FRANCHISE DISCLOSURE DOCUMENT
FOR PROSPECTIVE MASTER FRANCHISEES

®

SHAGHF CAFE FRANCHISE LLC
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Al Fujairah, United Arab Emirates
Telephone: 971 55 530 8222
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The franchise offered is for a master franchise for the right to both open and operate high end cafes that offer coffee, drinks made from coffee, including espresso, other beverages, baked desserts and other related menu items ("Franchised Cafe"), for the Master Franchisee's own account, and to sell and service franchisees who purchase unit franchise agreements for Franchised Cafes. The unit franchise Franchise Disclosure Document is a separate document.

The total investment necessary to begin operations of a master franchise is $240,00-$696,000. This includes $125,000-$500,000 that must be paid to the franchisor or its affiliates.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Niaz Ahmed at 3 Khorfakkan Road, Ground Floor, Fujairah, United Arab Emirates, or by telephone at 971 50 493 3936.

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

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

There may also be laws on franchising in your state. Ask your state agencies about them.
Date of Issuance: March 18, 2025.

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.
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 D 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 Franchised Cafe 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 Franchised Cafe franchisee?	Item 20 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 A.

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 master franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Illinois. 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 Illinois than in your own state.

2. **Sales Performance Required**. You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.

3. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history.

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.

FOR THE STATE OF MICHIGAN

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 sub Section applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This Section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

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

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

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

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

If our most recent financial statements are unaudited and show a net worth of less than $100,000.00, you may request that we arrange for the escrow of initial investment and other funds you paid until our obligations, if any, to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At our option, 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 ENFORCEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection
Franchise Section
525 West Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, MI 48933
(517) 335-7567

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EXHIBITS

Exhibit A. List of State Administrators and Agents for Service of Process
Exhibit B. Master Franchise Agreement and Exhibits
Exhibit C. Copy of Unit Franchise Agreement and Exhibits
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Exhibit F. Franchise Disclosure Document State Addenda and State Addenda for Franchise Agreement
Exhibit G. List of Master Franchisees
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Exhibit I. Receipts

Item 1: THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this Franchise Disclosure Document ("Disclosure Document"), "we," "us" or "our" means Shaghf Cafe Franchise LLC, the franchisor. "You" or "your" means the person who buys the franchise. We are a Pennsylvania Limited Liability Company organized on January 10, 2025. We do business in the name of Shaghf Cafe. Our principal address is 3 Khorfakkan Road, Ground Floor, Fujairah, United Arab Emirates. We have affiliates in the United Arab Emirates ("UAE"), who either own the limited liability company that owns the trademark license we were given in the UAE, or who does business as Shaghf in other countries. We also have affiliates who are involved in other restaurant businesses, and franchise those concepts outside the United States. They are as follows:

Affiliates

Hamad Khalfan Ali Al-Shareif Aal AlShareif whose principal place of business is: 3 Khorfakkan Road, Ground Floor, Fujairah, United Arab Emirates. ("Mr. AlShareif"). In addition to owning us, Mr. AlShareif owns the following businesses, all of which are located in the UAE, and all of which franchise their concept, outside the United States.

Shaghf Cafe LLC, formed on August 16, 2018, and whose principal place of business is 3 Khorfakkan Road, Ground Floor, Fujairah, United Arab Emirates.

Business Name	Business Entity	Date Formed
Trendy Chicken	Patatello Cafe LLC	November 14, 2013
I Do	Choco Cafe LLC SPC	February 8, 2016
District 7	I Do To Sale Sweets	August 17, 2016
Jaow	Hamad AlShareif Cafe LLC	October 26, 2022
Owns	Owns Cafe	February 5, 2008
Otto Pizzeria	Otto Pizzeria LLC	November 13, 2023

Both Shaghf Cafe LLC and True Roastery LLC SPC ("True Roastery"), which was formed on October 15, 2024, will sell products to unit franchisees. All of the principal places of business for these Affiliates that sell franchises but will not be involved with this franchise program have the same address as ours. Mr. AlShareif, and Shaghf Cafe LLC and True Roastery LLC SPC that will sell product to Unit Franchisees will be referred to ("Affiliate(s)"). Mr. AlShareif owns the service mark and its federal registration and has licensed the service mark to us for use in our franchise program under a long-term license agreement. Our Affiliate Shag Cafe LLC operates a training cafe in the United Arab Emirates that will serve as a training center for Master Franchisees, and for Unit Franchisees who purchase franchises in states where there is not a Master Franchisee to conduct training.

