10.3 and may not be asserted after such date; provided, however, that any indemnification claim for which a written indemnity claim is given within the time period set forth above shall survive until such claim has been finally resolved in accordance with this Article X.

10.4 Deductible Amount; Maximum Claim. The Purchaser Indemnities shall not be entitled to indemnification pursuant to Section 10.1(a) unless and until the aggregate amount of Losses from claims indemnifiable under Section 10.1(a) exceeds one-tenth of one percent (0.01%) of the Purchase Price (the "Deductible Amount") (and, then, only to the extent of such excess). Seller's aggregate liability under Section 10.1 shall be limited in the aggregate to one percent (1.0%) of the Purchase Price, without offset for any repair, restoration or replacement costs for which Seller becomes liable under Section 7.7.

10.5 Exercise of Rights by Indemnitees. Indemnification claims of the Seller Indemnitees may be made and enforced hereunder solely by Seller on their behalf. Indemnification claims of the Purchaser Indemnitees may be made and enforced hereunder solely by Purchaser on their behalf.

10.6 No Duplication of Recovery. Any amounts payable pursuant to this Article X shall be paid without duplication (e.g. if one Purchaser Indemnitee is reimbursed for a Loss, another Purchaser Indemnitee may not be reimbursed for the same Loss), and in no event shall any Indemnitee be indemnified under different provisions of this Agreement for the same Loss if such indemnification would result in duplication of payment of such Loss. Without limiting the generality

of the foregoing, Seller shall not have any liability pursuant to this Article X in respect of any item or any Loss that has been reimbursed from insurance.

10.7 Net Losses; Subrogation; Mitigation.

(a) Notwithstanding anything contained herein to the contrary, the amount of any Losses for which an Indemnitee may be entitled to indemnification under this Article X shall be reduced to the extent of (i) any insurance proceeds that the Indemnitee or any of its Affiliates actually receives with respect to such Losses (including those from affiliated insurance companies), less any deductibles, costs, and expenses actually incurred in connection with making any claim or obtaining such insurance proceeds, and (ii) any Tax benefit that actually reduces the Taxes of the Indemnitee arising from the incurrence or payment of any such Loss (net of any Tax detriment to such Indemnitee). Each Indemnitee shall exercise commercially reasonable efforts to obtain such proceeds, benefits and recoveries. If any such proceeds, benefits or recoveries are received by an Indemnitee or any of its Affiliates with respect to any Losses after payment has been made to the Indemnitee with respect thereto, the Indemnitee shall promptly pay back, or cause its appropriate Affiliate to pay back, the amount of such proceeds, benefits or recoveries (up to the amount received by the Indemnitee with respect to such Losses, subject to the limitations herein) to the Indemnitee.

(b) Upon an Indemnitee's receipt of any indemnification payments in respect of any Losses, the Indemnitee shall, to the extent of such payment, be subrogated to all rights and claims of the Indemnitee against any Person in respect of the Losses to which such payment relates. In such a case, the Indemnitee shall execute all instruments reasonably necessary to evidence or further perfect such subrogation rights.

(c) Each party entitled to indemnification under this Article X shall use commercially reasonable efforts to mitigate Losses after becoming aware of an event that would reasonably be expected to give rise to any Losses that are indemnifiable or recoverable under this Article X.

10.8 Claims.

(a) Claim Procedure. If a Purchaser Indemnitee or a Seller Indemnitee entitled to indemnification pursuant to this Article X (the "Indemnitee") intends to make an indemnity claim under this Agreement, then the Indemnitee shall deliver to the party or parties obligated to provide indemnification pursuant to this Article X (the "Indemnitor") a written indemnity claim (i) stating that the Indemnitee has paid or suffered, or expects to pay or suffer, Losses in an aggregate amount (which may be estimated or described) and, to the extent such information is available to the Indemnitee, the individual items of Losses (which may be estimated or described) that are included in the aggregate amount and (ii) stating that the Indemnitee believes in good faith that it is entitled to indemnity from the Indemnitor pursuant to this Agreement with respect to such Losses and specifying the indemnification provisions contained in this Agreement upon which the indemnity claim is being made. Notwithstanding the foregoing, an indemnity claim that is based on a claim from a Person that is not a party hereto or an affiliate of a party hereto (a "Third Party Claim") need only include a description (and a copy of all pleadings and correspondence to or from any third party related thereto, if available) of the Third Party Claim together with a statement that the Indemnitee is entitled to indemnification with respect to such Third Party Claim and any

other information that the Indemnitee deems appropriate. Unless the Indemnitee and Indemnitor agree in writing to another process at that time, the Indemnitee shall have 30 days to object to such claim (other than a Third Party Claim), and failing to timely object and submit, shall promptly pay to the Indemnitee an amount sufficient to fully indemnify the Indemnitee from and against such Losses in accordance with this Article X.

(b) Third Party Claims.

(i) The Indemnitee shall give the Indemnitor reasonable notice of the assertion or commencement by any Person of any Third Party Claim against the Indemnitee in accordance with Section 10.8(a); provided, however, that any failure on the part of the Indemnitee to notify the Indemnitor shall not limit any of the obligations of the Indemnitor under this Agreement except to the extent that such failure actually and materially prejudices the defense of such Third Party Claim. In the event of the assertion or commencement by any Person of any Third Party Claim against an Indemnitee with respect to which the Indemnitor is, or could be determined to be, obligated to indemnify and hold harmless the Indemnitee pursuant to this Agreement, the Indemnitor shall be entitled to assume the defense of any Third Party Claim with counsel reasonably satisfactory to the Indemnitee, at the Indemnitor's sole expense; provided, however, that the Indemnitor shall not be entitled to assume or continue control of the defense of any Third Party Claim (A) to the extent that the Third Party Claim seeks an injunction or equitable relief against any Indemnitee, (B) if the interests of the Indemnitor and the Indemnitee with respect to such claim are in conflict with one another and, as a result, the Indemnitor could not adequately represent the interests of the Indemnitee in such claim, or (C) if the Indemnitor fails to give written notice that it shall assume the defense of such Third Party Claim within 30 days after receiving the Indemnitee's written indemnification claim notice pursuant to Section 10.8(a).

(ii) If the Indemnitor assumes the defense of any Third Party Claim, (A) it shall not settle, adjust or compromise or permit a default or consent to entry of any judgment in respect of the Third Party Claim without the prior written consent of the Indemnitee unless such settlement, adjustment, compromise or judgment (1) does not entail any admission of liability, criminal offense or a violation of any Legal Requirement on the part of any Indemnitor, (2) includes an unconditional full and complete written release of each Purchaser Indemnitee or Seller Indemnitee, as applicable from all Losses with respect to such Third Party Claim, and (3) involves solely monetary damages; and (B) the Indemnitor shall have the right (but not the obligation) to participate in the defense of such Third Party Claim and to employ, at its own expense, counsel separate from counsel employed by the Indemnitor.

(iii) If the Indemnitor does not or is not permitted to assume the defense of a Third Party Claim pursuant to this Section 10.8(b) and the Indemnitee does assume the defense thereof, the Indemnitee shall not settle, adjust or compromise or permit a default or consent to entry of any judgment in respect of any Third Party Claim if the Indemnitor shall have any obligation as a result of such settlement (whether monetary or otherwise) unless such settlement, adjustment, compromise, or judgment is consented to in writing by the Indemnitor, such consent not to be unreasonably withheld, conditioned, or delayed. All reasonable

attorneys' fees and other costs and expenses relating to the defense by the Indemnitee shall be included in Losses if the Indemnitee is, or is determined to be, entitled to indemnification pursuant to this Agreement.

(iv) Each party shall cooperate, and cause their respective representatives and Affiliates to cooperate, in the defense or prosecution of any Third Party Claim. Without limiting the generality of the foregoing, if the Indemnitee assumes the defense of a Third Party Claim in accordance with this Section 10.9(b), the Indemnitor shall make available to the Indemnitee any documents and materials in its possession or control that may be necessary to the defense, negotiation or settlement of such Third Party Claim. Without limiting the generality of the foregoing, if the Indemnitor assumes the defense of a Third Party Claim in accordance with this Section 10.8(b), the Indemnitee shall make available to the Indemnitor any documents and materials in its possession or control that may be necessary to the defense, negotiation or settlement of such Third Party Claim. Any consent to be given by the Purchaser Indemnitees under this Section 10.8(b) shall be given by Purchaser acting on behalf of the Purchaser Indemnitees and any consent to be given by the Seller Indemnitees under this Section 10.8 shall be given by Seller acting for and on behalf of the Seller Indemnitees.

(c) With respect to a Third Party Claim under this Section 10.8, after (i) any final decision, judgment, or award shall have been rendered by a Governmental Entity of competent jurisdiction and the expiration of the time in which to appeal therefrom, (ii) a settlement shall have been consummated, or (iii) the Indemnitee and the Indemnitor shall have arrived at a mutually binding agreement: (A) if the Indemnitee is a Seller Indemnitee, the Seller Indemnitee shall forward to Purchaser notice of any sums due and owing by it in accordance with this Agreement with respect to such matter and Purchaser shall pay all of such remaining sums so due and owing to the Seller Indemnitee in accordance with this Article VI and (B) if the Indemnitee is a Purchaser Indemnitee, the Purchaser Indemnitee shall forward to Seller notice of any sums due and owing by it in accordance with this Agreement with respect to such matter and Seller shall pay all of such remaining sums so due and owing to the Purchaser Indemnitee in accordance with this Article X.

10.9 Exclusive Remedy. From and after Closing, the sole and exclusive remedy with respect to any and all claims (whether such claim is framed in tort, contract or otherwise, but other than claims arising from intentional fraud on the part of a party in connection with the transactions contemplated by this Agreement) for any breach of any representation, warranty, covenant, agreement, or obligation set forth herein or otherwise relating to the transactions contemplated hereby, shall be pursuant to the indemnification provisions set forth in this Article X. In furtherance of the foregoing, except in connection with intentional fraud on the part of a party in connection with the transactions contemplated by this Agreement, each party hereby waives, to the fullest extent permitted under Legal Requirements, any and all rights, claims, and causes of action for any breach of any representation, warranty, covenant, agreement, or obligation set forth herein or otherwise relating to the Transactions contemplated by this Agreement it may have against the other party and its Affiliates and each of their respective representatives arising under or based upon any Legal Requirement or in equity, except pursuant to the indemnification provisions set forth in this Article X.

10.10 No Waiver Relating to Claims for Intentional Fraud. Notwithstanding any provision of this Agreement to the contrary, the liability of any party hereto under this Article X will be in

addition to, and not exclusive of, any other liability that such party may have at law or equity based on such party's intentional fraud in connection with the transactions contemplated by this Agreement. No provision set forth in this Agreement, including any other provision of this Article X, will be deemed a waiver by any party to this Agreement of any right or remedy which such party may have at law or equity based on any other party's intentional fraud in connection with the Transactions, nor will any such provisions limit, or be deemed to limit, (a) the amounts of recovery sought or awarded in any such claim for intentional fraud; (b) the time period during which a claim for intentional fraud may be brought; or (c) the recourse that any such party may seek against another party with respect to a claim for intentional fraud in connection with the transactions contemplated by this Agreement; provided, however, that with respect to such rights and remedies at law or equity, the parties further acknowledge and agree that none of the provisions of this Section 10.11 will be deemed a waiver of any defenses that may be available in respect of actions or claims for intentional fraud, including defenses of statutes of limitations or limitations of damages.

ARTICLE XI
Miscellaneous

11.1 Definitions. For purposes hereof, the following terms, when used herein with initial capital letters, shall have the respective meanings set forth herein:

"Administrative Services Agreement" shall have the meaning set forth in Section 2.2(a)(iv).

"Affiliates" means, with respect to any specified Person, any other Person that directly, or indirectly through one (1) or more intermediaries, controls, is controlled by, or is under common control with such Person. For purposes of this definition, "control" as applied to any person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract, or otherwise.

"Agreed Allocation Schedule" shall have the meaning set forth in Section 3.4.

"Agreement Regarding Leased Location by Tenant" shall have the meaning set forth in Section 2.2(a)(vi).

"Ancillary Agreements" means the Bill of Sale, the Assignment and Assumption of Lease, the Management Agreement, the Administrative Services Agreement, the Franchise Agreement, the Agreement Regarding Leased Location, the Development Agreement and each other agreement, instrument and document executed and delivered by the parties in connection with the transactions contemplated by this Agreement.

"Assignment and Assumption of Lease" shall have the meaning set forth in Section 2.2(a)(ii).

"Assumed Contracts" shall have the meaning set forth in Section 1.2(c).

"Bill of Sale" shall have the meaning set forth in Section 2.2(a)(i).

"Cash Purchase Price" means an amount in U.S. dollars equal to (a) the Closing Date Payment, plus or minus (b) the adjustments to the Purchase Price for adjustments and prorations

pursuant to Section 3.2(a), as finally determined in the Final Adjustment Statement, plus (c) the adjustment to the Purchase Price for the value of the unopened Inventory determined in accordance with Section 3.2(b), as finally determined in the Final Adjustment Statement.

"Closing" shall have the meaning set forth in Section 2.1.

"Closing Date Payment" means an amount in U.S. Dollars equal to [_____], as calculated and set forth in Schedule 3.1.

"Code" means the United States Internal Revenue Code of 1986, as amended, and all rules and regulations promulgated thereunder.

"Cure Period" shall have the meaning set forth in Section 9.1(a)(ii).

"Decline Date" shall have the meaning set forth in Section 3.3(g)(i).

"Deductible Amount" shall have the meaning set forth in Section 10.4.

"Development Agreement" shall have the meaning set forth in Section 2.2(a)(vii).

"Disputed Items" shall have the meaning set forth in Section 3.3(g)(i).

"Dispute Notice" shall have the meaning set forth in Section 3.3(f).

"Draft Allocation Schedule" shall have the meaning set forth in Section 3.4.

"Earnest Money" shall have the meaning set forth in Section 3.1.

"Escrow Agent" shall have the meaning set forth in Section 3.1.

"Effective Time" shall have the meaning set forth in Section 2.1.

"Expiration Date" shall have the meaning set forth in Section 10.3.

"Final Adjustment Statement" shall have the meaning set forth in Section 3.3(g)(iii).

"Franchise Agreement" shall have the meaning set forth in Section 2.2(a)(v).

"GAAP" means generally accepted accounting principles consistently applied.

"Government Consents" shall have the meaning set forth in Section 8.1(g).

"Governmental Entity" means any governmental department, commission, board, bureau, agency, court, arbitrator or other instrumentality of the United States or any state, county, parish, municipality, jurisdiction, or other political subdivision thereof.

"Indemnitee" shall have the meaning set forth in Section 10.8(a).

"Independent Accounting Firm" shall have the meaning set forth in Section 3.3(g)(i).

"Intellectual Property" means any and all domestic and foreign: (a) Internet domain names and rights associated with such domain names; (b) issued patents, pending patent applications (including provisional, continuation, continuation-in-part and divisional applications), and unfiled patent applications; (c) trademarks, trademark registrations, pending trademark registration applications, trade dress, copyrights, copyright registrations, pending copyright registration applications, logos, business and product names, and other trade names and slogans; (d) moral rights; (e) unpatented inventions, specifications, processes, formulae, recipes, manuals, trade secrets, proprietary technical information or know-how, industrial models, manufacturing, engineering and technical drawings and product specifications; (f) intellectual property rights similar to the foregoing; and (g) copies and tangible embodiments thereof (in whatever form or medium, including electronic media).

"Inventory" shall have the meaning set forth in Section 1.2(d).

"Legal Requirements" or "Legal Requirement" means all applicable federal, state, local, municipal or foreign laws, ordinances, principles of common law, codes, regulations, rules, statutes, directives, Orders and writs of any Governmental Entity or any similar provisions having the force and effect of law.

"Liability" means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise and whether or not the same is required to be accrued on the financial statements of such Person.

"Lien" means any charge, claim, community property interest, condition, equitable interest, lien, option, pledge, security interest, mortgage, right of way, easement, encroachment, servitude, right of first option, right of first refusal or similar restriction.

"Loss" or "Losses" means all debts, liabilities, damages, obligations, claims, interest (including prejudgment interest), penalties, fines, costs, fees and expenses (including reasonable legal fees and expenses and court costs) that directly and naturally arise from or relate to, and are the probable and reasonably foreseeable result of, the breach of this Agreement; provided, however, that in no event shall Losses include any amounts in respect of punitive damages (except for punitive damages actually paid in connection with a Third Party Claim).

"Major Equipment Component" shall have the meaning set forth in Section 7.7.

"Management Agreement" shall have the meaning set forth in Section 2.2(a)(iii).

"Orders" means all decrees, judgments, injunctions, rulings or other orders of a Governmental Entity having competent jurisdiction.

"Permits" shall have the meaning set forth in Section 1.2(f).

"Permitted Liens" mean any (a) Lien for Taxes not yet due and payable or being contested in good faith by appropriate procedures; (b) statutory Liens of landlords and mechanics', carriers', workmen's, repairmen's or other like Liens arising or incurred in the ordinary course of business; (c) easements, rights of way, zoning ordinances and other similar Liens affecting real property;

(d) other than with respect to owned real property, Liens arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the ordinary course of business; and (e) other Liens, if any, that would not reasonably be expected to materially adversely affect the business of the Restaurants as currently conducted.

"Person" means an individual, partnership, corporation, business trust, limited liability company, limited liability partnership, joint stock company, trust, unincorporated association, joint venture or other entity, or a Governmental Entity.

"Petty Cash" shall have the meaning set forth in Section 3.3(c).

"Purchaser Indemnitees" shall have the meaning set forth in Section 10.1.

"Proceeding" means any action, arbitration, audit, hearing, investigation, litigation, or suit (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, whether public or private) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Entity.

"Proposed Adjustment Statement" shall have the meaning set forth in Section 3.3(d).

"Restaurant Employees" shall have the meaning set forth in Article VI.

"Seller Indemnitees" shall have the meaning set forth in Section 10.2.

"Seller's Knowledge" (and any derivation thereof, whether capitalized or not) means the current, actual knowledge and awareness (and shall not include any deemed or constructive knowledge or awareness) of the President, Vice President of Finance and the Vice President of Business Development of Seller.

"Settlement Firm" shall have the meaning set forth in Section 3.3(g)(i).

"Tax" or "Taxes" means any income, corporation, gross receipts, profits, gains, capital stock, capital duty, franchise, gross margin, withholding, social security, unemployment, disability, property, wealth, welfare, stamp, excise, occupation, transfer, documentary, sales, use, value added, stamp, registration, alternative minimum, estimated or other similar tax (including any fee, assessment or other charge in the nature of or in lieu of any tax) imposed by any Governmental Entity, and any interest, penalties, additions to tax or additional amounts in respect of the foregoing, and including any transferee or secondary liability in respect of any tax (whether imposed by law, contractual agreement or otherwise).

"Tax Returns" means returns, declarations, reports, claims for refund, information returns or other documents (including any related or supporting schedules, statements or information) filed or required to be filed by any party in connection with the determination, assessment or collection of Taxes or the administration of any laws, regulations or administrative requirements relating to any Taxes.

"Terminated Employees" shall have the meaning set forth in Article VI.

"Third Party Claim" shall have the meaning set forth in Section 10.8(a).

"Transfer Taxes" shall have the meaning set forth in Section 7.6.

"Transferred Employees" shall have the meaning set forth in Article VI.

"WARN" shall mean the Worker Adjustment and Retraining Notification Act in effect as of the Effective Date and any amendments thereto.

11.2 Expenses. Except as otherwise expressly provided in this Agreement, each of the parties hereto will pay its respective fees and expenses incurred by it or on its behalf in connection with the transactions contemplated by this Agreement, whether or not such transactions are consummated.

11.3 Binding Effect; Assignment. No party to this Agreement may assign its rights or obligations hereunder, by operation of law or otherwise, without the prior written consent of the other party hereto. Subject to the foregoing, this Agreement shall inure to the benefit of and shall be binding upon the parties hereto, and their respective heirs, executors, successors and permitted assigns of such parties. No assignment shall limit the assignor's obligations hereunder.

11.4 Amendment. This Agreement may be amended, supplemented or otherwise modified only by an instrument in writing signed by Seller and Purchaser.

11.5 Notices. All notices, communications and deliveries hereunder shall be made in writing signed by or on behalf of the party making the same, shall specify the Section hereunder pursuant to which it is given or being made, and shall be delivered personally or by electronic transmission or sent by registered or certified mail (return receipt requested) or by any national overnight courier service (with postage and other fees prepaid) as follows:

If to Purchaser:	If to Seller:
[_____]	La Madeleine of [_____], LLC
[_____]	12201 Merit Drive, Suite 900
[_____]	Dallas, Texas 75251
Attention:	Attention: Legal Department
Email:	Email:legalnotices@lamadeleine.com

or to such other address or to such other person or persons designated in writing by such party or counsel, as the case may be. Any such notice, communication or delivery shall be deemed given or made (a) on the date of delivery if delivered in person, (b) on the first business day after delivery to a national overnight courier service, (c) upon transmission by electronic mail if receipt is confirmed by telephone or (d) on the fifth business day after it is mailed by registered or certified mail.

11.6 Entire Understanding. This Agreement (including the exhibits), together with the Ancillary Agreements, represents the entire agreement and understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior understandings, agreements (including the Letter of Intent between Purchaser and La Madeleine Franchising Company, Inc. dated [_____], as amended), negotiations, representations, undertakings, correspondence, memoranda, conversations or other communications with respect thereto, whether oral or written, with respect to the subject matter of this Agreement and the Ancillary Agreements.

11.7 Counterparts; Electronic Signatures.

(a) This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument, and, when signed by all of the parties hereto, shall become legally binding on such parties effective as of the date set forth at the beginning of this Agreement.

(b) The exchange of copies of this Agreement or of any other document contemplated by this Agreement (including any amendment or any other change thereto) and of signature pages thereof by electronic mail in "portable document format" (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by a combination of such means, shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of an original Agreement or other document for all purposes. Signatures of the parties transmitted by electronic mail in .pdf form or by any other electronic means referenced in the preceding sentence, or by any combination thereof, shall be deemed to be original signatures for all purposes.

11.8 Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of Texas, without giving effect to any choice or conflict of laws principle or rule that would require the application of any other Legal Requirements other than those of the State of Texas.

11.9 Jurisdiction; Service of Process. Any Proceeding arising out of or relating to this Agreement or any transaction contemplated by this Agreement may be brought in the courts of the State of Texas, County of Dallas, or, if it has or can acquire jurisdiction, in the United States District Court for the Northern District of Texas, and each of the parties irrevocably submits to the exclusive jurisdiction of each such court in any such Proceeding, waives any objection it may now or hereafter have to venue or to convenience of forum, agrees that all claims in respect of the Proceeding shall be heard and determined only in any such court, and agrees not to bring any Proceeding arising out of or relating to this Agreement or any transaction contemplated hereby in any other court. The parties agree that either or both of them may file a copy of this section with any court as written evidence of the knowing, voluntary and bargained agreement between the parties irrevocably to waive any objections to venue or to convenience of forum. Process in any Proceeding referred to in the first sentence of this Section may be served on any party anywhere in the world.

11.10 **WAIVER OF JURY TRIAL**. THE PARTIES EACH HEREBY IRREVOCABLY WAIVE THEIR RIGHTS TO A JURY TRIAL IN ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE ANCILLARY AGREEMENTS OR THE TRANSACTIONS HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) EACH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS, AGREEMENTS AND CERTIFICATIONS IN THIS SECTION 11.10.

11.11 Enforcement of Agreement. Each party acknowledges and agrees that the other parties would be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms and that any violation or breach of this Agreement by it could not be adequately compensated in all cases by monetary damages alone. Accordingly, in addition to any other right or remedy to which the other party may be entitled, at law or in equity, it shall be entitled to enforce any provision of this Agreement by a decree of specific performance and to temporary, preliminary and permanent injunctive relief to prevent any violations or breaches or threatened violations or breaches of any of the provisions of this Agreement, without posting any bond or other undertaking.

11.12 Waiver. Neither any failure nor any delay by any party in exercising any right, power, or privilege under this Agreement or any of the documents referred to in this Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. To the maximum extent permitted by Legal Requirements, (i) no claim or right arising out of this Agreement or any of the documents referred to in this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (ii) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (iii) no notice to or demand on one party will be deemed to be a waiver of any obligation of that party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement or the documents referred to in this Agreement.

11.13 Confidentiality. Subject to the provisions of section 11.14 herein below, Purchaser covenants and agrees that it will maintain strict confidentiality with respect to this Agreement and the terms thereof; provided, however, Purchaser may make such disclosures to its lenders, attorneys, accountants and other consultants to the extent such is necessary to negotiate and enter into this Agreement. Purchaser shall indemnify, protect, defend and hold Seller and Seller's officers, directors and employees harmless from and against any and all damages, actions, liabilities, costs and expenses arising from or attributable to a breach by Purchaser of this section. In addition, Purchaser acknowledges that its breach of this section shall cause Seller irreparable harm and shall be a default of this Agreement without notice or opportunity to cure and Seller shall have the right to pursue any and all remedies available to it under this Agreement, in equity or at law. The terms and provisions contained in this paragraph shall survive the termination of this Agreement.

11.14 Public Announcements. Subject to Legal Requirements, in each case as determined by Seller, any filing, public announcement, press release or similar publicity with respect to this Agreement or the transactions contemplated by this Agreement will be issued, if at all, only at such time and in such manner as Seller shall reasonably determine; provided, that, subject to such Legal Requirements, Seller shall provide Purchaser a draft of any press release prior to its release and shall provide Purchaser a reasonable opportunity to comment thereon. Seller and Purchaser will consult and agree with each other concerning the means by which Seller's or any of its Affiliates' employees and Seller's customers, suppliers and others having dealings with Seller will be informed of the transactions contemplated by this Agreement, and Purchaser shall have the right to be present for any such communication.

11.15 No Third Party Beneficiaries. Except as provided in Article XI, nothing in this Agreement is intended to confer, and shall not confer, any rights or remedies, whether express or implied, on any Persons other than the parties hereto and their successors and permitted assigns.

11.16 Interpretation and Construction.

(a) Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular. The words "hereof," "herein," "hereunder," and similar terms in this Agreement refer to this Agreement as a whole, including exhibits and schedules hereto, and not to any particular provision of this Agreement. When a reference is made in this Agreement to Articles, Exhibits, Sections, or Schedules, such reference shall be to an Article, Exhibit, Section, or Schedule to this Agreement unless otherwise indicated. The words "include," "includes," and "including" shall be deemed in each case to be followed by the words "without limitation." Pronouns in the masculine, feminine, and neuter genders shall be construed to include any other gender, and words in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

(b) Except as otherwise provided in this Agreement, all payments pursuant hereto shall be made by wire transfer in United States Dollars in immediately available funds without any set-off, deduction, or counterclaim whatsoever.

(c) The parties hereto have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party because of the authorship of any provision of this Agreement.

(d) Notwithstanding anything contained in this Agreement to the contrary, except as otherwise expressly provided in this Agreement, no amount shall be (or is intended to be) included, in whole or in part (either as an increase or a reduction), more than once in the calculation of (including any component of) the components of Purchase Price, Cash Purchase Price, Closing Date Payment or any other calculated amount pursuant to this Agreement if the effect of such additional inclusion (either as an increase or a reduction) would be to cause such amount to be given duplicative effect.

11.17 Severability. If any term or provision of this Agreement is held invalid, illegal or unenforceable by any court of competent jurisdiction, the other terms and provisions of this Agreement will remain in full force and effect so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to any party. Any provision of this Agreement held invalid, illegal or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid, illegal or unenforceable. Upon a determination that any term or other provision is invalid, illegal or unenforceable, Purchaser and Seller shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated by this Agreement are consummated as originally contemplated to the greatest extent possible.

11.18 No Director or Affiliate Liability. This Agreement may only be enforced against, and any Proceeding based upon, arising out of, or related to this Agreement, or the negotiation, execution or performance of this Agreement, may only be brought against the parties hereto and then only with respect to the specific obligations set forth in this Agreement with respect to such party. No past, present or future director, officer, employee, incorporator, manager, member, partner, stockholder, agent, attorney, Affiliate or other representative of any party hereto, or any of their successors or permitted assigns, shall have any liability for any obligations or liabilities of any party under this Agreement or for any claim or Proceeding based on, in respect of, or by reason of the transactions contemplated by this Agreement.

11.19 Time. Time is of the essence in each and every provision of this Agreement and the Ancillary Agreements.

Signature page follows

IN WITNESS WHEREOF, the parties have executed or caused to be executed this Agreement effective as of the day and year first above written.

PURCHASER:

[_____]

By: _____
Name: _____
Title: _____

SELLER:

La Madeleine of [_____], LLC

By: _____
Name: _____
Title: _____

EXHIBIT A TO ASSET PURCHASE AGREEMENT

ADDRESSES OF PREMISES

[FOLLOWS THIS COVER PAGE]

EXHIBIT B TO ASSET PURCHASE AGREEMENT

BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT

[FOLLOWS THIS COVER PAGE]

EXHIBIT C TO ASSET PURCHASE AGREEMENT

ASSIGNMENT AND ASSUMPTION OF LEASE

[FOLLOWS THIS COVER PAGE]

EXHIBIT D TO ASSET PURCHASE AGREEMENT

MANAGEMENT AGREEMENT

(Optional if Purchaser has not obtained alcohol licenses at Closing)

[FOLLOWS THIS COVER PAGE]

EXHIBIT E TO ASSET PURCHASE AGREEMENT

ADMINISTRATIVE SERVICES AGREEMENT

[FOLLOWS THIS COVER PAGE]

EXHIBIT F TO ASSET PURCHASE AGREEMENT

FRANCHISE AGREEMENT

[FOLLOWS THIS COVER PAGE]

EXHIBIT F-1 TO ASSET PURCHASE AGREEMENT

ADDENDUM TO FRANCHISE AGREEMENT FOR REFRANCHISING PROGRAM

THIS ADDENDUM to Franchise Agreement (the "Addendum") is executed contemporaneously with the LA MADELEINE® FRENCH BAKERY & CAFÉ Franchise Agreement between LA MADELEINE FRANCHISING COMPANY, INC. ("Franchisor") and _____ ("Franchisee") for the Bakery & Café located at _____ (the "Acquired Premises").

BACKGROUND

Franchisee is purchasing the assets of one or more company-owned LA MADELEINE® FRENCH BAKERY & CAFÉ outlets from an affiliate of Franchisor pursuant to a Letter of Intent dated _____ (the "LOI") and an Asset Purchase Agreement dated _____ (the "Purchase Agreement"). As a condition of closing the transaction, Franchisee is signing Franchisor's standard form of Franchise Agreement for each acquired Bakery & Café and a Development Agreement in which Franchisee commits to open additional Bakery & Cafés. Because some of the terms of the standard Franchise Agreement are not appropriate for a business that is already open and operating, Franchisor and Franchisee are also signing this addendum to the Franchise Agreement for each acquired Bakery & Café to revise the relevant terms.

AGREEMENT

In recognition that the Bakery & Café at the Premises is already in operation, Franchisor and Franchisee agree to modify the Franchise Agreement as provided in this Addendum. Capitalized terms used but not otherwise defined in this Addendum have the same meaning as in the Franchise Agreement.

1. **Definitions.** Sections 1.4 and 1.9 of the Franchise Agreement are deleted and replaced with the following:

   > 1.4. "Development Agreement" means the LA MADELEINE® Development Agreement signed concurrently with this Agreement at the closing of the transactions contemplated by the Purchase Agreement.
   >
   > 1.9. "Premises" means the location of the Acquired Store identified in this Addendum to Franchise Agreement.

2. **Initial Term**. Section 3.1 of the Franchise Agreement is deleted and replaced with the following:

   > 3.1. Initial Term. The initial term of this Agreement (the "Agreement Term") begins on the date of the closing of the transactions contemplated by the Purchase Agreement (the "Commencement Date") and will expire on the earlier of: (a) ten (10) years from the date of the Commencement Date; or (b) the end of the lease term in effect for the Acquired Store as of the Commencement Date.

3. **Plans and Specifications**. Section 5.1 of the Franchise Agreement is deleted and replaced with the following:

   > 5.1. Plans and Specifications. As between Franchisee and Franchisor, Franchisor's building design, including both exterior and interior colors,

paint, look and appearance, carpet, and any and all interior and exterior design elements and the like, are owned by Franchisor, and are proprietary and confidential in nature. Franchisor has incurred significant expense to prepare and create such trade dress, and any unauthorized use of same, without the consent of Franchisor, shall be prohibited.

4. **Opening Supervision**. With respect to the Premises and any new Bakery & Cafés developed by Franchisee in the same market as the Acquired Store, Section 5.4 of the Franchise Agreement is or will be deleted in its entirety. However, if the Development Area defined in the Development Agreement is an area in which Franchisee does not operate and will not acquire Bakery & Cafés under the Purchase Agreement, Section 5.4 of the Franchise Agreement will apply to the first and second new Bakery & Cafés developed by Franchisee in the Development Area.

5. **Franchise Fee**. Section 5.1 of the Franchise Agreement is deleted and replaced with the following:

> 6.1. Franchise Fee. We acknowledge that the purchase price for the assets acquired under the Asset Purchase Agreement included payment of the Initial Franchise Fee of Forty Thousand Dollars ($40,000) for the rights granted herein. The Initial Franchise Fee is non-refundable.

6. **Royalty**. Notwithstanding Section 6.2 of the Franchise Agreement, the royalty rate for the Acquired Store will be ____ percent (__%) of Gross Sales for the period from the Closing until _____. At that time, the royalty rate will revert to the standard rate of 5% of Gross Sales provided in Section 5.2. *[See Schedule 1 for list of Bakery & Cafés and related royalty percentages that will be applied]*

7. **Constructing and Opening the Bakery & Café**. Article 7 of the Franchise Agreement is deleted in its entirety. However, Franchisee undertakes the remodeling commitment in Paragraph 12 below.

8. **Training**. Section 8.1 of the Franchise Agreement is deleted and replaced with the following:

> 8.1. Initial Training.
>
> 8.1.1. If we determine that initial training is needed, we will schedule it within 30 days after you begin to operate the Acquired Store. The program is offered only in English. The instructional materials may include handouts, the Manual, quizzes, and checklists, as well as online learning materials. There is no training fee for the Lead Operator, general manager, and three assistant managers. You may send additional individuals to training on a space-available basis, but we may charge a training fee for additional trainees and/or for any individuals we require to re-take training due to failure of our certification program. The current fee for this additional training is $300 per day per trainer, plus expenses (transportation, lodging and meals). You must also bear all expenses of your trainees associated with training, including travel, lodging, and meals.
>
> 8.1.2. After the initial training we provide for the Acquired Store (and any other Bakery & Cafés you acquire in the same transaction), training will be your responsibility. You can fulfill this obligation by paying us to train your managers at one of our certified training cafés, or you can train them in one of your Bakery & Cafés that has been approved as a certified training café. Assuming that you train these individuals, you must confirm to us in writing that you have trained these individuals, except for

any persons who have previously completed our certified training program to our satisfaction. You must conduct management training at a Bakery & Café that we have certified to administer our training program. The content and administration of your training program must adhere to the standards of our certified training program. We may, from time to time, perform brand audits to ensure that your management team is adhering to the standards. The content and administration of your training program must be at least equal to those of our training program and must be approved in advance by us. We will provide you with materials and, to the extent we deem it necessary or appropriate, assistance in designing and developing your training program. We have the right to review your training program periodically to ensure its quality and to verify that general managers and assistant managers are being trained in a timely and satisfactory manner. We will notify you of any deficiencies in the training program. You must promptly cure the deficiencies. If you fail to cure the deficiencies within a reasonable time, we may require all Bakery & Café general managers and assistant managers to attend training conducted by us at your expense (including payment of reasonable training fees), until such time as the deficiencies in your program have been corrected to our satisfaction.

9. **Customer Data**. For greater certainty, the parties confirm that the term "Customer Data" in Section 13.6 of the Franchise Agreement includes any and all data transferred to Franchisee under the Purchase Agreement or otherwise obtained by Franchisee by virtue of Franchisee's purchase of the Acquired Store.

10. **Grand Opening**. Section 14.7 of the Franchise Agreement is deleted in its entirety.

    14.7. Reserved.

11. **Opening Date Letter**. Exhibit E to the Franchise Agreement is deleted in its entirety.

12. **Remodel Requirement**. As a condition of purchasing the Acquired Store, Franchisee agrees to remodel the Acquired Store to Franchisor's specifications and in accordance with Exhibit C to the LOI. Franchisee agrees to complete the remodeling by _____(insert date). Franchisee acknowledges that the estimated cost of remodeling a Bakery & Café is approximately $200,000, depending on the specific location, and agrees to spend at least that amount for remodeling the Acquired Store if required. *(See Schedule 2 for list of Bakery & Cafés that require remodeling)*

13. In the event of any conflict between the Franchise Agreement and this Addendum, the terms of this Addendum will control.

LA MADELEINE FRANCHISING COMPANY, INC. **FRANCHISEE**

By: _____ By:_____

Print Name: _____ Print Name: _____

Title: _____ Title: _____

EXHIBIT G TO ASSET PURCHASE AGREEMENT

AGREEMENT REGARDING LEASED LOCATION BY TENANT

[FOLLOWS THIS COVER PAGE]

EXHIBIT H TO ASSET PURCHASE AGREEMENT

DEVELOPMENT AGREEMENT

[FOLLOWS THIS COVER PAGE]

SCHEDULE 1.1

PERMITTED LIENS

1. Contractual and statutory Liens of landlords applicable to the Acquired Assets.

SCHEDULE 1.2(b)

ASSUMED CONTRACTS

[FOLLOWS THIS COVER PAGE]

SCHEDULE 1.2(f)

PERMITS/LICENSES

None.

SCHEDULE 1.2(h)

SECURITY DEPOSITS AND PREPAID ITEMS

[FOLLOWS THIS COVER PAGE]

SCHEDULE 1.3

OTHER EXCLUDED ASSETS

None.

.

SCHEDULE 1.4

OTHER ASSUMED LIABILITIES

None.