Our agents for service of process are disclosed in Exhibit A.

We began to offer master franchises and unit franchises for Shaghf Cafes in the United States in 2025. We do not operate businesses of the type being franchised here. We have no other business activities We have Affiliates that operate businesses and franchises similar to the type being franchised here, that are located outside the United States, and have been listed above in this Item 1. We also have Affiliates that have business activities in this retail space outside the United States, and sell to unit franchisees in the United States.

This Disclosure Document is for the offer and sale of a business that is limited to operating a Master Franchise under a Master Franchise Agreement. This Disclosure Document does not advertise, offer or sell a unit franchise ("Franchised Cafe"). All unit franchise agreements ("UFA") must be executed separately from the Master Franchise Agreement. This applies to the Master Franchisee who purchases a unit franchise for its own account.

You will be required to operate your Master Franchise under the Shaghf Master Franchise Agreement, attached here as Exhibit B and the Shaghf Franchise Operations Manual whose Table of Contents is attached here as Exhibit D. You will be given the right to sell and service UFA purchasers, and you will be permitted to open unit franchises for your own account. The franchise business you will be selling to prospective purchasers will be sold into a marketplace that is already crowded, both for franchisees and for customers.

The UFA you are required to sell will compete with restaurants and cafes offering coffee, coffee drinks, other beverages and an array of desserts. As a Master Franchisee, you will be competing with larger chains or franchisors who have more experience and have a well-recognized service mark, logo or advertising under which they can offer and sell a proven product.

You must work with a lawyer who has experience in franchise law to prepare your own Franchise Disclosure Document which we must approve, the Subfranchisor Franchise Disclosure Document ("SFDD"). You must register, file it or apply for an exemption, and receive approval first from the state agency in which you applied for registration, filed it, or applied for exemption, if your Master Franchise is located in a registration or filing state. Your lawyer should be able to give you that information. You are also required to update your SFDD annually, unless there is a material change that requires you to file a post-effective amendment, before renewal. We are not responsible to you for any of these obligations, but we will provide our unit franchise disclosure document to you to give to your lawyer.

You are required to comply with all local, state and federal health and sanitation laws in the operation of your Master Franchise. When you open a Franchised Cafe for your own account, under a separate UFA, as you are required to do, you must comply with all local, state and federal health and sanitation laws in the operation of that unit. This includes your food license, which must be in force at all times you operate that Franchised Cafe. There will be no smoking permitted inside a Franchised Cafe and you are not permitted to offer or sell alcoholic beverages, and they are not permitted to be used to make any of the beverages on the menu. You will be required to comply with the Americans with Disabilities Act. We urge you to make further inquiries about these laws, and any others that may apply in your locale. If a governmental emergency order applies to you in the state where you operate, you must comply with that order, even if it means closing your Franchised Cafe to the public.

We offer one other franchise, an individual franchise, offered through a separate franchise disclosure document for the purchase of a UFA. This Franchise Disclosure Document does not include that information. A copy of the UFA is attached to this Franchise Disclosure Document as Exhibit C. As a Master Franchisee you will be required to sign a UFA each time you open a Shaghf Cafe for your own account. Each of the franchisees to whom you sell a unit franchise will also be required to sign a UFA. We do not offer franchises in any other line of business nor do we intend to at this time. Certain of our Affiliates' companies have other business concepts that are similar and may offer franchises in one or more of those businesses. This Disclosure Document does not extend to any of those businesses and we have no obligation to make a separate offer to you for one or more of those business opportunities.

Under the United States federal tax regulations, any fees that you send to us or any of our Affiliates outside the United States may be subject to mandatory withholding tax you may be required to withhold. You must consult with your lawyer or accountant to determine if this applies to you.

The Corporate Transparency Act may apply to your business. It became effective as of January 1, 2024. All business entities organized by filing with a government agency like the Secretary of State's office of any state, for ex. a corporation or a limited liability company, with certain exceptions, require a Beneficial Ownership Information report to be filed within 90 days from the date of incorporation or receiving limited liability company status. After December 31, 2024, that period is 30 days. The filing is made with the Financial Crimes Enforcement Network of the United States Treasury department. Consult your own lawyer or accountant to learn more about this required filing, and whether you are covered by an exemption.

Item 2: BUSINESS EXPERIENCE

HAMAD KHALFAN ALI AL-SHAREIF AAL ALSHAREIF

Mr. AlShareif is our founder and has been our Chief Executive Officer and Manager since our inception in January 2025. Mr. AlShareif is now and has been self-employed since January 2017 as the owner of our Affiliates. Mr. AlShareif has also been employed by UAE Department of Immigration since February 2006.

NIAZ AHMED

Mr. Ahmed has been our Managing Director/General Manager since our inception in January 2025, and has been Managing Director/General Manager for the HKAL Group of Companies in Fujairah, United Arab Emirates since January 2017.

SHEENA NELLAS TAMPOS

Ms. Tampos has been our Human Resources Manager since our inception in January 2025; and has been Director of Franchise Sales for our affiliate Shaghf Cafe located in Fujairah, United

Arab Emirates, since July 2021. Between May 2019 and July 2021, Ms. Tampos was a restaurant supervisor and receptionist for V Hotel in Dubai in the United Arab Emirates.

SALVE D. CHAVEZ

Ms. Chavez has been our Director of Training since our inception in January 2025 and has been the Director of Training, and part of the Administrative Staff for Shaghf Cafe since March 2019.

Item 3: LITIGATION

No litigation is required to be disclosed in this item

Item 4: BANKRUPTCY

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

Item 5: INITIAL FEES

The initial master franchise fee, payable in one lump sum is based on the size of the territory, which is expected to be one state, but could be a territory within a state. The fee will range from $125,000-$500,000, and is not refundable. There is no initial fee for any UFA you execute for your own account.

Item 6: OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Additional Training	$500 per day	15 days after billing	This payment is not refundable.
Repeat Training	$ 3,000 per person	15 days after billing	This is the fee if you are required to repeat training for the initial training program and it is not refundable. (See Item 11)
Refresher Training	$2,500 per person	15 days after billing	This is the fee for refresher training for a person with managerial or training obligations (See Item 11). This payment is not refundable.

Transfer	$10,000	Within 7 calendar days of the date of assignment	Payable when the Master Franchise Agreement or a controlling interest in you is transferred, but not to an immediate family member. This payment is not refundable. No charge if Franchise Agreement transferred to a corporation whose stock, or other interests you control and of which you are the president or chief executive officer, or to a limited liability company you control, except for the legal fees we incur to review the transfer. If the sale does not close we will return 75% of the transfer fee.
Costs and Attorney's Fees	Will vary under circumstances	As incurred	Payable upon your failure to comply with the Master Franchise Agreement. These expenses are not refundable.
Indemnification	This amount will depend on a number of factors including the amount that we must pay to a third party, our attorneys' fees and other costs and expenses. The amount will be different each time and will be based on the circumstances.	As incurred	You must indemnify us if the we are held liable for any of your conduct during Master Franchise operations. These payments are not refundable.

All current fees are uniformly imposed and collected.

Item 7: ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to Be Made

Initial Franchise Fee (1)	$125,000-$500,000	Lump Sum through Bank or Cashier's Check or wire transfer	With execution of the Franchise Agreement	Us
(2) Required Furniture, Fixtures, Equipment, for your Master Franchise Business office	$15,000-$25,000	Cash, credit card, check or as arranged with third party vendors	As incurred to third party vendors, per payment arrangements	Third party vendors
Rent (First three months) (3)	$7,500-$12,000	Check, or other electronic means	Deposits are due before taking possession and rent will generally be payable monthly	Lessor
Rental Security Deposit (3a)	$5,000 to $8,000	Two months base rent as security and paid by check or other electronic means	Before occupancy	Lessor
Miscellaneous Deposits (4)	$500 to $1,000	As agreed	Before opening	Service providers such as utilities
Build-Out (5)	$20,000-$30,000	As agreed	Periodically	Service providers and Vendors
Training Expenses (6)	$9,000 to $15,000	As agreed; Employee(s) Payroll Check	As Incurred	Third Parties
Insurance (7)	$3,000 to $5,000	As Agreed	Annually	Third Parties
Business advisors such as lawyers and accountants (8)	$15,000 to $25,000	As Agreed	As services are rendered	Third party service providers
Vehicle(s) used in the business (9)	$15,000-25,000	As Agreed	As purchases or lease are made	Third party vendors
Additional Funds – 3	$25,000 to $50,000	Various	As Incurred	Third Parties

months (10)				
Total (11)	$240,000 to $696,000			

(1) The initial master franchise fee is between $125,000 to $500,000, depending on the size of the territory.