SCHEDULE 3.1

CALCULATION OF CLOSING DATE PAYMENT

[FOLLOWS THIS COVER PAGE]

SCHEDULE 4.2

CONTRACTS REQUIRING CONSENTS AND NOTICES

1. Consent of applicable landlords and lessors to the assignment of Leases shown on attached Schedule 1.2(b).

SCHEDULE 4.6

SELLER'S PROCEEDINGS

None.

SCHEDULE 5.3

PURCHASER'S PROCEEDINGS

(To be completed by Purchaser)

SCHEDULE 7.7

MAJOR EQUIPMENT COMPONENTS

Major components of the roof top HVAC equipment: the Condensing Coil(s), the Evaporator Coil(s), the Compressor(s), the Heat Exchanger and the Indoor Air Blower of the air conditioning and heating units.

Major components of the walk-in cooler and freezer: the Compressor, the Condensing Coil, and the Evaporator coil.

SCHEDULE 8.1(f)

GOVERNMENT CONSENTS

None.

EXHIBIT E TO THE FRANCHISE DISCLOSURE DOCUMENT

Table of Contents of Operations & Training Manuals

Operations Manual

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1628271859.2

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EXHIBIT F TO THE FRANCHISE DISCLOSURE DOCUMENT

Sample Form of Release

GENERAL RELEASE

THIS GENERAL RELEASE ("Release") is executed on _____ by _____ ("Franchisee") and _____ (collectively, "Guarantors") as a condition of the (1) transfer of the la Madeleine Bakery & Café Development Agreement dated _____ _____ ("Development Agreement") between Franchisee and La Madeleine Franchising Company, Inc. ("Franchisor"); (2) transfer of the la Madeleine Bakery & Café Franchise Agreement dated _____ ("Franchise Agreement") between Franchisee and Franchisor; or (3) execution of a Successor Franchise Agreement by Franchisee and Franchisor.

1. **Release by Franchisee and Guarantors**. Franchisee (if Franchisee is an entity, on behalf of itself and its parent, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities and, if Franchisee is an individual, on behalf of himself/herself and his/her heirs, representatives, successors and assigns) (collectively, "Releasors") and Guarantors hereby release and forever discharge Franchisor, its predecessors, parents, subsidiaries, and affiliates and their respective officers, directors, shareholders, employees, successors, and assigns, past and present, from any claims, debts, liabilities, demands, obligations, actions, and causes of action, known or unknown, vested or contingent, which any of them may have ever had, now has, or may hereafter have by reason of any event, transaction, or circumstance arising out of or relating to the Franchise Agreement, the Development Agreement or the relationship of the parties thereto (collectively, "Claims") unless prohibited by applicable law, but excluding claims based on any representation made by Franchisor in the most recent Franchise Disclosure Document (including its exhibits and amendments) that Franchisor delivered to Franchisee or its representative in connection with the offer and sale of the Franchise Agreement or Development Agreement.

[For California franchisees, add: Each of the Releasors and Guarantors expressly waive and relinquish all rights and benefits which they may now have or in the future have under and by virtue of California Civil Code Section 1542. The Releasors and Guarantors do so understanding the significance and consequence of such specific waiver. Section 1542 provides that "[a] general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party." For the purpose of implementing a general release and discharge as described herein, the Releasors and Guarantors expressly acknowledge that this agreement is intended to include in its effect, without limitation, all claims which the Releasors and Guarantors do not know or suspect to exist in their favor at the time of execution hereof, and that this agreement contemplates the extinguishment of any such claims.]

2. **Risk of Changed Facts**. Franchisee and Guarantors understand that the facts in respect of which the release in Section 1 is given may turn out to be different from the facts now known or believed by them to be true. Franchisee and Guarantors hereby accept and assume the risk of the facts turning out to be different and agree

that the release in Section 1 shall nevertheless be effective in all respects and not subject to termination or rescission by virtue of any such difference in facts.

3. **No Prior Assignment**. Franchisee and Guarantors represent and warrant that they are the sole owners of all Claims and rights released in Section 1 and that they have not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim released under Section 1.

4. **Covenant Not to Sue**. Franchisee and Guarantors (on behalf of Releasors) covenant 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 person or entity released under Section 1 with respect to any Claim released under Section 1**.**

5. **Complete Defense.** Franchisee and Guarantors: (a) acknowledge that the release in Section 1 shall be a complete defense to any Claim released under Section 1; and (b) consent to the entry of a temporary or permanent injunction to prevent or end the assertion of any such Claim.

6. **Successors and Assigns.** This Release will inure to the benefit of and bind the successors, assigns, heirs and personal representatives of Franchisor, Releasors and Guarantors.

7. **Capitalized Terms.** Any capitalized terms that are not defined in this Release shall have the meaning given them in the Development Agreement or the Franchise Agreement, as the context requires.

8. **Washington Franchisees.** If the la Madeleine Bakery & Café is located in Washington, or Franchisee is a resident of Washington, then the following shall apply:

   This release does not apply to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100 and the rules adopted thereunder.

IN WITNESS WHEREOF, Franchisee and Guarantors have executed this Release as of the date shown above.

ATTEST:

By:_____

FRANCHISEE:

By:_____

Print Name:_____

Print Name:_____

Title:_____

Date:_____

WITNESS:

By:_____
Print Name:_____

GUARANTOR:

By:_____
Print Name:_____
Date:

EXHIBIT G TO THE FRANCHISE DISCLOSURE DOCUMENT

Franchisees as of December 30, 2025

EXHIBIT G TO FRANCHISE DISCLOSURE DOCUMENT

FRANCHISED OUTLETS AS OF DECEMBER 31, 2025

Outlet Address	Franchisee	Contact
ARIZONA (1)		
Phoenix Sky Harbor International Airport* 3400 East Sky Harbor Boulevard Phoenix, AZ 85034	Grand Isle Yogurt, Inc. 1947 East Marilyn Road Phoenix, AZ 85022	Sonya M. Anderson 602-549-7775
FLORIDA (1)		
Orlando International Airport* 1 Airport Boulevard Terminal A Orlando, FL 32827	HMS Host 6905 Rockledge Drive Bethesda, MD 20817	Frank Sicklesmith 240-694-4100
GEORGIA (6)		
Atlanta Airport (Kiosk)* 6000 North Terminal Parkway Terminal C, Gate 7 Atlanta, GA 30320	HMS Host 6905 Rockledge Drive Bethesda, MD 20817	Frank Sicklesmith 240-694-4100
Atlanta Airport (Kiosk)* 6000 North Terminal Parkway Terminal C, Gate 40 Atlanta, GA 30320	HMS Host 6905 Rockledge Drive Bethesda, MD 20817	Frank Sicklesmith 240-694-4100
1795 Mall of Georgia Buford, GA 30519	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
1165 Perimeter Center West Suite 330 Atlanta, GA 30338	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
2255 Pleasant Hill Road Suite 480 Duluth, GA 30096	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
4101 Roswell Road Suite 812 Marietta, GA 30062	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
LOUISIANA (7)		
7615 Jefferson Highway Baton Rouge, LA 70809	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
7707 Bluebonnet Boulevard Suite 190 East Baton Rouge, LA 70810	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
2207-I Kaliste Saloom Road Lafayette, LA 70508	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
3434 Highway 190 Mandeville, LA 70471	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750

Outlet Address	Franchisee	Contact
3300 Severn Avenue Suite 201 Metairie, LA 70002	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
601 South Carrollton Avenue New Orleans, LA 70118	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
5171 Citrus Boulevard Suite 2000 Harahan, LA 70123	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
NORTH CAROLINA (1)		
Charlotte Airport* Concourse E, Gates 25-27 5501 RC John Birmingham Parkway Charlotte, NC 28208	Ewing Dunn, Inc. 5501 RC Birmingham Parkway Charlotte, NC 28208	Sandy Dunn 704-359-4610
OKLAHOMA (2)		
1924 24th Avenue Northwest Norman, OK 73069	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
8115 South Olympia Avenue West Suite B-110 Tulsa, OK 74132	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
SOUTH CAROLINA (1)		
Clemson University* 225 Walter T. Cox Boulevard Clemson, SC 29634	ARAMARK Food and Support Services Group, Inc. 1101 Market Street Philadelphia, PA 19107	Anne Marie Solomon 215-238-3000
TEXAS (38)		
9828 Great Hills Trail Suite 650 Austin, TX 78759	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
14028 North US Highway 183 Suite 230 Austin, TX 78717	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
247 South Loop 336 West Suite 700 Conroe, TX 77304	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
Dallas Love Field Airport* 8008 Cedar Springs Road Terminal 2, Gate 6 Dallas, TX 75235	HMS Host 6905 Rockledge Drive Bethesda, MD 20817	Frank Sicklesmith 240-694-4100
DFW Airport* 3200 E Airfield Drive; Terminal A Gate A25 Dallas, TX 75261	HMS Host 6905 Rockledge Drive Bethesda, MD 20817	Frank Sicklesmith 240-694-4100
23395 West Gateway Boulevard El Paso, TX 79928	Franklin Mountain Bistro TX, LLC 123 West Mills Avenue Suite 600 El Paso, TX 79901	Ruben Chavez 915-892-5317

Outlet Address	Franchisee	Contact
8889 Gateway Boulevard West Suite 1400 El Paso, TX 79925	Franklin Mountain Bistro TX, LLC 123 West Mills Avenue Suite 600 El Paso, TX 79901	Ruben Chavez 915-892-5317
6801 North Mesa Building A Suite A-8 El Paso, TX 79912	Franklin Mountain Bistro TX, LLC 123 West Mills Avenue Suite 600 El Paso, TX 79901	Ruben Chavez 915-892-5317
3440 Joe Battle Boulevard Suite 102 El Paso, TX 79938	Franklin Mountain Bistro TX, LLC 123 West Mills Avenue Suite 600 El Paso, TX 79901	Ruben Chavez 915-892-5317
8008 State Highway 121 Suite 100 Frisco, TX 75034	LaTash III, Frisco Series 5232 Sky Lake Drive Plano, Texas 75093	Tanzeem Rizvi 214-680-9911
5505-A FM 1960 West Houston, TX 77069	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
10001 Westheimer Road Suite 2123 Houston, TX 77042	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
4700 Beechnut Suite 620 Houston, TX 77096	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
770 West Sam Houston Parkway North Suite 100 Houston, TX 77024	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
1560 Eldridge Parkway Suite 190 Houston, TX 77077	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
2423 Katy Freeway Suite E Houston, TX 77007	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
5885 San Felipe Street Suite 100 Houston, TX 77057	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
19710 Northwest Freeway Suite 100 Houston, TX 77065	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
6430 North MacArthur Boulevard Irving, TX 75039	LaTash II, LLC Macarthur Series** 5232 Sky Lake Drive Plano, Texas 75093	Tanzeem Rizvi 214-680-9911
23322 Mercantile Parkway Katy, TX 77449	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
4570 Kingwood Drive Space B Kingwood, TX 77345	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
401-A This Way Lake Jackson, TX 77566	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750

Outlet Address	Franchisee	Contact
8134 Agora Parkway Suite 100 Live Oak, TX 78154	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
8201 Quaker Avenue #118 Lubbock, TX 79424	LM Lubbock LLC** 2030 South Forum Drive Apartment 331 Grand Prairie, TX 75052	Corey Masters 214-418-8372
3625 West University Drive McKinney, TX 75071	La Tash II, LLC** 12330 Greenville Avenue Dallas, TX 75243	Tanzeem Rizvi 214-680-9911
11200 Broadway #1600 Pearland, TX 77584	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
Texas Heart Hospital Baylor Plano* 1100 Allied Drive 1st Floor Plano, TX 75093	ARAMARK Food and Support Services Group, Inc. 1101 Market Street Philadelphia, PA 19107	Anne Marie Solomon 215-238-3000
1140 South Preston Road Suite 10 Prosper TX, 75078	La Tash II, LLC** 12330 Greenville Avenue Dallas, TX 75243	Tanzeem Rizvi 214-680-9911
11745 Highway 10 West Suite 101 San Antonio, TX 78230	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
18030 US Highway 281 North Suite 201 San Antonio, TX 78232	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
722 Northwest Loop 410 Suite 201 San Antonio, TX 78216	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
6805 North Grand Parkway Suite 805 Spring, TX 77389	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
2675 Town Center Boulevard Sugar Land, TX 77479	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
5493 Brodie Lane Sunset Valley, TX 78745	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
9595 Six Pines Drive Suite 100 The Woodlands, TX 77380	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
419 West Southwest Loop 323 Tyler, TX 75701	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
2816 Marketplace Drive Suite 101 Waco, TX 76712	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
929 West Bay Area Boulevard Webster, TX 77598	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750

INDIA (2)		
Kempegowda International Airport* Passenger Terminal Building Bangalore – 560300, India	HMSHost Services India PVT LTD Kempegowda International Airport Passenger Terminal Building Bangalore – 560300, India	Murali Gantashala murali.gantashala@hmshost.net
Kempegowda International Airport (Kiosk)* Passenger Terminal Building Bangalore – 560300, India	HMSHost Services India PVT LTD Kempegowda International Airport Passenger Terminal Building Bangalore – 560300, India	Murali Gantashala Murali.gantashala@hmshost.net

* Express Bakery & Café operating at Non-Traditional Facility.

** Franchisee which has a Development Agreement.

FRANCHISEES THAT LEFT THE SYSTEM IN 2025

OUTLETS CLOSED

Outlet Address	Franchisee	Contact
1201 Barbara Jordan Boulevard #11 Austin, TX 78723	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
2047-A West Gray Street Houston, TX 77019	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750
4820 Broadway San Antonio, TX 78209	HZ LM Casual Foods, LLC 4415 Highway 6 Sugar Land, TX 77478	Amin Dhanani 281-748-3750

OUTLETS TRANSFERRED

NONE

* Units acquired by franchisor or its affiliate.

FRANCHISE AGREEMENTS SIGNED, BUT OUTLETS NOT YET OPEN

Outlet Address	Franchisee	Contact
College Station, TX	SM French LLC 8310 Cheshire Vale Street Houston, TX 77024	Sultan Mahmood 281-650-1433
Houston, TX	SM French LLC 8310 Cheshire Vale Street Houston, TX 77024	Sultan Mahmood 281-650-1433
Mansfield, TX	LM Mansfield LLC** 2030 South Forum Drive Apartment 331 Grand Prairie, TX 75052	Corey Masters 214-418-8372
Rock Prarie, TX	SM French LLC 8310 Cheshire Vale Street Houston, TX 77024	Sultan Mahmood 281-650-1433

EXHIBIT H TO THE FRANCHISE DISCLOSURE DOCUMENT

List of State Administrators; Agents for Service of Process

LIST OF STATE ADMINISTRATORS

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state laws. 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 these states:

CALIFORNIA
Office of the Commissioner
California Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
(213) 576-7500
Toll Free: (866) 275-2677

ILLINOIS
Chief - Franchise Bureau
Office of Attorney General
State of Illinois
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA
Franchise Section
Indiana Securities Commission
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

MARYLAND
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

MICHIGAN
Consumer Protection Division
Antitrust and Franchise Unit
Michigan Department of Attorney General
G. Mennen Williams Building, 1st Floor
525 W. Ottawa Street
Lansing, Michigan 48913
(517) 373-7117

NEW YORK
New York State Department of Law
Investor Protection Bureau
28 Liberty Street, 15th Floor
New York, NY 10005
(212) 416-8222

NORTH DAKOTA
North Dakota Insurance & Securities Department
600 East Boulevard Avenue, Dept. 401
Bismarck, North Dakota 58505-0510
(701) 328-2910

RHODE ISLAND
Division of Securities
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, Rhode Island 02920
(401) 222-3048

SOUTH DAKOTA
Department of Labor and Regulation
Division of Insurance – Securities Regulation
124 South Euclid Avenue, 2nd Floor
Pierre, South Dakota 57501
(605) 773-3563

VIRGINIA
State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

MINNESOTA
Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1500

WASHINGTON
Department of Financial Institutions
Securities Division
150 Israel Road, S.W.
Tumwater, Washington 98501
(360) 902-8760

WISCONSIN
Wisconsin Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-0448

AGENTS FOR SERVICE OF PROCESS

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

CALIFORNIA
Commissioner of the Department of
Financial Protection and Innovation
320 West Fourth Street, Suite 750
Los Angeles, California 90013-2344
(213) 576-7500
Toll Free: (866) 275-2677

ILLINOIS
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA
Indiana Secretary of State
Franchise Section
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

MARYLAND
Maryland Securities Commissioner at the
Office of Attorney General –
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

MICHIGAN
Department of Attorney General
Corporate Oversight Division
P.O. Box 30755
Lansing, Michigan 48909
(517) 373-7117

NEW YORK
Attention: New York Secretary of State
New York Department of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, NY 12231-0001
(518) 473-2492

NORTH DAKOTA
Insurance Commissioner
North Dakota Insurance & Securities
Department
600 East Boulevard Avenue, Dept. 401
Bismarck, North Dakota 58505-0510
(701) 328-2910

RHODE ISLAND
Director of Department of Business
Regulation
1511 Pontiac Avenue
John O. Pastore Complex – Building 68-2
Cranston, Rhode Island 02920
(401) 462-9500

SOUTH DAKOTA
Department of Labor and Regulation
Division of Insurance – Securities Regulation
124 South Euclid Avenue, 2nd Floor
Pierre, South Dakota 57501
(605) 773-3563

VIRGINIA
Clerk, Virginia State Corporation
Commission
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9733

MINNESOTA
Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1500

WISCONSIN
Administrator, Division of Securities
Department of Financial Institutions
345 West Washington Avenue
Madison, Wisconsin 53703
(608) 266-8557

WASHINGTON
Director, Department of Financial Institutions
Securities Division – 3rd Floor
150 Israel Road, S.W.
Tumwater, Washington 98501
(360) 902-8760

EXHIBIT I TO THE FRANCHISE DISCLOSURE DOCUMENT

Additional State-Required Information and State-Required Contract Addenda

EXHIBIT I

ADDITIONAL STATE-REQUIRED INFORMATION AND STATE REQUIRED CONTRACT ADDENDA

The following are additional disclosures for the Disclosure Document of **LA MADELEINE FRANCHISING COMPANY, INC.** required by various state franchise laws. Each provision of these additional disclosures will not apply unless, with respect to that provision, the jurisdictional requirements of the applicable state franchise registration and disclosure law are met independently without reference to these additional disclosures.

NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES

The following provision applies only to franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

> No statement, questionnaire, or acknowledgement signed or agreed to by you 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 LA MADELEINE FRANCHISING COMPANY, INC., any franchise seller, or any other person acting on behalf of LA MADELEINE FRANCHISING COMPANY, INC. This provision supersedes any other term of any document executed in connection with the franchise.

CALIFORNIA

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.

SEE THE COVER PAGE OF THE DISCLOSURE DOCUMENT FOR OUR WEB SITE ADDRESS, OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

Item 3, Additional Disclosure.

Neither we, nor any person identified in Item 2 above, 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, 15 U.S.C. § 78a, et seq.) suspending or expelling such person from membership in suck association or exchange.

Items 5 and 7, Additional Disclosure.