(2) This estimate includes items to outfit a business office, not a Franchised Cafe; fixtures, shelving, desks, other furniture, file cabinet, equipment and supplies. one MacBook Air laptop, a printer, copier and scanner.

(3) and (3)(a) Rent will vary based on square footage, location, condition of property, real estate taxes, insurance and common area maintenance charges. The size of your office will vary to meet your requirements. The rent is not refundable. The security deposit is refundable under certain conditions, at the end of the typical lease.

You can expect to pay up two months security deposit to the lessor. Base rents are expected to vary per month depending on the size of the premises and the rent per square foot. We have estimated $2,500 to $4,000 as monthly rents, but they will vary greatly based on the location, geographic area, the size and condition of the premises, lessor allowances and term of lease. In addition to rent, you may be required to pay for any or all of the following, utilities, tax, common area maintenance, insurance, special assessments and repairs. We cannot estimate these expenses.

(4) There may be other deposits you will have to pay, including utility deposits for gas, electric, water usage, telephone, and possibly Internet usage. These costs will vary depending on geographic area, your past business history, lessor provided services and the length of the lease.

(5) You may have a build out or move into a furnished office. If you have a build out, we estimate it will be between $20,000-$30,000. If there is no build out, these estimates will not figure into your expense to begin your Master Franchise Business.

(6) There are no additional training expenses, provided you and your general manager or other manager level representative of your choosing attend and successfully complete training. You will incur expenses for travel, lodging and food, and payment of wages to one or more employees who are present for the training period.

(7) Insurance expenses will vary based on amount and type of coverage. Insurance requirements are found in Section 10 of the Master Franchise Agreement, and will be reflected below in Item 8. There are also suggested insurance coverages that are not required but strongly advised. If you purchase this additional insurance

you can expect to spend more on your insurance than the estimate noted above in the chart in Item 7. The insurance expense amounts are based on obtaining all insurance required in Section 10 of the Master Franchise Agreement paid annually. You are required to purchase insurance from a reputable insurance company licensed by your state with an A rating or higher.

(8) Your initial investment must include a budget for business advisors, including lawyers who are experienced in franchise law, accountants or other trusted individuals with whom you should consult or from whom you may decide to seek advice before executing the Master Franchise Agreement. The cost for a franchise lawyer to review the Disclosure Document which includes the Master Franchise Agreement, and the UFA, the estimated cost for preparing your own franchise disclosure document, the cost for reviewing your office lease, the cost for forming a business entity under which you will operate, and the set up cost to establish your business have all been factored into this estimate. The amounts estimated are also going to be affected by where you live and the rates for professional services in that locale. This estimate does not include ongoing accounting or legal services, both of which you will need.

(9) A vehicle that has a cooling system will be necessary. The estimate is for a used vehicle. It can be purchased or leased. Based on the size of the vehicle and the year and model, the costs can be higher than estimated.

(10) The funds needed for the first three months in operation will cover both living expenses and incidentals up to beginning to operate under your Master Franchise Agreement. (This amount includes telephone service and business licenses).

We have relied on our principal's and our executive officer's knowledge and experience to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase a master franchise business, as the amount you will be required to spend will depend on many factors.

(11) Expenses payable to third parties like professional fees and buildout costs are generally not refundable, and are due when the service is rendered. Insurance policy premiums may be prorated and partially refundable if you terminate them and the insurance is not used. You may arrange with the third party to refund security and utility deposits and other payments.

(12) Neither we, nor our Affiliates finance any part of the initial investment, as further stated in Item 10 of this Disclosure Document.

Item 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

The Master Franchise Agreement obligates you to open and operate at least one Franchised Cafe according to our System Standards in the first year, and it sets forth a schedule for the next nine years. Those System Standards are detailed in the unit franchise Franchise Disclosure Document.