The following language is added as the last paragraph of Items 5 and 7 of the Franchise Disclosure Document:

Despite the payment provisions above, we will defer your payment of the initial franchise fee you owe us until we have fulfilled all our initial obligations to you under the Franchise Agreement and you have commenced doing business. You must pay us the initial franchise fee on the day you open the la Madeleine Bakery & Café for business. In addition, we will defer your payment of the development fee you owe us until you open the first la Madeleine Bakery & Café to be developed under the Development Agreement. You must pay us the development fee on the day you open that first la Madeleine Bakery & Café for business.

Item 17, Additional Disclosures.

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 and/or Development Agreement includes a provision that is inconsistent with the law, the law will control.

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

The Franchise Agreement and the Development Agreement contain a covenant not to complete which extends beyond the termination of the agreements. This provision may not be enforceable under California law.

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

Both the Governing Law and Choice of Law for Franchisees operating outlets located in California, will be the California Franchise Investment Law and the California Franchise Relations Act regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the franchise agreement or amendment to or any agreement to the contrary is superseded by this condition.

The Franchise Agreement and Development Agreement contain a venue provision for litigation. This provision may not be enforceable under California law.

You must sign a general release if you transfer area development rights or renew or transfer the franchise. These provisions may not be enforceable under California law. California Corporations Code Section 31512 voids a waiver of your rights under the California Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professional Code Section 21000 voids a waiver of your rights under the California Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

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.

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.

CALIFORNIA ADDENDUM TO THE FRANCHISE AGREEMENT

This Addendum is entered into this _____day of _____, _____, by and between **LA MADELEINE FRANCHISING COMPANY, INC.**, a Delaware corporation ("we," "us," or "our"), and _____ ("Franchisee," "you," or "your").

1. **Background**. We and you are parties to that certain Franchise Agreement dated _____, _____ that has been signed concurrently with the signing of this Addendum. This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) the offer or sale of the franchise for the la Madeleine Bakery & Café you will operate under the Franchise Agreement was made in the State of California and you are a California resident, and/or (b) the la Madeleine Bakery & Café will operate in California.

2. **Initial Fees.** The following language is added to the end of Section 6.1 of the Franchise Agreement:

> Despite the payment provisions above, we will defer your payment of the initial franchise fee you owe us until we have fulfilled all our initial obligations to you under the Franchise Agreement and you have commenced doing business. You must pay us the initial franchise fee on the day you open the la Madeleine Bakery & Café for business.
>
> In addition, if you signed our Development Agreement, we will defer your payment of the development fee you owe us until you open the first la Madeleine Bakery & Café to be developed under the Development Agreement (which would be the la Madeleine Bakery & Café under the Franchise Agreement to which the Development Agreement is attached). You must pay us the development fee on the day you open that first la Madeleine Bakery & Café for business.

3. The following is added to the end of the Franchise Agreement:

> 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.

The parties have executed this Addendum at the date written below. The effective date of this Addendum is the latter of the two dates of signing.

LA MADELEINE FRANCHISING COMPANY, INC.

By:_____

Title:_____

Date: _____

_____

FRANCHISEE [print company name]:

_____

By:_____

Print Name:_____

Title:_____

Date:

CALIFORNIA ADDENDUM TO THE DEVELOPMENT AGREEMENT

This Addendum is entered into this _____day of _____, _____, by and between **LA MADELEINE FRANCHISING COMPANY, INC.**, a Delaware corporation ("we," "us," or "our"), and _____ ("Developer," "you," or "your").

1. **Background**. We and you are parties to that certain Development Agreement dated _____, _____ that has been signed concurrently with the signing of this Addendum. This Addendum is annexed to and forms part of the Development Agreement. This Addendum is being signed because (a) the offer or sale of the franchise for the la Madeleine Bakery & Café you will operate under the Development Agreement was made in the State of California and you are a California resident, and/or (b) the la Madeleine Bakery & Café(s) will operate in California.

2. **Initial Fees.** The following language is added to the end of Section 1.2 of the Development Agreement:

> Despite the payment provisions above, we will defer your payment of the development fee you owe us until you open the first la Madeleine Bakery & Café to be developed under the Development Agreement (which would be the la Madeleine Bakery & Café under the Franchise Agreement to which the Development Agreement is attached). You must pay us the development fee on the day you open that first la Madeleine Bakery & Café for business.

3. The following is added to the end of the Development Agreement:

> 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.

The parties have executed this Addendum at the date written below. The effective date of this Addendum is the latter of the two dates of signing.

LA MADELEINE FRANCHISING COMPANY, INC.	**DEVELOPER** [print company name]:
	_____
By:_____	By:_____
	Print Name:_____
Title:_____	Title:_____
Date: _____	Date: _____

HAWAII

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 REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES 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.

1. Item 17 shall be supplemented by the addition of the following language at the end of the Item:

> No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

ILLINOIS

The following is added to the end of Item 17:

Illinois law governs the Franchise Agreement.

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.

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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 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.

ILLINOIS ADDENDUM TO THE FRANCHISE AGREEMENT

Illinois law governs the Franchise Agreement.

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.

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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 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.

LA MADELEINE FRANCHISING COMPANY, INC.

By:_____

Title:_____

FRANCHISEE [print company name]:

_____

By:_____

Print Name:_____

Title:_____

ILLINOIS ADDENDUM TO THE DEVELOPMENT AGREEMENT

Illinois law governs the Franchise Agreement.

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.

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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 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.

LA MADELEINE FRANCHISING COMPANY, INC.	**DEVELOPER** [print company name]:
	_____
By:_____	By:_____
	Print Name:_____
Title:_____	Title:_____

MARYLAND

"Special Risks to Consider About this Franchise" Cover Page, Additional Disclosure.

The "Special Risks to Consider About This Franchise" cover page of the FDD is amended to include the following risk factor:

Financial Condition. 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.

Item 5, Additional Disclosure.

Based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until we complete our pre-opening obligations under the Franchise Agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the Development Agreement opens.

Item 17, Additional Disclosures.

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

The Franchise Agreement requires you to sign a general release as a condition of renewal or transfer of the franchise. The Development Agreement requires you to sign a general release when you sign a Franchise Agreement to exercise development rights and as a condition of transfer of the development rights. These releases will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

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

Item 22, Additional Disclosure.

Your responses to the Disclosure Acknowledgment Statement (Exhibit D to the Franchise Agreement; Exhibit G to the Development Agreement) do not act as a release, estoppel, or waiver of any liability of the Franchisor under the Maryland Franchise Registration and Disclosure 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MARYLAND ADDENDUM TO THE FRANCHISE AGREEMENT

In recognition of the Maryland Franchise Registration and Disclosure Law, Maryland Stat. §§ 14-201 to 14-233, and the Rules and Regulations promulgated thereunder, the parties agree to modify the Franchise Agreement as follows:

1. Background. Paragraph E is hereby deleted from the "Background" section of the Franchise Agreement.

2. Releases. The following is added to Section 3.2 and Section 15.6 of the Franchise Agreement:

> This release will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. Entire Agreement; Disclosure Statement and Disclaimer. Section 26 and Section 28 are each amended by adding the following:

> Notwithstanding anything to the contrary in this Agreement, you are not required to waive any of your rights under the Maryland Franchise Registration and Disclosure Law with regard to our prior representations.

4. Receipt of Agreement. Section 28.2 is deleted in its entirety.

5. Governing Law. Section 28.5 is amended by adding the following:

> Notwithstanding the foregoing, the Maryland Franchise Registration and Disclosure Law shall govern any claim arising under that law.

6. Jurisdiction and Venue. Section 28.5 is amended by adding the following:

> Any choice of forum for litigation is subject to your right to bring an action under the Maryland Franchise Registration and Disclosure Law in Maryland.

7. Time Limit on Filing. Section 28.10 is amended by adding the following:

> The foregoing limitation on the period of time arbitration and/or litigation claims must be brought shall not act to reduce the 3-year statute of limitations afforded a franchisee for bringing a claim arising 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.

8. Fee Deferral. Based upon our affiliate's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by you shall be deferred until LMFC completes its pre-opening obligations under the Franchise Agreement.

9. No Waiver of Disclaimer of Reliance in Certain States. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

10. This Addendum will have effect only if the Franchise Agreement and/or the relationship between you and us satisfy all of the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, without considering this Addendum. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

LA MADELEINE FRANCHISING COMPANY, INC.	**FRANCHISEE** [print company name]:
	_____
By:_____	By:_____
	Print Name:_____
Title:_____	Title:_____

MARYLAND ADDENDUM TO THE DEVELOPMENT AGREEMENT

In recognition of the Maryland Franchise Registration and Disclosure Law, Maryland Stat. §§ 14-201 to 14-233, and the Rules and Regulations promulgated thereunder, the parties agree to modify the Development Agreement as follows:

1. Background. Paragraph F is hereby deleted from the "Background" section of the Development Agreement.

2. Releases. The following is added to Section 8.5.3 of the Development Agreement:

> This release will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. Entire Agreement; Disclosure Statement and Disclaimer. Section 17 is amended by adding the following:

> Notwithstanding anything to the contrary in this Agreement, you are not required to waive any of your rights under the Maryland Franchise Registration and Disclosure Law with regard to our prior representations.

4. Governing Law. Section 19.5 is amended by adding the following:

> Notwithstanding the foregoing, the Maryland Franchise Registration and Disclosure Law shall govern any claim arising under that law.

5. Jurisdiction and Venue. Section 19.5 is amended by adding the following:

> Any choice of forum for litigation is subject to your right to bring an action under the Maryland Franchise Registration and Disclosure Law in Maryland.

6. Time Limit on Filing. Section 19.10 is amended by adding the following:

> The foregoing limitation on the period of time arbitration and/or litigation claims must be brought shall not act to reduce the 3-year statute of limitations afforded a franchisee for bringing a claim arising 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.

7. Fee Deferral. Based upon our affiliate's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by you shall be deferred until LMFC completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by you shall be deferred until the first franchise under the development agreement opens.

8. No Waiver of Disclaimer of Reliance in Certain States. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

9. This Addendum will have effect only if the Development Agreement and/or the relationship between you and you satisfy all of the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, without considering this Addendum. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

LA MADELEINE FRANCHISING COMPANY, INC.	**DEVELOPER** [print company name]:
	_____
By:_____	By:_____
	Print Name:_____
Title:_____	Title:_____

MINNESOTA

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.

Items 5 and 7, Additional Disclosure.

Based upon our financial condition, the Minnesota Department of Commerce has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until we complete our pre-opening obligations under the Franchise Agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the Development Agreement opens.

Item 13, Additional Disclosure.

We will indemnify you against liability to a third party resulting from claims that your use of the Marks infringes trademark rights of the third party, provided that your use of the Marks is in accordance with the requirements of the Franchise Agreement and the System.

Item 17, Additional Disclosures.

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 80Cor (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Any release required as a condition of renewal, sale and/or transfer/assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

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): (a) 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 (b) that consent to the transfer of the franchise will not be unreasonably withheld.

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.

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.

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

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 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 with the franchise.

MINNESOTA ADDENDUM TO THE FRANCHISE AGREEMENT

In recognition of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01-80C.22, and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, the parties agree to modify the Franchise Agreement as follows:

1. Fee Deferral. Based upon our affiliate's financial condition, the State of Minnesota Department of Commerce has required a financial assurance. Therefore, all initial fees and payments owed by you shall be deferred until LMFC completes its pre-opening obligations under the Franchise Agreement.

2. Releases. The following sentence is added to Section 3.2 and Section 15.6:

> Notwithstanding the foregoing, you will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

3. Term and Successor Franchise Agreement; Default and Termination. Section 3 and Section 17 are each amended by adding the following:

> Notwithstanding anything to the contrary in Sections 3 and 17, we will comply with Minnesota Statutes Clause 80C.14, Subdivision 3, 4, and 5, which require, except in certain cases, that Minnesota franchisees be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.

4. Proprietary Marks and Copyrights. Section 10 is amended by adding the following:

> We will indemnify you against liability to a third party resulting from claims that your use of the Proprietary Marks or the Works infringes trademark rights of the third party, provided that your use is in accordance with the requirements of the Franchise Agreement and the System.

5. Jurisdiction and Venue. Section 28.5 is amended to add the following:

> Under Minnesota Statutes Section 80C.21, this section will not in any way abrogate or reduce any rights of the Franchisee as provided for in Minnesota Statutes, Chapter 80C, including the right to submit matters to the jurisdiction of the courts in Minnesota. Minnesota Statutes Section 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota.

6. Time Limit on Filing. Section 28.10 is amended to add the following:

> Notwithstanding anything to the contrary in this Section, any claim or action arising out of or relating to the Minnesota Franchises Law must be

commenced within three (3) years from the occurrence of the facts giving rise to the claim or action, or the claim or action is barred.

7. Entire Agreement. Section 26 is amended by adding the following:

Pursuant to Minn. Stat. § 80C.21 and Minn. Rule Part 2860.4400J, nothing in the Agreement shall in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C.

8. No Waiver of Disclaimer of Reliance in Certain States. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

9. This Addendum will have effect only if the Franchise Agreement and/or the relationship between you and you satisfy all of the jurisdictional requirements of Minnesota Statutes §§ 80C.01 - 80C.22. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

LA MADELEINE FRANCHISING COMPANY, INC.	**FRANCHISEE** [print company name]:
	_____
By:_____	By:_____
	Print Name:_____
Title:_____	Title:_____

MINNESOTA ADDENDUM TO THE DEVELOPMENT AGREEMENT

In recognition of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01-80C.22, and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, the parties agree to modify the Development Agreement as follows:

1. Fee Deferral. Based upon our affiliate's financial condition, the State of Minnesota Department of Commerce has required a financial assurance. Therefore, all initial fees and payments owed by you shall be deferred until LMFC completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by you shall be deferred until the first franchise under the development agreement opens.

2. Releases. The following sentence is added to Section 8.5:

> Notwithstanding the foregoing, you will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

3. Term; Default and Termination. Section 2 and Section 9 are each amended by adding the following:

> Notwithstanding anything to the contrary in Sections 2 and 9, we will comply with Minnesota Statutes Clause 80C.14, Subdivision 3, 4, and 5, which require, except in certain cases, that Minnesota franchisees be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.

4. Jurisdiction and Venue. Section 19.5 is amended to add the following:

> Under Minnesota Statutes Section 80C.21, this section will not in any way abrogate or reduce any rights of the Franchisee as provided for in Minnesota Statutes, Chapter 80C, including the right to submit matters to the jurisdiction of the courts in Minnesota. Minnesota Statutes Section 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota.

5. Time Limit on Filing. Section 19.10 is amended to add the following:

> Notwithstanding anything to the contrary in this Section, any claim or action arising out of or relating to the Minnesota Franchises Law must be commenced within three (3) years from the occurrence of the facts giving rise to the claim or action, or the claim or action is barred.

6. Entire Agreement. Section 17 amended by adding the following:

Pursuant to Minn. Stat. § 80C.21 and Minn. Rule Part 2860.4400J, nothing in the Agreement shall in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C.

7. No Waiver of Disclaimer of Reliance in Certain States. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

8. This Addendum will have effect only if the Development Agreement and/or the relationship between you and us satisfy all of the jurisdictional requirements of Minnesota Statutes §§ 80C.01 - 80C.22. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

LA MADELEINE FRANCHISING COMPANY, INC.	**DEVELOPER** [print company name]:
	_____
By:_____	By:_____
	Print Name:_____
Title:_____	Title:_____

NEW YORK

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 H OR YOUR PUBLIC LIBRARY FOR RESOURCES OR 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 ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY.

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 THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following language is added to the end of Item 3 of the Franchise Disclosure Document:

Except as provided above, the following applies 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, that 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-years 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 5 of the Franchise Disclosure Document:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

4. The following language is added to the end of the "Summary" sections of Item 17(c), titled Requirements for a franchisee to renew or extend, and Item 17(m), titled 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; this proviso intends that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

5. The following language replaces the "Summary" section of Item 17(d) of the Franchise Disclosure Document, titled Termination by franchisee:

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

6. The following language 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.

7. Franchise Questionnaires and Acknowledgements. 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.

8. Receipts. Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

9. The New York General Business Law, Article 33, Sections 680 through 695 may supersede any provision of the Franchise Agreement or Development Agreement inconsistent with that law.

10. You must sign a general release when you sign a Franchise Agreement to exercise development rights, when you transfer area development rights, or when you renew or transfer a franchise. This provision may not be enforceable under New York law.

NEW YORK REPRESENTATIONS PAGE

THE FRANCHISOR REPRESENTS THAT THIS DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

NEW YORK ADDENDUM TO THE FRANCHISE AGREEMENT

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties agree to modify the Franchise Agreement as follows:

1. Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680 – 695 may not be enforceable.

2. Releases. Section 3.2 and Section 15.6 are each amended to add the following:

The foregoing release of claims does not release any claim you may have under New York General Business Law, Article 33, Sections 680-695.

3. Assignment by us. Section 16.1 is amended by adding the following:

We will not assign our rights under the Franchise Agreement except to an assignee who in our good faith judgment is willing and able to assume our obligations under the Franchise Agreement.

4. Termination by Franchisee. Section 17 is amended by adding the following:

You also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. Governing Law. Section 28.5 is amended by adding the following:

Notwithstanding the foregoing, the New York General Business Law shall govern any claim arising under that law.

6. No Waiver of Disclaimer of Reliance in Certain States. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. This Addendum will have effect only if the Franchise Agreement and/or the relationship between you and us satisfy all of the jurisdictional requirements of New York General Business Law, without considering this Addendum. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

LA MADELEINE FRANCHISING COMPANY, INC.

By:_____

Title:_____

FRANCHISEE [print company name]:

_____

By:_____

Print Name:_____

Title:_____

NEW YORK ADDENDUM TO THE DEVELOPMENT AGREEMENT

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties agree to modify the Development Agreement as follows:

1. Any provision in the Development Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680 – 695 may not be enforceable.

2. Releases. Section 8.5 is amended to add the following:

   The foregoing release of claims does not release any claim you may have under New York General Business Law, Article 33, Sections 680-695.

3. Assignment by Us. Section 8.1 is amended by adding the following:

   We will not assign our rights under the Development Agreement except to an assignee who in our good faith judgment is willing and able to assume our obligations under the Development Agreement.

4. Governing Law. Section 19.5 is amended by adding the following:

   Notwithstanding the foregoing, the New York General Business Law shall govern any claim arising under that law.

5. No Waiver of Disclaimer of Reliance in Certain States. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

6. This Addendum will have effect only if the Development Agreement and/or the relationship between you and us satisfy all of the jurisdictional requirements of New York General Business Law, without considering this Addendum. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

[SIGNATURES ON FOLLOWING PAGE]

LA MADELEINE FRANCHISING COMPANY, INC.	**DEVELOPER** [print company name]:
	_____
By:_____	By:_____
	Print Name:_____
Title:_____	Title:_____

RHODE ISLAND ADDENDUM TO THE FRANCHISE AGREEMENT

In recognition of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, the parties agree to modify the Franchise Agreement as follows:

1. Governing Law. Section 28.5 is amended by adding the following:

Notwithstanding the foregoing, Rhode Island law governs any claim arising under the Rhode Island Franchise Investment Act.