Each Franchised Cafe you open and operate will be under separate UFAs, subject to the terms and conditions of those agreements.

The Master Franchise Agreement does not require you to purchase anything from us or any other approved supplier, or according to any specifications. You can set up your business office from which you will sell and service unit franchises as you choose. We require that you have a dedicated MacBook Air laptop, scanner and printer purchased and used only for your Master Franchise Business. We do not specify furnishings, size or color or layout of your office.

All required purchases represent approximately between 1% to 3% of your total purchases in connection with the establishment of your Master Franchise Business and approximately 1% to 2% of your overall purchases in operating the Master Franchise Business.

In 2024, a company owned by our Affiliate Shaghf Company, an unincorporated business entity operating in the UAE, and represented by Mr. AlShareif entered into six agreements with master franchise rights. In 2023 the same party entered into two agreements with master franchise rights. Of those agreements, only one party opened a Franchised Cafe in 2024 for its own account. The revenues received by our Affiliate from the sale of product received from that one Franchised Cafe, were $ 9,744.65. The source of information used in computing this amount of revenue was our Affiliate's business records.

Our owner is also the owner of the affiliated companies set forth above in Item 1. Master Franchisees are not required to purchase anything from these companies to establish or operate a Master Franchise Business. Purchases will be made from these companies when the Master Franchisee establishes and opens a Franchised Cafe for its own account.

No purchasing or distribution cooperatives currently exist.

As stated in the Master Franchise Agreement, you are also required to purchase and maintain various forms of insurance coverage from a reputable carrier, with an A or better rating, licensed to do business in the state in which your Master Franchise Business is located. This insurance shall cover the following types of losses and should be purchased in the following minimum amounts, general liability coverage, in the form of an umbrella policy with combined single limits of not less than $3,000,000 per occurrence; property damage coverage for the full contents of your office space, owned and non-owned and leased vehicle coverage for all vehicles which are used by you or your employees for business purposes, with a minimum amount required for this coverage which includes liability for bodily injury and property damage and uninsured motorist payments per occurrence of $500,000; Worker's Compensation with statutory limits in the amounts required by state law for all your covered employees, and Employers Liability limits of not less than $1,000,000 for each accident, $1,000,000 policy limit and $1,000,000 for each employee; cyber-liability insurance with limits of $100,000 per occurrence, and $250,000 policy limits.

We derive no income from your purchase of insurance, but require you to furnish us with a copy of your policies. We and our Affiliates Mr. AlShareif and Shaghf Cafe LLC must be named additional insureds on any insurance policies that can result in a claim being made on us or our

them due to your promotion and sale of UFAs. We have the right to obtain insurance if you do not, and the option to pay premiums on your behalf for which you must reimburse us. We must be notified in advance of cancellation of your policies.

The cost of the insurance coverage may vary, depending on, but not limited to the state in which you are located, your previous business record, and terms of payment.

We do not negotiate purchase agreements with suppliers for the benefit of master franchisees. You do not derive any material benefits by conforming to our System Standards that are applicable to your Master Franchise Business. You are required to do this under your Master Franchise Agreement.

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 Franchise Agreement	Item in Disclosure Document
a. Site Selection and acquisition/lease	Section 2.3.5; 8.3.12	Item 12
b. Pre-opening purchase/leases	Section 8.3.8	Item 8
c. Site development and other pre-opening requirements	None	Item 5,7 and12
d. Initial and ongoing training	Sections 2.3.6; 8.3.2;	Item 5 and 11
e. Opening	Section 3.2.1	Item 11
f. Fees	Sections 2.3.6; 3.1,6.2,6.3;	Item 5 and 6
g. Compliance with standards and policies/ operating manual	Sections 8.3.4; 9	Item 7,11and 15
h. Trademarks and proprietary information	Introduction; Section 8	Item 11,13 and 17
i. Restrictions on products/services offered	Section 1.1	Item 11and 16
j. Warranty and customer service requirements	None	None
k. Territorial development and sales quotas	Section 4.3	Item 12
l. Ongoing product/service purchases	None	Item 8
m. Maintenance, appearance, and remodeling requirements	None	None
n. Insurance	Section 10	Item 7, 17
o. Advertising	Section 5	Item 6 and 11
p. Indemnification	Sections 17, Exhibit D	None

q. Owner's participation/management, staffing	Introduction B; Section 15.3.1	Item 15
r. Records and reports	Section 11	Item 17
s. Inspections and audits	Section 8.3.8	Item 6
t. Transfer	Section 15	Item 6 and 17
u. Renewal	Section 2.3	Item 17
v. Post-termination obligations	Section 14	Item 17
w. Non-competition covenants	Section 12	Item 15 and 17
x. Dispute resolution	Section 21	Item 17