2. Jurisdiction and Venue. Section 28.5 is amended by adding the following:

Notwithstanding the foregoing, you have the right to file any litigation under the Rhode Island Franchise Investment Act in Rhode Island.

3. No Waiver of Disclaimer of Reliance in Certain States. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

4. This Addendum will have effect only if the Franchise Agreement and/or the relationship between you and us satisfy all of the jurisdictional requirements of the Rhode Island Franchise Investment Act, without considering this Addendum. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

LA MADELEINE FRANCHISING COMPANY, INC.	**FRANCHISEE** [print company name]:
	_____
By: _____	By: _____
	Print Name: _____
Title: _____	Title: _____

RHODE ISLAND ADDENDUM TO THE DEVELOPMENT AGREEMENT

In recognition of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, the parties agree to modify the Development Agreement as follows:

1. Governing Law. Section 19.5 is amended by adding the following:

Notwithstanding the foregoing, Rhode Island law governs any claim arising under the Rhode Island Franchise Investment Act.

2. Jurisdiction and Venue. Section 19.5 is amended by adding the following:

Notwithstanding the foregoing, you have the right to file any litigation under the Rhode Island Franchise Investment Act in Rhode Island.

3. No Waiver of Disclaimer of Reliance in Certain States. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

4. This Addendum will have effect only if the Development Agreement and/or the relationship between you and us satisfy all of the jurisdictional requirements of the Rhode Island Franchise Investment Act, without considering this Addendum. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

LA MADELEINE FRANCHISING COMPANY, INC.	**DEVELOPER** [print company name]:
	_____
By: _____	By: _____
	Print Name: _____
Title: _____	Title: _____

VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for use in the Commonwealth of Virginia is amended as follows:

Item 17, Additional Disclosure.

Pursuant to 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 does 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.

Item 17(r), Additional Disclosure.

Applicable only to any franchise sold in Virginia on or after July 1, 2026: Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act, it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Virginia Retail Franchising Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

Item 17(w), Additional Disclosure.

Applicable only to any franchise sold in Virginia on or after July 1, 2026: Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

No Waiver of Disclaimer of Reliance in Certain States. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

VIRGINIA ADDENDUM TO THE FRANCHISE AGREEMENT

In recognition of the Virginia Retail Franchising Act (the "Act"), the parties agree to modify the Franchise Agreement as follows:

1. Restrictions on Competition After Expiration, Termination, or Transfer. Section 19.2 is amended by the adding the following:

Applicable only to any franchise sold in Virginia on or after July 1, 2026: Under subdivision A 4 of § 13.1-563 of the Act, it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

2. Governing Law. Section 28.5 is amended by adding the following:

Applicable only to any franchise sold in Virginia on or after July 1, 2026: Under subsection D of § 13.1-559 of the Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

3. This Addendum will have effect only if the Franchise Agreement and/or the relationship between you and us satisfy all of the jurisdictional requirements of the Act, without considering this Addendum. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

LA MADELEINE FRANCHISING COMPANY, INC.	**FRANCHISEE** [print company name]:
	_____
By:_____	By:_____
	Print Name:_____
Title:_____	Title:_____

VIRGINIA ADDENDUM TO THE DEVELOPMENT AGREEMENT

In recognition of the Virginia Retail Franchising Act (the "Act"), the parties agree to modify the Development Agreement as follows:

1. Restrictions on Competition After Expiration, Termination, or Transfer. Section 11.2 is amended by the adding the following:

Applicable only to any franchise sold in Virginia on or after July 1, 2026: Under subdivision A 4 of § 13.1-563 of the Act, it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

2. Governing Law. Section 19.5 is amended by adding the following:

Applicable only to any franchise sold in Virginia on or after July 1, 2026: Under subsection D of § 13.1-559 of the Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

3. This Addendum will have effect only if the Development Agreement and/or the relationship between you and us satisfy all of the jurisdictional requirements of the Act, without considering this Addendum. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

LA MADELEINE FRANCHISING COMPANY, INC.	**DEVELOPER** [print company name]:
	_____
By:_____	By:_____
	Print Name:_____
Title:_____	Title:_____

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, DEVELOPMENT AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, development agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement, development agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement, development agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights in the franchise agreement, development agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement, development agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the

Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement, development agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement, development agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement, development agreement, or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement, development agreement, or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement, development agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee

of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement, development agreement, or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement, development agreement, or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgments.** 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.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement, development agreement, or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. **Fee Deferral (Item 5 fo the Franchise Disclosure Document, Franchise Agreement and Development Agreement):**

In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.

Because franchisor has material pre-opening obligations with respect to each franchised business Franchisee opens under the Area Development Agreement, payment of the franchise fee will be released proportionally with respect to each franchise outlet opened and is deferred until franchisor has met all its pre-opening obligations under the Agreement and Franchisee is open for business with respect to each such location.

The undersigned parties do hereby acknowledge receipt of this Addendum.

LA MADELEINE FRANCHISING COMPANY, INC.	**FRANCHISEE** [print company name]:
	_____
By:_____	By:_____
	Print Name:_____
Title:_____	Title:_____

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EXHIBIT J TO THE FRANCHISE DISCLOSURE DOCUMENT

Financial Statements

Consolidated Financial Statements and Report of Independent Certified Public Accountants

Le Duff America, Inc. and Subsidiaries

December 30, 2025 and December 31, 2024

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Le Duff America, Inc.

Opinion

We have audited the consolidated financial statements of Le Duff America, Inc. and subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 30, 2025 and December 31, 2024, and the related consolidated statements of income and comprehensive income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 30, 2025 and December 31, 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Grant Thornton LLP is a U.S. member firm of Grant Thornton International Ltd (GTIL). GTIL and each of its member firms are separate legal entities and are not a worldwide partnership.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Grant Thornton LLP

Dallas, Texas
March 13, 2026

Le Duff America, Inc. and Subsidiaries

CONSOLIDATED BALANCE SHEETS

December 30, 2025 and December 31, 2024

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	$ 3,895,351	$ 4,705,288
Accounts receivable, net	1,823,146	2,023,527
Royalty and other fees receivable, net	723,419	680,258
Inventories	2,239,562	2,569,564
Prepaid and other expenses	1,080,362	1,074,451
Total current assets	9,761,840	11,053,088
Property and equipment, net	6,967,098	8,265,780
Tradenames and other intangibles, net	14,358,288	14,358,288
Goodwill	5,447,795	5,447,795
Operating lease right-of-use assets	26,578,797	26,373,183
Finance lease right-of-use assets	1,858,483	1,886,125
Other assets	1,260,675	1,054,727
Deferred income taxes	681,767	579,469
Total assets	$ 66,914,743	$ 69,018,455
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Accounts payable	$ 3,626,696	$ 3,298,571
Deferred development fees	436,028	399,753
Accrued compensation and benefits	1,307,517	1,457,910
Gift cards payable	1,085,430	1,161,202
Other accrued expenses	3,458,738	4,112,540
Due to affiliate, net	453,088	10,968
Income taxes payable	170,958	33,831
Revolving line of credit	2,000,000	1,000,000
Finance lease obligations	252,317	199,200
Operating lease obligations	5,671,192	5,992,730
Total current liabilities	18,461,964	17,666,705
Deferred development fees, net of current portion	402,554	497,003
Operating lease obligations, net of current portion	23,145,780	22,678,713
Finance lease obligation, net of current portion	2,064,796	2,149,745
Other long-term liabilities	1,071,126	858,297
Total liabilities	45,146,220	43,850,463
Commitments and contingencies (Note 11)		
Stockholder's equity		
Le Duff America, Inc., stockholder's equity		
Common stock, $0.01 par value, 50,000 shares authorized and 100 issued and outstanding	1	1
Additional paid-in capital	73,698,471	73,698,471
Accumulated deficit	(28,170,337)	(24,719,927)
Advances to parent	(21,960,323)	(21,958,502)
Accumulated other comprehensive loss	(1,799,289)	(1,852,051)
Total Le Duff America, Inc. stockholder's equity	21,768,523	25,167,992
Total liabilities and stockholder's equity	$ 66,914,743	$ 69,018,455

The accompanying notes are an integral part of these consolidated financial statements.

Le Duff America, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

Years ended December 30, 2025 and December 31, 2024

	2025	2024
Revenue, net		
Store sales	$ 59,493,348	$ 60,621,279
Manufacturing sales, net	6,644,336	7,909,562
Royalties and other fees	9,950,054	10,976,704
Total revenue, net	76,087,738	79,507,545
Operating expenses		
Food, beverage, and supplies	21,473,503	22,243,559
Store labor and direct labor	18,685,097	18,175,477
Other operating expenses	23,475,007	21,774,391
General and administrative	11,461,519	11,795,637
Other expenses and charges, net	1,339,945	1,292,386
Management fee to affiliate	463,274	495,677
Depreciation and amortization	2,464,730	2,836,283
Total operating expenses	79,363,075	78,613,410
Operating (loss) income	(3,275,337)	894,135
Other expenses		
Interest expense, net	64,573	71,053
(Loss) income before taxes	(3,339,910)	823,082
Income tax expense	110,500	152,684
NET INCOME (LOSS)	(3,450,410)	670,398
Other comprehensive (expense) income		
Foreign currency translation	52,762	(99,047)
Comprehensive (loss) income	$ (3,397,648)	$ 571,351

The accompanying notes are an integral part of these consolidated financial statements.

Le Duff America, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

Years ended December 30, 2025 and December 31, 2024

	Common Stock		Additional	Advances to	Accumulated	Accumulated Other Comprehensive	
	Shares	Dollars	Paid-in Capital	Parent	Deficit	Loss	Total
Balances at December 26, 2023	100	$ 1	$ 73,698,471	$ (21,798,054)	$ (25,390,325)	$ (1,753,004)	$ 24,757,089
Advances to parent	-	-	-	(160,448)	-	-	(160,448)
Comprehensive income							
Net income	-	-	-	-	670,398	-	670,398
Foreign currency translation	-	-	-	-	-	(99,047)	(99,047)
Balances at December 31, 2024	100	1	73,698,471	(21,958,502)	(24,719,927)	(1,852,051)	25,167,992
Advances from parent	-	-	-	(1,821)	-	-	(1,821)
Comprehensive loss							
Net loss	-	-	-	-	(3,450,410)	-	(3,450,410)
Foreign currency translation	-	-	-	-	-	52,762	52,762
Balances at December 30, 2025	100	$ 1	$ 73,698,471	$ (21,960,323)	$ (28,170,337)	$ (1,799,289)	$ 21,768,523

The accompanying notes are an integral part of these consolidated financial statements.

Le Duff America, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 30, 2025 and December 31, 2024

	2025	2024
Cash flows from operating activities		
Net income	$ (3,450,410)	$ 670,398
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	2,464,730	2,836,283
Impairment and losses of long-lived assets	65,222	1,111,371
(Gain) loss on disposal of property and equipment	987,652	(92,311)
Bad debt expense (recovery)	2,357	(22,867)
Changes in operating assets and liabilities:		
Accounts receivable	170,553	375,973
Inventories	333,937	598,956
Prepaid expenses and other assets	(232,515)	(410,635)
Accounts payable	311,415	(989,161)
Income tax receivable/payable, net	135,238	3,012
Deferred taxes	(40,354)	17,092
Lease liabilities	(7,104)	351,498
Accrued compensation and benefits	60,432	(1,331,233)
Accrued expenses, gift cards payable and deferred development fees	(812,292)	(152,601)
Net cash provided by (used in) operating activities	(11,139)	2,965,775
Cash flows from investing activities		
Purchases of property and equipment	(2,048,747)	(4,116,788)
Proceeds from disposal of property and equipment	14,610	12,343
Proceeds from insurance	12,522	169,429
Advances from (to) an affiliate	273,951	205,104
Notes receivable	-	68,571
Net cash used in investing activities	(1,747,664)	(3,661,341)
Cash flows from financing activities		
Proceeds from revolving line of credit	1,000,000	-
Finance lease payments	(220,871)	(204,058)
Net cash provided by (used in) financing activities	779,129	(204,058)
Effect of exchange rate changes on cash	169,737	(296,911)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(809,937)	(1,196,535)
Cash and cash equivalents - beginning of year	4,705,288	5,901,823
Cash and cash equivalents - end of year	$ 3,895,351	$ 4,705,288

Supplemental disclosure of cash flow information: See Note 2

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1 - NATURE OF OPERATIONS

Le Duff America, Inc. and its subsidiaries (the "Company" or "LDA") are principally engaged in the ownership, operation, development, and franchising of cafés. As of December 30, 2025, the Company owned and/or operated 34 cafés and had 59 franchised and 18 licensed cafés located in the United States and Canada. The Company operates 1 of the 34 cafés under management agreements. The Company operates, franchises and licenses the la Madeleine and Brioche Doreé brands in the United States and India and Michel's Baguette, Au Pain Dore and Brioche Doreé brands in Canada.

Gourmet Cuisine, Inc. ("GCI"), a subsidiary of the Company, is a manufacturing commissary that produces several soups, dressings and jams that are sold to corporate owned and franchised cafés. GCI also sells certain soups, dressing and other products to third parties.

NOTE 2 - LIQUIDITY AND CAPITAL RESOURCES

As of December 30, 2025, the Company had negative working capital of approximately $8.7 million, due to current liabilities of $18.5 million exceeding current assets of $9.8 million. The negative working capital position is largely attributable to lease liabilities and the classification of the revolving line of credit as current. The Company's primary sources of liquidity are cash generated from operations. The Company continues to focus on strengthening operating performance through disciplined cost management, margin improvement initiatives, and ongoing operational initiatives. Management has evaluated the Company's liquidity position and believes that existing cash balances, expected cash flows from operations, and these initiatives will be sufficient to meet the Company's operating and capital requirements for at least the next twelve months from the date these financial statements are available to be issued.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fiscal Year

The Company's fiscal year is the 52/53-week period ending on the last Tuesday in December and reported on a 4-4-5 basis. Fiscal years ending December 30, 2025 and December 31, 2024 each contained 52 and 53 weeks, respectively.

Principles of Consolidation

The consolidated financial statements include the accounts of Le Duff America, Inc. and its majority owned subsidiaries, including la Madeleine, Inc. and subsidiaries ("LMI"), LDA Management Company, Inc. ("LDAMC"), and ThreeCaf Brands Canada, Inc. and subsidiaries ("3Caf"). All intercompany accounts and transactions have been eliminated in consolidation.

Foreign Currency Translation

The consolidated financial statements include the accounts of the Company's Canadian based subsidiaries. The financial statements of the Company's foreign subsidiaries have been included in the consolidated financial statements and have been translated to U.S. dollars in accordance with accounting guidance for foreign currency translation. Assets and liabilities are translated at current rates in effect at the consolidated balance sheet date and stockholder's equity is translated at historical exchange rates. Revenue and expenses are translated at the average exchange rate for the applicable period. Any resulting translation adjustments are made directly to accumulated other comprehensive loss.

Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates used in the preparation of the consolidated financial statements include the determination of deferred income tax balances and any associated valuation allowance, impairment of long-lived assets, allowance for doubtful accounts and reserves for closure and restructuring.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of 90 days or less at the time of purchase to be cash equivalents. The Company maintains cash at financial institutions, which may at times exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risks on such accounts.

Supplemental Cash Flow Disclosure

The Company paid interest of $65,696 and $67,510 during 2025 and 2024, respectively. Additionally, the Company paid income taxes of $77,942 and $137,192 and received refunds of $59,889 and $3,967 during 2025 and 2024, respectively.

The Company has advanced funds to its parent, LeDuff Holding Company, Inc., which have been treated as in substance distributions although in the form of a receivable from the parent. The Company advanced $1,821 for the year ended December 30, 2025 and received $160,448 from parent in December 31, 2024.

During the years ended December 30, 2025 and December 31, 2024, the Company recognized right-of-use (“ROU”) assets obtained in exchange for lease liabilities as follows:

	December 30, 2025	December 31, 2024
Operating lease ROU assets	$ 6,695,091	$ 9,608,379
Finance lease ROU assets	183,596	16,520
	$ 6,878,687	$ 9,624,899

Accounts Receivable

Accounts receivable is comprised primarily of receivables from credit card transactions, royalties and other amounts from franchisees, and sales to third parties from commissary production. Accounts receivable are reported net of an allowance for credit losses. The allowance is based on management’s estimate of the amount of receivables that will actually be collected using a combination of factors, including the age of the outstanding balances, recent payment history and an evaluation of the current delinquency status, customer financial condition, historical loss condition and existing economic conditions. Accounts are written off when it is determined they will not be collected, and payments subsequently received are credited back to bad debt expense in the quarter the payment is received. Allowance for credit losses was $60,559 and $62,647 at December 30, 2025 and December 31, 2024, respectively. Bad debt expense (recovery) was $2,357 and $(22,867) for the years ended December 30, 2025 and December 31, 2024, respectively. One customer comprised approximately 55% of accounts receivable as of December 30, 2025 and 45% as of December 31, 2024.

Inventories

Inventories consist primarily of food, beverage, and supplies, and are stated at the lower of cost (weighted-average cost method) or market

Property and Equipment

Property and equipment are recorded at historical cost less accumulated depreciation. Repairs and maintenance are expensed as incurred. Remodels and betterments are capitalized. Depreciation is computed over the estimated useful lives of the assets using the straight-line method. Leasehold improvements are amortized over the lesser of the asset's useful life or the entire expected lease term, including cancelable option periods where failure to exercise such options would result in an economic penalty. The estimated useful lives are as follows:

Buildings	20 years
Leasehold improvements	7-20 years
Equipment and vehicles	3-7 years
Furniture and fixtures	3-5 years

Impairment of Long-Lived Assets

Long-lived assets, such as property and equipment, purchased intangibles subject to amortization and right of-use ("ROU") lease assets net of lease liabilities, are reviewed for impairment annually or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If the carrying amount is not recoverable, an impairment charge is recorded for the excess of the carrying amount over the fair value. Fair value is determined based on projected discounted future operating cash flows of the cafés over their remaining service life using a risk-adjusted discount rate that is commensurate with the risk inherent in the Company's current business model, which are all significant unobservable inputs ("Level 3 Inputs"). This process requires the use of estimates and assumptions, which are subject to a high degree of judgment. Based upon the Company's review, impairment of property and equipment was $65,222 and $1,111,371 for the years ended December 30, 2025 and December 31, 2024, respectively. These charges are included as a component of other expense and charges in the accompanying consolidated statements of operations and comprehensive income.

Café Closures

The costs and credits for café closures are recorded in other expenses and charges, net on the consolidated statements of operations and comprehensive income and included in the summary below:

	2025	2024
Other cash expenditures	188,841	16,352
Other non-cash expenses, net	305	97,847
Net expense	$ 189,146	$ 114,199

During 2025, the Company permanently closed three locations and temporarily closed one location for remodel. During 2024, the Company permanently closed no cafes and temporarily closed one café.

Fair Value Measurements

Fair value is defined as the price that the Company would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants on the measurement date. In determining fair value, the accounting standards establish a three-level hierarchy for inputs used in measuring fair value, as follows:

Level 1 - inputs are quoted prices in active markets for identical assets or liabilities;

Level 2 - inputs are observable for the asset or liability, either directly or indirectly, including quoted prices in active markets for similar assets or liabilities; and

Level 3 - inputs are unobservable and reflect the Company's own assumptions.