Item 10: FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

Item 11: FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Before opening we will:

1. provide you with the right to own and operate your Master Franchise Business. (Master Franchise Agreement, Sections 1, 7.1.1)

2. approve the state or territory in which you will operate your Master Franchise Business. (Master Franchise Agreement, Section 1, Exhibit B)

3. provide you and up to two other people, one of whom must be the chief operating officer of your Master Franchised Business, if that is not you, with comprehensive training in the United Arab Emirates. (Master Franchise Agreement, Section 7.1.3).

4. provide to you, on loan, for the duration of the term of the Master Franchise Agreement, one copy of the Shaghf Confidential Operations Manual when you begin your training. (Master Franchise Agreement, Sections 7.1.2,9)

5. provide you with our UFA Franchise Disclosure Document to which you will add your required information and develop your SFDD. (Master Franchise Agreement, Section 1.4)

6. provide you with general consultation which may take the form of telephone conversations, email exchanges, personal conversations, video conferences, and emailed or mailed information before you open your office. (Master Franchise Agreement, Section 7.1.4)

After opening and during the operation of your Master Franchise Business we will:

1. provide you with updates to our UFA Franchise Disclosure Document (Master Franchise Agreement, Section 1.4)

2. provide you with new pages for your Operations Manual, which loaned copy you will be required to maintain and update throughout the term of the Master Franchise Agreement. If we make the Confidential Operations Manual electronically available to you, we will notify you when we update it. (Master Franchise Agreement, Section 9)

3. develop links on our or our affiliate's website for master franchise business pages, providing state, or territory, telephone number and email contact. (Master Franchise Agreement, Section 8.3.11)

4. pay to you 50% of all initial franchise fees, when they are received in full. (Master Franchise Agreement, Section 6.1)

5. pay to you 40% of the 5% of the royalties when they are received from the Shaghf Cafes in your Exclusive Territory, (except for those you open for your own account), for which we retain the full 5%. (Master Franchise Agreement, Section 6.2)

6. be available for consultation to assist you with the operation of a Master Franchise Business. (Master Franchise Agreement, Section 7.2.1)

7. take action we deem appropriate to defend the Mark and the System. (Master Franchise Agreement, Section 8.2.1).

8. review advertising you use to promote the sale of Shaghf Cafes and approve or deny it or require changes. (Master Franchise Agreement, Section 5.2,7)

9. timely notify you and consider your renewal of the master franchise. (Master Franchise Agreement, Section 2.2)

10. consider the approval of the sale of your Master Franchise Business if you decide to sell to a third party. (Master Franchise Agreement, Section 15)

Other than as stated above, we are not obligated to do anything further for you under the Master Franchise Agreement.

We do not own any real estate that we lease to you. None of our Affiliates own any real estate that they will lease to you. We do not locate or select an office for you. We do not need to approve your office location, provided it is in your Exclusive Territory.

Marketing Fund

There is no marketing fund requirement for a Master Franchisee. There is no franchisee advertising council, and we do not expect to create one. There is currently no local or regional advertising cooperative to which you must belong and in which you must participate.

Approval of advertising

All advertising, promotion and marketing must be completely clear and factual, not misleading and conform to the highest standards of ethical practices. You must submit to us samples of all promotional and marketing materials we have not prepared or previously approved before you use them. If we have not provided written disapproval within 15 calendar days after we confirm we received the materials, that will constitute approval. You may not use any advertising or promotional materials that we have disapproved. (Master Franchise Agreement, Section 5.2).