The Company's valuation techniques are applied to all the assets and liabilities carried at fair value. For assets and liabilities with a lack of observable market activity, if any, the fair values are based upon discounted cash flow methodologies incorporating assumptions that, in our judgment, reflect the assumptions a marketplace participant would use.

Goodwill and Intangible Assets

The Company's goodwill and intangible assets (comprised primarily of tradenames, trademarks and logos) have indefinite lives and are not being amortized but, instead, are tested at least annually for impairment in accordance with accounting guidance, and are tested for impairment more frequently if events and circumstances indicate that the asset might be impaired. An impairment loss is recognized to the extent that the carrying amount exceeds the fair value. In 2025 and 2024, the Company's assessment of goodwill and intangibles yielded no impairment.

Revenue Recognition

The Company records revenue from the sale of food and beverage as products are sold, other than revenue from the sale of gift cards. Proceeds from the sale of gift cards is deferred and recognized as revenue when the holder redeems the card or its likelihood of redemption, based upon historic redemption patterns, becomes remote. Royalty revenue is based on a percentage of café sales and is recognized as earned. Franchise fee revenue is amortized over the life of the franchise agreement. See Note 3, *Revenue Recognition.*

Sales Taxes

Sales taxes collected from customers are excluded from revenues. The obligation is included in accrued liabilities until the taxes are remitted to the appropriate taxing authorities.

Leases

The Company determines if an arrangement is a lease at inception of the arrangement. The Company leases retail, warehouse and office space under operating leases expiring on various dates through 2036. Our leased restaurants typically have an initial lease term of one to 20 years, with one or more renewal terms typically ranging from one to 10 years. We also lease certain vehicles and other restaurant equipment. Our lease agreements do not contain any material residual value guarantees or material covenant restrictions. Operating leases result in the Company recording a ROU asset and a lease liability on the balance sheet. ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. We do not record ROU assets or lease liabilities for short-term leases with an initial term of twelve months or less that do not contain options to renew which are likely to exercise. We have elected to use a risk-free rate instead

of incremental borrowing rate to determine the present value of future lease payments. Operating lease assets and liabilities are recognized at the lease commencement date which begins on the date when the Company takes possession of the property. Operating lease liabilities represent the present value of lease payments not yet paid using the risk-free interest rate. Operating ROU assets represent the operating lease liability adjusted for prepayments, initial direct costs, lease incentives and impairment of operating lease assets. Our leases typically contain rent escalations over the lease term and lease expense is recognized on a straight-line basis over the lease term. Tenant incentives used to fund leasehold improvements are recognized when earned and reduce ROU assets related to the lease. Tenant incentives are amortized through the ROU asset as reductions of rent expense over the rent term. Variable lease costs are expensed as incurred and are not included in lease liabilities. Contingent rent represents payment of variable lease obligations based on a percentage of sales, as defined by the terms of the applicable lease and is recorded at the point in time we determine that it is probable that such sales levels will be achieved. Finance lease expenses are recognized on a straight-line basis over the life of the lease and the expenses are recognized as depreciation and amortization. Interest on each finance liability is recorded in the appropriate period.

Advertising Costs

Marketing, advertising and promotional costs are expensed as incurred, and totaled $4,343,191 and $2,739,729 for the years ended December 30, 2025 and December 31, 2024, respectively. These costs are included in other store operating expenses on the accompanying consolidated statements of operations and comprehensive income.

Pre-Opening Costs

Pre-opening costs incurred in connection with the opening or reopening of a café are expensed as incurred. Pre-opening costs were $7,072 and $19,904 for the years ended December 30, 2025 and December 31, 2024, respectively, and are included in other expenses and charges, net on the accompanying consolidated statements of operations and comprehensive income.

Income Taxes

The Company is subject to U.S. federal income tax as well as income tax in the various states where cafés are operated. The Company's Canadian based subsidiaries are subject to Canadian federal income tax as well as income taxes in the provinces where cafés are located. The Company recognizes deferred tax liabilities and assets for the expected future tax consequences of events that have been recognized in the Company's consolidated financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between the consolidated financial statement carrying amounts and tax bases of assets and liabilities using enacted tax rates expected to be in effect in the years in which the differences are expected to reverse. A valuation allowance is provided for a portion or all of the deferred tax assets when it is more likely than not that such portion or all of such deferred tax assets will not be realized.

The Company has adopted accounting provisions related to uncertain tax positions. The Company's estimate of the potential outcome of any uncertain tax issues is subject to management's assessment of relevant risks, facts and circumstances existing at that time. The Company uses a more-likely-than-not threshold for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. To the extent that the Company's assessment of such tax position changes, the change in estimate is recorded in the period in which the determination is made. The Company did not recognize any liabilities for uncertain tax issues for the years ended December 30, 2025 and December 31, 2024. The Company reports tax-related interest and penalties as a component of operating expenses.

All tax positions taken related to the Company, for which the statute of limitations remain open, have been reviewed, and management is of the opinion that the positions taken by the Company would more likely than not be sustained upon examination. The tax years that are still subject to examination are 2021 through 2024.

The Company is included in LDA Holding Company, Inc.'s ("LDAH") consolidated federal income tax return. The Company's income taxes have been presented on a stand-alone separate income tax return basis.

Comprehensive Income

Comprehensive income consists of net income (expense) related to foreign currency translation adjustments.

NOTE 4 - REVENUE RECOGNITION

Revenue from Customers

Revenue from external customers at cafes is recognized when food and beverage products are sold. Revenue from external customers is generated through the manufacturing commissary and is recognized at the time of shipment.

Royalty Revenue

Royalties are based on a percentage of café sales and are recognized as earned.

Development Fees Revenue

Development fees are deferred and recognized as revenue when all material conditions have been substantially completed, which generally occurs when each café under the related area development agreement is opened. Typically, a portion of the development fee will be applied to the franchise fee. Therefore, the adoption of Topic 606 will defer the development fees applied towards the franchise fee and will follow the revenue recognition for franchise fees. The Company also recognizes development fees as revenue in the event of a default by a franchisee under a development agreement, which typically occurs when a franchisee fails to open the specified number of units. We recorded revenue relating to terminated development agreements in the amount of $0 and $435,000 in fiscal years 2025 and 2024, respectively. The Company received deferred development fees of $60,000 in 2025 and $160,000 in 2024 related to future openings.

Franchise Fees Revenue

Franchisees are required to pay fees in accordance with the franchise agreements. The franchise agreements include training and assistance of initial café openings as distinct services the Company will assist with during the opening of new locations. Revenue related to the distinct preopening services can be recognized at the time of service. The remaining deferred franchise fees are recognized ratably over the life of the franchise agreement. We recorded franchise fee income of $167,848 for 2025 and $208,607 for 2024, respectively. The remaining deferred franchise fees as of December 31, 2025, are $516,083.

Gift Card Revenue

The proceeds from the sale of gift cards is deferred and recognized as revenue when the holder redeems the card or its likelihood of redemption, based upon historic redemption patterns, becomes remote. Income related to unredeemed gift cards was $28,177 and $32,726 for the fiscal years ended December 30, 2025 and December 31, 2024, respectively.

Marketing Fee Revenue

LMI and its franchisees contribute a portion of net sales for agreed upon marketing efforts to respective brand marketing funds, which are fully consolidated subsidiaries of LMI, Brioche Dorée, Au Pain Dore and Michel's Baguette and their franchisees also contribute a portion of net sales for agreed upon marking efforts to their respective brand marketing funds that are fully consolidated as part of LDA. Marketing fees received by the Company are recognized to the extent of marketing and advertising expense incurred each year. Marketing fees received in excess of marketing fees incurred are recorded as deferred marketing fees on the consolidated balance sheets in accrued liabilities. Marketing fees incurred in excess of fees received are recorded as prepaid marketing fees on the consolidated balance sheets in prepaid expenses. Marketing fees received by the brand marketing funds are recorded as marketing fee income as part of royalties and other fees on the consolidated statements of operations and comprehensive income and marketing expenses are recorded as part of other store operating expenses on the consolidated statements of operations and comprehensive income. At December 30, 2025 marketing fees incurred were greater than marketing fees received by $34,905. At December 31, 2024, marketing fees incurred were less than marketing fee received by $257,510. These balances are recorded in accrued expenses on the consolidated balance sheets.

NOTE 5 - PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following at December 30, 2025 and December 31, 2024:

	2025	2024
Buildings	$ 480,000	$ 480,000
Leasehold improvements	25,971,799	25,500,314
Equipment and vehicles	17,300,357	17,039,495
Furniture and fixtures	2,781,196	2,811,986
Construction in progress	-	522,532
	46,533,352	46,354,327
Less: accumulated depreciation	(39,566,254)	(38,088,547)
	$ 6,967,098	$ 8,265,780

Depreciation expense related to property and equipment was $2,410,035 and $2,796,857 for the years ended December 30, 2025 and December 31, 2024, respectively. Amortization expense related to finance lease ROU assets was $54,695 and $39,426 for the years ended December 30, 2025 and December 31, 2024, respectively.

NOTE 6 - TRADENAMES AND TRADEMARKS

The Company has indefinite lived intangible assets that include tradenames and trademarks, which are accounted for as an asset group and values are not separate. The carrying value of tradenames and trademarks were $14,358,288 for both years ended December 30, 2025 and December 31, 2024.

NOTE 7 - OTHER ACCRUED EXPENSES

Other accrued expenses consist of the following as of December 30, 2025 and December 31, 2024:

	2025	2024
Accrued taxes other than income taxes	$ 621,200	$ 720,718
Accrued rent and utilities	141,848	146,554
Deferred vendor signing bonuses	547,807	187,635
Marketing liabilities	86,665	386,279
Accrued professional fees	569,614	765,899
Other accrued operating liabilities	1,491,604	1,905,455
	$ 3,458,738	$ 4,112,540

NOTE 8 - LEASES

Following is a summary of expenses and income related to leases recognized in the Company's consolidated statement of operations and comprehensive income during 2025 and 2024 are as follows:

	Consolidated Statements of Operation and Comprehensive Income Classification	2025	2024
Operating leases	Other restaurant operating expense	$ 6,145,221	$ 5,806,607
Operating leases	Other expenses and charges	192,485	171,099
Variable lease cost	Other restaurant operating expense	550,731	475,181
Variable lease cost	Other expenses and charges	30,552	17,319
Finance leases			
Amortization of leased assets	Depreciation and amortization	212,923	200,198
Interest on lease liabilities	Interest expense (benefit), net	11,062	9,128
Interest on lease liabilities	Other expenses and charges	18,136	19,929
Sublease revenue	Other restaurant operating expense	-	(499)
Sublease revenue	Other expenses and charges	(147,717)	(139,648)
Lease costs, net		$ 7,013,393	$ 6,559,314

As of December 30, 2025, future minimum lease payments and sublease revenues under non-cancelable leases are as follows:

	Operating Leases	Finance Leases
2026	$ 6,605,789	$ 279,483
2027	5,702,382	282,888
2028	4,904,233	272,309
2029	4,122,997	231,667
2030	3,023,486	208,691
Thereafter	8,197,451	1,156,717
Total minimum lease payments (receipts)	32,556,338	2,431,755
Less: interest	(3,739,366)	(114,642)
Present value of future lease payments	$ 28,816,972	$ 2,317,113

The following table is a summary of the weighted-average remaining lease terms and weighted-average discount rates of the Company's leases:

Weighted-average remaining lease term	
Operating leases	6.48 years
Finance leases	9.49 years
Weighted-average discount rate	
Operating leases	3.68%
Finance leases	1.35%

NOTE 9 - DEBT

In June 2022, the Company entered into a $3,000,000 revolving line of credit note from HSBC Bank, USA. This revolving note bears interest at Prime Rate plus an applicable variable rate of 1.0% or Term SOFR plus 2.0% for applicable interest period and is paid monthly. The line of credit renews each November and any open amounts are due upon demand. The Company drew $1,000,000 on this note in 2022 and $1,000,000 in 2025. No additional draw or payments were made in 2024. Interest expense for the years ended December 30, 2025 and December 31, 2024 were $100,458 and $70,303 respectively.

NOTE 10 - INCOME TAXES

The Company files a consolidated tax returns with its parent and records it share of the consolidated tax expense on a separate return basis. The provision for income taxes for the years ended December 30, 2025 and December 31, 2024 was composed of the following:

	2025	2024
Current		
Federal	$ -	$ -
Foreign	80,023	34,049
State	70,830	101,542
Income tax expense	150,853	135,591
Deferred		
Federal	(39,549)	262,428
Foreign	(43,514)	15,178
State	42,710	(260,513)
	(40,353)	17,093
Total income tax expense	$ 110,500	$ 152,684

The valuation of foreign-deferred tax assets and liabilities is subject to foreign exchange rate fluctuations which are not a component of deferred tax expense. The effect of foreign exchange rate fluctuations is included as a component of accumulated other comprehensive loss.

The provision for income taxes differs from the amount computed by applying the U.S. blended federal statutory income tax rate of 21% in both 2025 and 2024 due to varying state taxes, foreign tax rates, permanent differences and a valuation allowance related to deferred tax assets in the U.S. A reconciliation of the U.S. federal tax rate to the Company's effective tax rate is as follows:

	2025	2024
Provision for income taxes at the U.S. federal statutory rate	21.00%	21.00%
State taxes, net of federal benefit	(1.23)	4.58
Permanent items	(1.63)	6.29
Change in valuation allowance	(27.94)	(0.47)
Tax credits	5.90	(20.55)
Return to provision	0.98	4.39
Deferred corrections	-	2.00
Other	(0.48)	1.44
Effective tax rate	(3.40%)	18.68%

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company states those balances at the enacted tax rates expected to be in effect when the taxes are paid or recovered.

The components of deferred tax assets and liabilities at December 30, 2025 and December 31, 2024, are summarized as follows:

	2025	2024
Deferred tax assets		
Deferred rent	$ 566,239	$ 600,829
Accrued expenses	467,327	386,357
Property and equipment	2,858,934	2,749,956
Net operating loss carryforward	13,908,472	13,205,525
Other taxable carryforwards and credits	1,192,240	998,668
Deferred revenue	314,519	324,082
Other, net	171,531	159,519
Total deferred tax assets	19,479,262	18,424,936
Valuation allowance for deferred tax assets	(15,516,881)	(14,609,333)
Deferred tax assets, net	3,962,381	3,815,603
Deferred tax liabilities		
Intangible assets	3,059,609	3,023,507
Inventory - small wares	119,822	114,905
Other	101,183	97,721
Total deferred tax liabilities	3,280,614	3,236,133
Net deferred tax assets	$ 681,767	$ 579,469

The deferred tax assets for December 30, 2025 and December 31, 2024 were assessed for recoverability and, where applicable, a valuation allowance was recorded to reduce the total deferred tax asset to an amount that will, more likely than not, be realized in the future. In evaluating our ability to recover our deferred tax asset, we considered available positive and negative evidence, including scheduled reversals of taxable temporary differences, the results of recent operations, and where appropriate, projected future taxable income. At December 30, 2025 and December 31, 2024, the Company determined that a valuation allowance was necessary in the amount of $15,516,881 and $14,609,333, respectively. At December 30, 2025 and December 31, 2024, the Company had net operating loss carryforwards totaling $57,986,715 and $55,375,549, respectively, of which $35,340,321 and $32,729,155, respectively, were indefinite lived. Net operating loss carryforwards incurred before December 31, 2017 expire beginning in 2033. The Company had jobs credit carryforwards of $1,190,018 and $998,287 for years ended December 30, 2025 and December 31, 2024, respectively.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Lease Guarantees

Certain cafes are franchised and subleased to franchisees. The Company could be required to make payments in the event of nonpayment by the franchisees. The undiscounted payments the Company could be required to make as of December 30, 2025 are:

Years	Franchise Commitments
2026	$ 788,584
2027	799,938
2028	791,182
2029	807,480
2030	806,407
Thereafter	2,885,081
Total	$ 6,878,672

Litigation

In the normal course of its business, the Company is subject to litigation. Management of the Company is not aware of any claims will have a material adverse impact on the Company's financial condition, cash flows or results of operations.

NOTE 12 - OTHER EXPENSES AND CHARGES

The components of other expenses and charges (before income tax effect), which have been reflected on the accompanying consolidated statements of operations and comprehensive (loss) income for 2025 and 2024, include other expenses and income, are reported as net and include the following:

	2025	2024
Impairment of property and equipment	$ 65,222	$ 1,111,371
Closed locations	189,146	114,199
Pre-opening costs	7,072	19,904
Loss/(gain) on disposal of property and equipment	987,153	(92,312)
Other	91,352	139,224
Total	$ 1,339,945	$ 1,292,386

NOTE 13 - EMPLOYEE BENEFIT PLANS

The Company operates a 401(k) savings plans under Section 401(k) of the Internal Revenue Code of 1986 (the "Code"), as amended. Substantially all employees in the United States eligible to participate may elect to contribute up to the maximum allowed under the Code. Contributions to the savings plan equal to 100% of non-highly compensated general managers' and district managers' eligible contributions and 25% of other employees' eligible contributions, not to exceed 4% of the employee's compensation for the plan year. For the years ended December 30, 2025 and December 31, 2024 the Company contributed $95,610 and $86,490, respectively, to the 401(k) savings plan.

The Company provides a fully insured group health insurance plan for its employees.

The Company operates a Deferred Compensation Plan. The Plan provides opportunity for LDA Management to defer compensation in excess of qualified retirement plan limits on a pre-tax basis to qualified participants. The Company may make Employer Discretionary Contributions to the Deferred Compensation account of each participant in an amount determined by each Plan Year. For fiscal years 2025 and 2024, the Company did not contribute any match. For 2025 and 2024, the amounts recorded are $1,083,657 and $856,726, respectively, and are booked in other assets and other long-term liabilities.

NOTE 14 - RELATED PARTY TRANSACTIONS

The Company purchases through distributors certain bread products from an affiliate of the Company, Bridor, Inc. (“Bridor”). Purchases from Bridor are contained within the food, beverage and supplies expenses of the consolidated statements of operations and comprehensive income. Bridor also provides management and legal services to the company and costs are included in general and administrative expenses. During 2025 and 2024, direct payments to Bridor were $297,454 and $326,130, respectively. Fees are paid to Bridor for cafes operating under the Au Pain Dore brand. This fee was based upon a predetermined percentage of sales or license revenue and amounted to $27,275 for 2025 and $34,281 for 2024. As of December 30, 2025, the net balance payable to Bridor was $61,072 and for December 31, 2024, the balance payable to Bridor was $48,427.

Fees are paid to an affiliate for cafés operating under the Brioche Dorée brand. This fee was based upon a predetermined percentage of sales or license revenue and amounted to $86,076 for 2025 and $87,789 for 2024.

The Company provides management and executive services to an affiliate. The cost of these services is deducted from general and administrative expenses. Charges to the affiliate were $523,162 in 2025 and $519,805 in 2024. The balance receivable included in due to affiliate on the consolidated balance sheets for the years ended December 30, 2025 and December 31, 2024 were $51,940 and $141,556, respectively.