Beginning Business

We estimate that there will be an interval of 2 to 3 months between the execution of the Master Franchise Agreement and the beginning of your Master Franchise Business based mainly on three factors, (1) renting an office from which to conduct your Master Franchise Business; (2) making arrangements for and traveling to the United Arab Emirates for training; and (3) preparing the franchise disclosure document you are required to furnish to all prospective franchisees. If you are located in a state that requires registration, filing and approval, or an exemption filing this time period will be longer.

You may not begin to conduct the Master Franchise Business until: (1) the total master franchise fee has been paid to us and the funds have cleared; (2) training has been completed to our satisfaction; and (3) we have been provided the franchisee disclosure document your franchise lawyer has prepared, and after our review, we have been provided written confirmation that you have registered it and it has been approved, or you have filed it, where required; and (4) we have been furnished with copies of all required insurance policies, or any other evidence of insurance coverage and payment of premiums as we request.

During training as shown below, we will use the Operations Manual. The Operations Manual currently has approximately 74 pages. We expect these page amounts to change as we revise the Operations Manual. The Table of Contents for the Operations Manuals is set forth in Exhibit D of this Disclosure Document.

MASTER FRANCHISEE
TRAINING PROGRAM

Column 1 **Subject**	**Column 2** **Hours of Classroom Or In Cafe Training**	**Column 3** **Hours of On-The-Job Or In Cafe Training**	**Column 4** **Location**
Orientation and Background	1 hr	0 hr	Training Facility
Guidelines, Services and Responsibilities	8 hrs	0 hr	Training Facility
Licenses	1 hr	0 hr	Training Facility

Food Preparation and Food Safety	1 hrs	72 hrs	Training Facility
Equipment and Inventory	0 hr	2 hrs	Training Facility
Opening Procedures: Store Set up Equipment Start up Employee readiness Closing Procedures: Store Shut down Equipment Shut Down Review inventory to determine what needs to be ordered	 0 hr 0 hr 0 hr 0 hr 0hr 0 hr	 1 hr 1 hr 1 hr 2 hrs 1 hr 2 hrs	Training Facility
POS System	24 hrs	0 hr	Training Facility
Payment of Royalties	1 hr	0 hr	Training Facility
Accounting, Banking	0.5 hr	0 hr	Training Facility
Insurance	0.5 hr	0 hr	Training Facility
Taxes	0.5 hr	0 hr	Training Facility
Marketing and Advertising	1 hr	0 hr	Training Facility
Use of Trademark	1 hr	0 hr	Training Facility
Supply chain and purchasing	1 hr	0 hr	Training Facility
Human Resources Employee Recruitment and Retention Staff and Manager Training Scheduling Health and Safety Sexual Harassment Training	0.5 hr 1 hr 16 hrs 1 hr 1 hr 0.5 hr	0 hr 0 hr 0 hr 0 hr 0 hr 0 hr	Training Facility
Support Systems Operation	0.5 hr	0 hr	Training Facility or online
Customer Service and Complaints	2 hrs	0 hr	Training Facility or online
Loss and Theft Prevention	1 hr	0 hr	Training Facility or online
Cyber Security Concerns	0.5 hr	0 hr	Training Facility or online
Locating, setting up and equipping Master Franchisee office	.50 hr	0 hr	
Preparation of Subfranchisor FDD (“SFDD”) by Master Franchisee	1 hr	0 hr	Training Facility
Master Franchisee SFDD approval before selling	1 hr	0 hr	Training Facility
Time between giving out SFDD	.50 hr	0 hr	Training Facility

and when sale can be made			
Promotion inside Master Franchisee territory	2 hrs	0 hrs	Training Facility
Handling prospective franchisee's information.	1 hr	0 hr	Training Facility
Pre-opening responsibilities (Training and Grand Opening)	3 hrs	0 hrs	Training Facility
Post-opening responsibilities (General assistance and support)	2 hrs	0 hrs	Training Facility
Conducting business as a Master Franchisee separate from any Unit franchise Master Franchisee may own for its own account	2 hrs	0 hrs	Training Facility
Total	77.5 hrs	82 hrs	

Training will take place in the United Arab Emirates. All times are approximate and may be adjusted based on your experience and your rate of learning.

Additionally, some training may take place by telephone or over the Internet, including using a service that provides video conferencing, if necessary, after you return from the training session in the United Arab Emirates.