The Company is charged management fees from an affiliate. Total fees were $377,199 for 2025 and $407,889 for 2024. Unpaid fees for the years ended December 30, 2025 and December 31, 2024 were $490,548 and $128,269, respectively.

The Company has advanced funds to its parent, LDA Holding Company, Inc. which have been treated as in substance distributions although in the form of a receivable from the parent. The Company advanced $1,821 and received $160,448 in fiscal years ending December 30, 2025 and December 31, 2024, respectively, leaving a balance of $21,960,323 as advances to parent at December 30, 2025.

NOTE 15 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 13, 2026, the date these consolidated financial statements were available to be issued.

Consolidated Financial Statements and Report of Independent Certified Public Accountants

Le Duff America, Inc. and Subsidiaries

December 31, 2024 and December 26, 2023

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Le Duff America, Inc.

Opinion

We have audited the consolidated financial statements of Le Duff America, Inc. the "Company"), which comprise the consolidated balance sheets as of December 31, 2024 and December 26, 2023, and the related consolidated statements of income and comprehensive income, changes in stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and December 26, 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable

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assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Grant Thornton LLP

Dallas, Texas
March 5, 2025

Le Duff America, Inc. and Subsidiaries

CONSOLIDATED BALANCE SHEETS

December 31, 2024 and December 26, 2023

	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	$ 4,705,288	$ 5,901,823
Accounts receivable, net	2,023,527	2,369,216
Royalty and other fees receivable, net	680,258	720,003
Inventories	2,569,564	3,174,545
Prepaid and other expenses	1,074,451	984,380
Notes receivable, net	-	70,696
Due from affiliate, net	-	163,998
Total current assets	11,053,088	13,384,661
Property and equipment, net	8,265,780	8,193,016
Tradenames and other intangibles, net	14,358,288	14,358,288
Goodwill	5,447,795	5,447,795
Operating lease right-of-use assets	26,373,183	22,185,725
Finance lease right-of-use assets	1,886,125	2,069,881
Other assets	1,054,727	738,263
Deferred income taxes	579,469	697,417
Total assets	$ 69,018,455	$ 67,075,046
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Accounts payable	$ 3,298,571	$ 4,325,590
Deferred development fees	399,753	680,968
Accrued compensation and benefits	1,457,910	3,227,914
Gift cards payable	1,161,202	1,110,379
Other accrued expenses	4,112,540	3,918,554
Due to affiliate, net	10,968	-
Income taxes payable	33,831	29,458
Long-term debt	1,000,000	1,000,000
Finance lease obligations	199,200	200,837
Operating lease obligations	5,992,730	5,589,656
Total current liabilities	17,666,705	20,083,356
Deferred development fees, net of current portion	497,003	680,246
Operating lease obligations, net of current portion	22,678,713	18,713,999
Finance lease obligation, net of current portion	2,149,745	2,336,305
Other long-term liabilities	858,297	504,051
Total liabilities	43,850,463	42,317,957
Stockholder's equity		
Le Duff America, Inc., stockholder's equity		
Common stock, $0.01 par value, 50,000 shares authorized and 100 issued and outstanding	1	1
Additional paid-in capital	73,698,471	73,698,471
Accumulated deficit	(24,719,927)	(25,390,325)
Advances to parent	(21,958,502)	(21,798,054)
Accumulated other comprehensive loss	(1,852,051)	(1,753,004)
Total Le Duff America, Inc. stockholder's equity	25,167,992	24,757,089
Total liabilities and stockholder's equity	$ 69,018,455	$ 67,075,046

The accompanying notes are an integral part of these consolidated financial statements.

Le Duff America, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

Years ended December 31, 2024 and December 26, 2023

	2024	2023
Revenue, net		
Store sales	$ 60,621,279	$ 61,674,416
Manufacturing sales, net	7,909,562	7,795,154
Royalties and other fees	10,976,704	10,075,239
Total revenue, net	79,507,545	79,544,809
Operating expenses		
Food, beverage, and supplies	22,243,559	22,637,683
Store labor and direct labor	18,175,477	18,670,053
Other operating expenses	21,774,391	21,574,027
General and administrative	11,795,637	11,076,825
Other expenses and charges, net	1,292,386	1,296,941
Management fee to affiliate	495,677	545,585
Depreciation and amortization	2,836,283	2,837,502
Total operating expenses	78,613,410	78,638,616
Total operating income	894,135	906,193
Other expenses		
Interest expense, net	71,053	51,705
Income before taxes	823,082	854,488
Income tax expense (benefit)	152,684	(230,523)
NET INCOME	670,398	1,085,011
Other comprehensive income (expense)		
Foreign currency translation	(99,047)	30,772
Comprehensive income	$ 571,351	$ 1,115,783

The accompanying notes are an integral part of these consolidated financial statements.

Le Duff America, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

Years ended December 31, 2024 and December 26, 2023

	Common Stock		Additional	Advances to	Accumulated	Accumulated Other Comprehensive	
	Shares	Dollars	Paid-in Capital	Parent	Deficit	Loss	Total
Balances at December 27, 2022	100	$ 1	$ 73,698,471	$ (22,750,138)	$ (26,475,336)	$ (1,783,776)	$ 22,689,222
Advances to parent	-	-	-	952,084	-	-	952,084
Comprehensive income							
Net income	-	-	-	-	1,085,011	-	1,085,011
Foreign currency translation	-	-	-	-	-	30,772	30,772
Balances at December 26, 2023	100	1	73,698,471	(21,798,054)	(25,390,325)	(1,753,004)	24,757,089
Advances from parent	-	-	-	(160,448)	-	-	(160,448)
Comprehensive income (loss)							
Net income	-	-	-	-	670,398	-	670,398
Foreign currency translation	-	-	-	-	-	(99,047)	(99,047)
Balances at December 31, 2024	100	$ 1	$ 73,698,471	$ (21,958,502)	$ (24,719,927)	$ (1,852,051)	$ 25,167,992

The accompanying notes are an integral part of these consolidated financial statements.

Le Duff America, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31, 2024 and December 26, 2023

	2024	2023
Cash flows from operating activities:		
Net income	$ 670,398	$ 1,085,011
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	2,836,283	2,795,236
Impairment and losses of long-lived assets	1,111,371	877,964
(Gain) loss on disposal of property and equipment	(92,311)	9,738
Reserve for store closings	-	(92,300)
Deferred rent	-	(27,200)
Bad debt expense (recovery)	(22,867)	11,887
Changes in operating assets and liabilities:		
Accounts receivable	375,973	147,951
Inventories	598,956	(210,369)
Prepaid expenses and other assets	(410,635)	(193,899)
Accounts payable	(989,161)	(1,011,411)
Income tax receivable/payable, net	3,012	(45,176)
Deferred taxes	17,092	(282,282)
Lease liabilities	351,498	(1,289,196)
Accrued compensation and benefits	(1,331,233)	533,291
Closed store charges, net	-	7,100
Accrued expenses, gift cards payable and deferred development fees	(152,601)	390,453
Net cash provided by operating activities	2,965,775	2,706,798
Cash flows from investing activities:		
Purchases of property and equipment	(4,116,788)	(3,750,079)
Proceeds from disposal of property and equipment	12,343	407,900
Proceeds from insurance	169,429	-
Advances from (to) an affiliate	205,104	461,378
Notes receivable, affiliate	-	172,313
Notes receivable	68,571	118,983
Net cash used in investing activities	(3,661,341)	(2,589,505)
Cash flows from financing activities:		
Net payments under capital lease obligations	(204,058)	131,210
Net cash provided by (used in) financing activities	(204,058)	131,210
Effect of exchange rate changes on cash	(296,911)	(20,634)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,196,535)	227,869
Cash and cash equivalents - beginning of year	5,901,823	5,673,954
Cash and cash equivalents - end of year	$ 4,705,288	$ 5,901,823

Supplemental disclosure of cash flow information: See Note 2

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1 - NATURE OF OPERATIONS

Le Duff America, Inc. and its subsidiaries (the "Company" or "LDA") are principally engaged in the ownership, operation, development, and franchising of cafés. As of December 31, 2024, the Company owned and/or operated 36 cafés and had 63 franchised and 18 licensed cafés located in the United States and Canada. The Company operates 1 of the 36 cafés under management agreements. The Company operates, franchises and licenses the la Madeleine and Brioche Doreé brands in the United States and India and Michel's Baguette, Au Pain Dore and Brioche Doreé brands in Canada.

Gourmet Cuisine, Inc. ("GCI"), a subsidiary of the Company, is a manufacturing commissary that produces several soups, dressings and jams that are sold to corporate owned and franchised cafés. GCI also sells certain soups, dressing and other products to third parties.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

On July 18, 2023, la Madeleine refranchised one café in Lubbock, Texas to a third party. The sales price for the café was $400,000 paid in cash and the Company recognized a pre-tax gain of $332,036. This disposition did not meet the criteria for accounting as a discontinued operation.

Fiscal Year

The Company's fiscal year is the 52/53-week period ending on the last Tuesday in December and reported on a 4-4-5 basis. Fiscal years ending December 31, 2024 and December 26, 2023 each contained 53 and 52 weeks, respectively.

Principles of Consolidation

The consolidated financial statements include the accounts of Le Duff America, Inc. and its majority owned subsidiaries, including la Madeleine, Inc. and subsidiaries ("LMI"), LDA Management Company, Inc. ("LDAMC"), and ThreeCaf Brands Canada, Inc. and subsidiaries ("3Caf"). All intercompany accounts and transactions have been eliminated in consolidation.

Foreign Currency Translation

The consolidated financial statements include the accounts of the Company's Canadian based subsidiaries. The financial statements of the Company's foreign subsidiaries have been included in the consolidated financial statements and have been translated to U.S. dollars in accordance with accounting guidance for foreign currency translation. Assets and liabilities are translated at current rates in effect at the consolidated balance sheet date and stockholder's equity is translated at historical exchange rates. Revenue and expenses are translated at the average exchange rate for the applicable period. Any resulting translation adjustments are made directly to accumulated other comprehensive loss.

Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates used in the preparation of the consolidated financial statements include the determination of deferred income tax balances and any associated valuation allowance, impairment of long-lived assets, allowance for doubtful accounts and reserves for closure and restructuring.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of 90 days or less at the time of purchase to be cash equivalents. The Company maintains cash at financial institutions, which may at times exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risks on such accounts.

Supplemental Cash Flow Disclosure

The Company paid interest of $67,510 and $61,245 during 2024 and 2023, respectively. Additionally, the Company paid income taxes of $137,192 and $107,740 and received refunds of $3,967 and $14,395 during 2024 and 2023, respectively.

The Company has advanced funds to its parent, LeDuff Holding Company, Inc. which have been treated as in substance distributions although in the form of a receivable from the parent. The Company advanced $160,448 for the year ended December 31, 2024 and received $952,084 from parent in December 26, 2023, respectively.

Accounts Receivable

Accounts receivable is comprised primarily of receivables from credit card transactions, royalties and other amounts from franchisees, and sales to third parties from commissary production. Accounts receivable are reported net of an allowance for doubtful accounts. The allowance is based on management's estimate of the amount of receivables that will actually be collected using a combination of factors, including the age of the outstanding balances, recent payment history and an evaluation of the current delinquency status, customer financial condition, historical loss condition and existing economic conditions. Accounts are written off when it is determined they will not be collected, and payments subsequently received are credited back to bad debt expense in the period the payment is received. Allowance for credit losses was $62,647 and $80,401 at December 31, 2024 and December 26, 2023, respectively. Bad debt expense (recovery) was ($22,867) and $11,887 for the years ended December 31, 2024 and December 26, 2023, respectively. One customer comprised approximately 34% of accounts receivable as of December 31, 2024 and December 26, 2023.

Inventories

Inventories consist primarily of food, beverage, and supplies, and are stated at the lower of cost (weighted-average cost method) or market

Property and Equipment

Property and equipment are recorded at historical cost less accumulated depreciation. Repairs and maintenance are expensed as incurred. Remodels and betterments are capitalized. Depreciation is computed over the estimated useful lives of the assets using the straight-line method. Leasehold improvements are amortized over the lesser of the asset's useful life or the entire expected lease term, including cancelable option periods where failure to exercise such options would result in an economic penalty. The estimated useful lives are as follows:

Buildings	20 years
Leasehold improvements	7-20 years
Equipment and vehicles	3-7 years
Furniture and fixtures	3-5 years

Impairment of Long-Lived Assets

Long-lived assets, such as property and equipment, purchased intangibles subject to amortization and right of-use ("ROU") lease assets net of lease liabilities, are reviewed for impairment annually or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If the carrying amount is not recoverable, an impairment charge is recorded for the excess of the carrying amount over the fair value. Fair value is determined based on projected discounted future operating cash flows of the cafés over their remaining service life using a risk-adjusted discount rate that is commensurate with the risk inherent in the Company's current business model, which are all significant unobservable inputs ("Level 3 Inputs"). This process requires the use of estimates and assumptions, which are subject to a high degree of judgment. Based upon the Company's review, impairment of property and equipment was $1,111,371 and $664,775 for the years ended December 31, 2024 and December 26, 2023, respectively. These charges are included as a component of other expense and charges in the accompanying consolidated statements of operations and comprehensive income.

Café Closures

When cafés that are under long-term leases close, the Company records a liability for ancillary lease costs in addition to the existing liability for future minimum lease payments included in the lease liability.

The costs and credits for café closures are recorded in other expenses and charges, net on the consolidated statements of operations and comprehensive income and included in the summary below:

	2024	2023
Release of closed store reserve	$ -	$ (92,300)
Other cash expenditures	16,352	178,432
Other non-cash expenses, net	97,847	(3,103)
Net expense	$ 114,199	$ 83,029

During fiscal years 2024 and 2023, the Company closed zero and six cafés, respectively

The following table contains a summary of the changes in the liability for closed properties as of December 31, 2024 and December 26, 2023:

	2024	2023
Closed store reserves, beginning of year	$ -	$ 85,200
Reductions - store closing costs recognized	-	(92,300)
Adjustments and other noncash	-	7,100
Closed store reserves, end of year	$ -	$ -

Fair Value Measurements

Fair value is defined as the price that the Company would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants on the measurement date. In determining fair value, the accounting standards establish a three-level hierarchy for inputs used in measuring fair value, as follows:

Level 1 - inputs are quoted prices in active markets for identical assets or liabilities;

Level 2 - inputs are observable for the asset or liability, either directly or indirectly, including quoted prices in active markets for similar assets or liabilities; and

Level 3 - inputs are unobservable and reflect the Company's own assumptions.

The Company's valuation techniques are applied to all the assets and liabilities carried at fair value. For assets and liabilities with a lack of observable market activity, if any, the fair values are based upon discounted cash flow methodologies incorporating assumptions that, in our judgment, reflect the assumptions a marketplace participant would use.

Goodwill and Intangible Assets

The Company's goodwill and intangible assets (comprised primarily of tradenames, trademarks and logos) have indefinite lives and are not being amortized but, instead, are tested at least annually for impairment in accordance with accounting guidance, and are tested for impairment more frequently if events and circumstances indicate that the asset might be impaired. An impairment loss is recognized to the extent that the carrying amount exceeds the fair value. In 2024, the Company's assessment of goodwill and intangibles yielded no impairment. In 2023, the Company's assessment resulted in $213,189 impairment of certain tradenames.

Revenue Recognition

The Company records revenue from the sale of food and beverage as products are sold, other than revenue from the sale of gift cards. Proceeds from the sale of gift cards is deferred and recognized as revenue when the holder redeems the card or its likelihood of redemption, based upon historic redemption patterns, becomes remote. Royalty revenue is based on a percentage of café sales and is recognized as earned. Franchise fee revenue is amortized over the life of the franchise agreement. See Note 3, *Revenue Recognition.*

Sales Taxes

Sales taxes collected from customers are excluded from revenues. The obligation is included in accrued liabilities until the taxes are remitted to the appropriate taxing authorities.

Leases

The Company determines if an arrangement is a lease at inception of the arrangement. The Company leases retail, warehouse and office space under operating leases expiring on various dates through 2036. Our leased restaurants typically have an initial lease term of one to 20 years, with one or more renewal terms typically ranging from one to 10 years. We also lease certain vehicles and other restaurant equipment. Our lease agreements do not contain any material residual value guarantees or material covenant restrictions. Operating leases result in the Company recording a ROU asset and a lease liability on the balance sheet. ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. We do not record ROU assets or lease liabilities for short-term leases with an initial term of twelve months or less that

do not contain options to renew which are likely to exercise. We have elected to use a risk-free rate instead of incremental borrowing rate to determine the present value of future lease payments. Operating lease assets and liabilities are recognized at the lease commencement date which begins on the date when the Company takes possession of the property. Operating lease liabilities represent the present value of lease payments not yet paid using the risk-free interest rate. Operating ROU assets represent the operating lease liability adjusted for prepayments, initial direct costs, lease incentives and impairment of operating lease assets. Our leases typically contain rent escalations over the lease term and lease expense is recognized on a straight-line basis over the lease term. Tenant incentives used to fund leasehold improvements are recognized when earned and reduce ROU assets related to the lease. Tenant incentives are amortized through the ROU asset as reductions of rent expense over the rent term. Variable lease costs are expensed as incurred and are not included in lease liabilities. Contingent rent represents payment of variable lease obligations based on a percentage of sales, as defined by the terms of the applicable lease and is recorded at the point in time we determine that it is probable that such sales levels will be achieved. Finance lease expenses are recognized on a straight-line basis over the life of the lease and the expenses are recognized as depreciation and amortization. Interest on each finance liability is recorded in the appropriate period.

Advertising Costs

Marketing, advertising and promotional costs are expensed as incurred, and totaled $2,739,729 and $2,328,043 for the years ended December 31, 2024 and December 26, 2023, respectively. These costs are included in other store operating expenses on the accompanying consolidated statements of operations and comprehensive income.

Pre-Opening Costs

Pre-opening costs incurred in connection with the opening or reopening of a café are expensed as incurred. Pre-opening costs were $19,904 and $116,261 for the years ended December 31, 2024 and December 26, 2023, respectively, and are included in other expenses and charges, net on the accompanying consolidated statements of operations and comprehensive income.

Income Taxes

The Company is subject to U.S. federal income tax as well as income tax in the various states where cafés are operated. The Company's Canadian based subsidiaries are subject to Canadian federal income tax as well as income taxes in the provinces where cafés are located. The Company recognizes deferred tax liabilities and assets for the expected future tax consequences of events that have been recognized in the Company's consolidated financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between the consolidated financial statement carrying amounts and tax bases of assets and liabilities using enacted tax rates expected to be in effect in the years in which the differences are expected to reverse. A valuation allowance is provided for a portion or all of the deferred tax assets when it is more likely than not that such portion or all of such deferred tax assets will not be realized.

The Company has adopted accounting provisions related to uncertain tax positions. The Company's estimate of the potential outcome of any uncertain tax issues is subject to management's assessment of relevant risks, facts and circumstances existing at that time. The Company uses a more-likely-than-not threshold for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. To the extent that the Company's assessment of such tax position changes, the change in estimate is recorded in the period in which the determination is made. The Company did not recognize any liabilities for uncertain tax issues for the years ended December 31, 2024 and December 26, 2023. The Company reports tax-related interest and penalties as a component of operating expenses.

All tax positions taken related to the Company, for which the statute of limitations remain open, have been reviewed, and management is of the opinion that the positions taken by the Company would more likely than not be sustained upon examination. The tax years that are still subject to examination are 2021 through 2023.

The Company is included in LDA Holding Company, Inc.'s ("LDAH") consolidated federal income tax return. The Company's income taxes have been presented on a stand-alone separate income tax return basis.

Comprehensive Income

Comprehensive income consists of net income (expense) related to foreign currency translation adjustments.

New Accounting Standards Implemented

ASU No. 2016-13, *Measurement of Credit Losses on Financial Instruments* - In June 2016, the FASB issued ASU 2016-13, creating ASC Topic 326 - *Financial Instruments - Credit Losses*. ASU 2016-13 is intended to improve financial reporting by requiring timelier recording of credit losses on financial assets measured at amortized cost basis (including, but not limited to loans), net investments in leases recognized as lessor and off-balance sheet credit exposures. ASU 2016-13 eliminates the probable initial recognition threshold under the current incurred loss methodology for recognizing credit losses. Instead, ASU 2016-13 requires the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The new guidance is effective for private entities for fiscal years beginning after December 15, 2022, which required us to adopt these provisions for fiscal year 2023. The update was applied on a prospective basis. The adoption of this guidance did not have a material impact on our consolidated financial statements.

Reclassifications

Certain prior year amounts have been reclassified to conform with the current year presentation. These reclassifications have no effect on the reported results of operations.

NOTE 3 - REVENUE RECOGNITION

Revenue from Customers

Revenue from external customers at cafes is recognized when food and beverage products are sold. Revenue from external customers is generated through the manufacturing commissary and is recognized at the time of shipment.

Royalty Revenue

Royalties are based on a percentage of café sales and are recognized as earned.

Development Fees Revenue

Development fees are deferred and recognized as revenue when all material conditions have been substantially completed, which generally occurs when each café under the related area development agreement is opened. Typically, a portion of the development fee will be applied to the franchise fee. Therefore, the adoption of Topic 606 will defer the development fees applied towards the franchise fee and will follow the revenue recognition for franchise fees. The Company also recognizes development fees as revenue in the event of a default by a franchisee under a development agreement, which typically occurs when a franchisee fails to open the specified number of units. We recorded revenue relating to terminated

development agreements in the amount of $435,000 and $100,000 in fiscal years 2024 and 2023, respectively. The Company received deferred development fees of $160,000 in 2024 and $60,000 in 2023 related to future openings.

Franchise Fees Revenue

Franchisees are required to pay fees in accordance with the franchise agreements. The franchise agreements include training and assistance of initial café openings as distinct services the Company will assist with during the opening of new locations. Revenue related to the distinct preopening services can be recognized at the time of service. The remaining deferred franchise fees are recognized ratably over the life of the franchise agreement. We recorded franchise fee income of $208,607 for 2024 and $185,389 for 2023, respectively. The remaining deferred franchise fees as of December 31, 2024, are $647,169.

Gift Card Revenue

The proceeds from the sale of gift cards is deferred and recognized as revenue when the holder redeems the card or its likelihood of redemption, based upon historic redemption patterns, becomes remote. Income related to unredeemed gift cards was $32,726 and $31,674 for the fiscal years ended December 31, 2024 and December 26, 2023, respectively.

Marketing Fee Revenue

LMI and its franchisees contribute a portion of net sales for agreed upon marketing efforts to respective brand marketing funds, which are fully consolidated subsidiaries of LMI, Brioche Dorée, Au Pain Dore and Michel's Baguette and their franchisees also contribute a portion of net sales for agreed upon marking efforts to their respective brand marketing funds that are fully consolidated as part of LDA. Marketing fees received by the Company are recognized to the extent of marketing and advertising expense incurred each year. Marketing fees received in excess of marketing fees incurred are recorded as deferred marketing fees on the consolidated balance sheets in accrued liabilities. Marketing fees incurred in excess of fees received are recorded as prepaid marketing fees on the consolidated balance sheets in prepaid expenses. Marketing fees received by the brand marketing funds are recorded as marketing fee income as part of royalties and other fees on the consolidated statements of operations and comprehensive income and marketing expenses are recorded as part of other store operating expenses on the consolidated statements of operations and comprehensive income. At December 31, 2024 and December 27, 2023, marketing fees incurred were less than marketing fee received by $257,510 and $70,860, respectively, and are recorded in accrued expenses on the consolidated balance sheets.

NOTE 4 - NOTES RECEIVABLE

The Company has notes receivable that are recorded at their net realizable value at December 31, 2024 and December 26, 2023, of $0 (net of allowance for credit losses of $14,254) and $70,696 (net of allowance for credit losses of $106,766), respectively.

NOTE 5 - PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following at December 31, 2024 and December 26, 2023:

	2024	2023
Buildings	$ 480,000	$ 480,000
Leasehold improvements	25,500,314	26,078,391
Equipment and vehicles	17,039,495	16,804,732
Furniture and fixtures	2,811,986	2,624,534
Construction in progress	522,532	120,251
	46,354,327	46,107,908
Less: accumulated depreciation	(38,088,547)	(37,914,892)
	$ 8,265,780	$ 8,193,016

Depreciation expense related to property and equipment was $2,796,857 and $2,795,236 for the years ended December 31, 2024 and December 26, 2023, respectively. Amortization expense related to finance lease ROU assets was $39,426 and $42,266 for the years ended December 31, 2024 and December 26, 2023, respectively.

NOTE 6 - TRADENAMES AND TRADEMARKS

The Company has indefinite lived intangible assets that include tradenames and trademarks, which are accounted for as an asset group and values are not separate. The carrying value of tradenames and trademarks were $14,358,288 for both years ended December 31, 2024 and December 26, 2023.

NOTE 7 - OTHER ACCRUED EXPENSES

Other accrued expenses consist of the following as of December 31, 2024 and December 26, 2023:

	2024	2023
Accrued taxes other than income taxes	$ 720,718	$ 716,292
Accrued rent and utilities	146,554	169,340
Deferred vendor signing bonuses	187,635	174,754
Marketing liabilities	386,279	384,380
Franchisee holdbacks	-	2,355
Accrued professional fees	765,899	571,647
Other accrued operating liabilities	1,905,455	1,899,786
	$ 4,112,540	$ 3,918,554

NOTE 8 - LEASES

Following is a summary of expenses and income related to leases recognized in the Company's consolidated statement of operations and comprehensive income during 2024 and 2023 are as follows:

	Consolidated Statements of Operation and Comprehensive Income Classification	2024 Lease Cost	2023 Lease Cost
Operating leases	Other restaurant operating expense	$ 5,806,607	$ 5,323,590
Operating leases	Other expenses and charges	171,099	188,980
Variable lease cost	Other restaurant operating expense	475,181	530,306
Variable lease cost	Other expenses and charges	17,319	10,475
Finance leases			
Amortization of leased assets	Depreciation and amortization	200,198	199,418
Interest on lease liabilities	Interest expense (benefit), net	9,128	5,550
Interest on lease liabilities	Other expenses and charges	19,929	20,920
Sublease revenue	Other restaurant operating expense	(499)	(505)
Sublease revenue	Other expenses and charges	(139,648)	(134,725)
Lease costs, net		$ 6,559,314	$ 6,144,009

As of December 26, 2024, future minimum lease payments and sublease revenues under non-cancelable leases are as follows:

	Operating Leases	Finance Leases
2025	$ 6,718,189	$ 220,279
2026	5,419,334	232,845
2027	4,778,743	236,251
2028	3,976,348	225,672
2029	3,214,118	203,390
Thereafter	7,960,875	1,357,884
Total minimum lease payments (receipts)	32,067,607	2,476,321
Less: interest	(3,396,164)	(127,376)
Present value of future lease payments	$ 28,671,443	$ 2,348,945

The following table is a summary of the weighted-average remaining lease terms and weighted-average discount rates of the Company's leases:

Weighted-average remaining lease term	
Operating leases	6.47 years
Finance leases	10.85 years
Weighted-average discount rate	
Operating leases	3.36%
Finance leases	1.21%

NOTE 9 - DEBT

In June 2022, the Company entered into a $3,000,000 revolving line of credit note from HSBC Bank, USA. This revolving note bears interest at Prime Rate plus an applicable variable rate of 1.0% or Term SOFR plus 2.0% for applicable interest period and is paid monthly. The line of credit renews each November and any open amounts are due upon demand. In 2022, the Company drew $1,000,000 on this note. No additional draw or payments were made in 2024 or 2023 and interest expense of $70,303 and $71,691 was recognized, respectively.

NOTE 10 - INCOME TAXES

The Company files a consolidated tax returns with its parent and records it share of the consolidated tax expense on a separate return basis. The provision for income taxes for the years ended December 31, 2024 and December 26, 2023 was composed of the following:

	2024	2023
Current		
Federal	$ -	$ -
Foreign	34,049	(47,396)
State	101,542	99,156
Income tax expense	135,591	51,760
Deferred		
Federal	262,428	(549)
Foreign	15,178	(282,420)
State	(260,513)	686
	17,093	(282,283)
Total income tax expense (benefit)	$ 152,684	$ (230,523)

The valuation of foreign-deferred tax assets and liabilities is subject to foreign exchange rate fluctuations which are not a component of deferred tax expense. The effect of foreign exchange rate fluctuations is included as a component of accumulated other comprehensive loss.

The provision for income taxes differs from the amount computed by applying the U.S. blended federal statutory income tax rate of 21% in both 2024 and 2023 due to varying state taxes, foreign tax rates, permanent differences and a valuation allowance related to deferred tax assets in the U.S. A reconciliation of the U.S. federal tax rate to the Company's effective tax rate is as follows:

	2024	2023
Provision for income taxes at the U.S. federal statutory rate	21.00%	21.00%
State taxes, net of federal benefit	4.58	18.00
Permanent items	6.29	13.14
Change in valuation allowance	(0.47)	(32.22)
Tax credits	(20.55)	(19.47)
Return to provision	4.39	(0.01)
Deferred corrections	2.00	(20.05)
Other	1.44	(7.15)
Effective tax rate	18.68%	(26.76)%

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company states those balances at the enacted tax rates expected to be in effect when the taxes are paid or recovered.

The components of deferred tax assets and liabilities at December 31, 2024 and December 26, 2023, are summarized as follows:

	2024	2023
Deferred tax assets		
Deferred rent	$ 600,829	$ 539,593
Accrued expenses	386,357	498,982
Property and equipment	2,749,956	2,779,234
Net operating loss carryforward	13,205,525	13,317,851
Other taxable carryforwards and credits	998,668	839,316
Deferred revenue	324,082	392,734
Other, net	159,519	153,908
Total deferred tax assets	18,424,936	18,521,618
Valuation allowance for deferred tax assets	(14,609,333)	(14,613,208)
Deferred tax assets, net	3,815,603	3,908,410
Deferred tax liabilities		
Intangible assets	3,023,507	3,015,952
Inventory - small wares	114,905	115,073
Other (prepaids, pass through income)	97,721	79,968
Total deferred tax liabilities	3,236,133	3,210,993
Net deferred tax assets	$ 579,469	$ 697,417

The deferred tax assets for December 31, 2024 and December 26, 2023 were assessed for recoverability and, where applicable, a valuation allowance was recorded to reduce the total deferred tax asset to an amount that will, more likely than not, be realized in the future. In evaluating our ability to recover our deferred tax asset, we considered available positive and negative evidence, including scheduled reversals of taxable temporary differences, the results of recent operations, and where appropriate, projected future taxable income. At December 31, 2024 and December 26, 2023, the Company determined that a valuation allowance was necessary in the amount of $14,609,333 and $14,613,208, respectively. At December 31, 2024 and December 26, 2023, the Company had net operating loss carryforwards totaling $55,375,549 and $55,294,850, respectively, of which $32,729,155 and $32,648,456, respectively, were indefinite lived. Net operating loss carryforwards incurred before December 31, 2018 expire beginning in 2034. The Company had jobs credit carryforwards of $998,287 and $830,273 for years ended December 31, 2024 and December 26, 2023, respectively.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Lease Guarantees

Certain cafes are franchised and subleased to franchisees. The Company could be required to make payments in the event of nonpayment by the franchisees. The undiscounted payments the Company could be required to make as of December 31, 2024 are:

Years	Franchise Commitments
2025	$ 1,016,192
2026	925,696
2027	763,268
2028	752,459
2029	767,959
Thereafter	3,510,814
Total	$ 7,736,388

Litigation

In the normal course of its business, the Company is subject to litigation. Management of the Company does not believe that any claim will have a material adverse impact on the Company's financial condition, cash flows or results of operations.

NOTE 12 - OTHER EXPENSES AND CHARGES

The components of other expenses and charges (before income tax effect), which have been reflected on the accompanying consolidated statements of operations and comprehensive income (loss) for 2024 and 2023, include other expenses and income, are reported as net and include the following:

	2024	2023
Impairment and losses of long-lived assets, property and equipment and intangibles	$ 1,111,371	$ 901,512
Closed locations	114,199	(9,271)
Pre-opening costs	19,904	116,260
Refranchising/reorganization costs	-	457,528
Other	46,912	(169,086)
Total	$ 1,292,386	$ 1,296,941

NOTE 13 - EMPLOYEE BENEFIT PLANS

The Company operates a 401(k) savings plans under Section 401(k) of the Internal Revenue Code of 1986 (the “Code”), as amended. Substantially all employees in the United States eligible to participate may elect to contribute up to the maximum allowed under the Code. Contributions to the savings plan equal to 100% of non-highly compensated general managers’ and district managers’ eligible contributions and 25% of other employees’ eligible contributions, not to exceed 4% of the employee’s compensation for the plan year. For the years ended December 31, 2024 and December 26, 2023 the Company contributed $86,490 and $50,863, respectively, to the 401(k) savings plan.

The Company provides a fully insured group health insurance plan for its employees.

The Company operates a Deferred Compensation Plan. The Plan provides opportunity for LDA Management to defer compensation in excess of qualified retirement plan limits on a pre-tax basis to qualified participants. The Company may make Employer Discretionary Contributions to the Deferred Compensation account of each participant in an amount determined by each Plan Year. For fiscal years 2024 and 2023, the Company did not contribute any match. For 2024 and 2023, the amounts recorded are $856,726 and $451,168, respectively, and are booked in other assets and other long-term liabilities.

NOTE 14 - RELATED PARTY TRANSACTIONS

The Company purchases through distributors certain bread products from an affiliate of the Company, Bridor, Inc. (“Bridor”). Purchases from Bridor are contained within the food, beverage and supplies expenses of the consolidated statements of operations and comprehensive income. Bridor also provides management and legal services to the company and costs are included in general and administrative expenses. During 2024 and 2023, direct payments to Bridor were $326,130 and $203,471, respectively. Fees are paid to Bridor for cafes operating under the Au Pain Dore brand. This fee was based upon a predetermined percentage of sales or license revenue and amounted to $34,281 for 2024 and $42,573 for 2023. As of December 31, 2024, the balance payable to Bridor was $48,427 and for December 26, 2023, the balance payable to Bridor was $43,318.

Fees are paid to an affiliate for cafés operating under the Brioche Dorée brand. This fee was based upon a predetermined percentage of sales or license revenue and amounted to $87,789 for 2024 and $93,753 for 2023.

Starting in 2023, the Company provides management and executive services to an affiliate. The cost of these services is deducted from general and administrative expenses. Charges to the affiliate were $519,805 in 2024 and $456,777 in 2023. The balance receivable included in due to affiliate on the consolidated balance sheets for the years ended December 31, 2024 and December 26, 2023 were $141,556 and $201,622, respectively.

Starting in 2023, the Company is charged management fees from an affiliate. Total fees were $407,889 for 2024 and $451,832 for 2023. Unpaid fees for the years ended December 31, 2024 and December 26, 2023 were $128,269 and $56,452, respectively.

The Company has advanced funds to its parent, LDA Holding Company, Inc. which have been treated as in substance distributions although in the form of a receivable from the parent. The Company advanced $160,448 and received $952,084 in fiscal years ending December 31, 2024 and December 26, 2023, respectively, leaving a balance of $21,958,502 as advances to parent at December 31, 2024.

NOTE 15 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 5, 2025, the date these consolidated financial statements were available to be issued.

Guarantee of Performance

GUARANTEE OF PERFORMANCE

For value received, **Le Duff America, Inc.**, a Delaware corporation (the "Guarantor"), located at 12201 Merit Drive, Suite 900, Dallas, Texas 75251, absolutely and unconditionally guarantees to assume the duties and obligations of **La Madeleine Franchising Company, Inc.**, located at 12201 Merit Drive, Suite 900, Dallas, Texas 75251 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its **2026** Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Dallas, Texas, on this 16th day of April 2026.

GUARANTOR:

LE DUFF AMERICA, INC.

By: _____

Name: John Dillon

Title: CEO & President

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	**Effective Date**
California	May 27, 2026
Hawaii	May 4, 2026
Illinois	April 27, 2026
Indiana	April 27, 2026
Maryland	Pending
Michigan	April 27, 2026
Minnesota	Pending
New York	Pending
North Dakota	April 30, 2026
Rhode Island	May 7, 2026
South Dakota	April 27, 2026
Virginia	April 27, 2026
Washington	Pending
Wisconsin	April 27, 2026

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this document and all agreements carefully.

If LMFC offers you a franchise, LMFC must provide this 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 we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If LMFC does not deliver this document on time or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the appropriate state agency listed in Exhibit H.

The franchisor is La Madeleine Franchising Company, Inc., 12201 Merit Drive, Suite 900, Dallas, TX 75251, (214) 696-6962. The franchise sellers are John Dillon, Mark Ramage, Michelle Grote, and Lauren Fernandez. If any other individuals are involved in offering the franchise, write in the name(s) of the individual(s): _____
_____.

Issuance date: April 27, 2026 (the effective dates of this disclosure document in states with franchise registration laws are listed in the State Effective Dates page, which appears immediately before this receipt).

LMFC authorizes the agents listed in Exhibit H to receive service of process.

I have received a disclosure document dated April 27, 2026, that included the following Exhibits:

A. Franchise Agreement
B. Development Agreement
C. Non-Traditional Addendum to the Franchise Agreement
D. Letter of Intent, Asset Purchase Agreement, and Re-Franchising Addendum to Franchise Agreement
E. Table of Contents of Operations & Training Manuals
F. Sample Form of Release
G. Franchisees as of December 30, 2025
H. List of State Administrators; Agents for Service of Process
I. Additional State-Required Information and State-Required Contract Addenda
J. J. Financial Statements

_____ _____
Date Received Signature of Prospective Franchisee

_____
Name (please print)

<u>This copy to be retained by Prospective Franchisee</u>

RECEIPT

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this document and all agreements carefully.

If LMFC offers you a franchise, LMFC must provide this 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 we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If LMFC does not deliver this document on time or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the appropriate state agency listed in Exhibit H.

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I. Additional State-Required Information and State-Required Contract Addenda
J. J. Financial Statements

_____ _____
Date Received Signature of Prospective Franchisee

_____
Name (please print)

This copy to be retained by LMFC