Training will be conducted by our Affiliate's employees who have experience, knowledge and familiarity in the training subject. Our Affiliate has been in business since 2018, and has built a system of more than 50 cafes throughout many countries, and for the most part has trained franchisees and master franchisees from those countries.

If you are unable to complete initial training to our satisfaction, we can terminate the Master Franchise Agreement. There is no separate fee for training. You will be solely responsible for costs to travel to the United Arab Emirates, and for all living expenses for yourself or your employees. If you bring employees, you will also be responsible for their salaries.

There is no additional required training. Over the course of the term of your Master Franchise Agreement, we may make improvements in operation methods which we will convey to you or request that you attend training to learn. We reserve the right to request that you attend further training before you renew your franchise. There is no separate training expense for pre-renewal training.

We do not provide assistance to you in hiring or firing your employees. We do not train your employees (other than those whom you choose to bring to training with you), those are your obligations.

Computer

You must also purchase for your Master Franchise Business a printer, a scanner and one MacBook Air laptop dedicated to the business. You must take reasonable measures to assure that any personal information you obtain from your prospective franchisee be handled as confidential information and you must protect it.

The cost for the MacBook Air laptop, printer and scanner is between $1,500 and $2,000. We may also require you to install software to enable us to have access to the information on your computer. The cost for the software may range from $50-100 per month.

We use the Clover POS system for our operations in the USA. As a Master Franchisee you will be required to use that POS system in your Franchised Cafe, an obligation that exists under a separate UFA. The Master Franchise Agreement itself does not require you to purchase this for your Master Franchise Business separately, but you will be required to purchase it when you open your first Shaghf Cafe. The costs involved are outlined in the Unit FDD.

Item 12: TERRITORY

You will operate your Master Franchise Business in one state or in a territory that is within a state but does not comprise the entire state ("Exclusive Territory"), as identified in Exhibit B attached to the Master Franchise Agreement. Continuation of territorial exclusivity is dependent on opening your own Franchised Cafe in the first year after you sign the Master Franchise Agreement, and selling a minimum number or opening for your own account a minimum number of Franchised Cafes as stated in Section 4.3 of the Master Franchise Agreement.

Within the first year, you are required to open your own Franchised Cafe, which will be the training site for the Subfranchisees to whom you sell UFAs. Within the second year, you must sell or open for your own account at least two more Shaghf Cafes for a total of three. By the end of the third year you must have a minimum of five Shaghf Cafes under UFAs. This can be a combination of your own Franchised Cafe(s), and/or those that you sell to third parties. Beginning with the fourth year, through the tenth year, you must have sold to others or opened for your own account at least one new Shaghf Cafe each year. We have the right to approve each Subfranchisee, and/or your own locations.

During the term of your Master Franchise Agreement, we cannot sell a franchise, a Master Franchise or operate a similar business in your Exclusive Territory.

We have no plans to operate businesses that are the same or similar to Master Franchises under a different trademark or trade name, and we do not intend to operate through different channels to impact your business.

You have the right to relocate your business office (not a Franchised Cafe) without our consent. The new office must be inside your Exclusive Territory. If the size of your Exclusive Territory makes it prudent to open more than one business office, you can do this without our consent, as long as the second business office is also within your Exclusive Territory. Before you either

relocate your business office or open a second business office you are required to provide the new address to us.

The Master Franchise Agreement does not give you a right of first refusal to any other states or territories, including a state or territory that is contiguous to your Exclusive Territory.

Item 13: TRADEMARKS

We grant to you the right to use the below service marks currently owned by two of our Affiliates that have been licensed to us to use:

Registered Mark	Registration No.	Registration Date.
	Reg. No. 6979813	February 14, 2023
Application for Registration	Serial No.	Filing Date
	Ser. No. 98783670	October 3, 2024

The registered service mark is the Arabic word Shaghf, the name by which Shaghf franchise cafes are known around the world. Shaghf, an Arabic word means passion in English.

The main service mark was registered on the Principal Register of the United States Patent and Trademark Office ("USPTO") on February 14, 2023. No affidavits are due. Nothing further is due to be filed at this time. The application for the word mark and logo is pending, and has not been assigned to a trademark examining attorney yet.

Pursuant to the Trade Name and Service Mark License Agreement ("License Agreement"), executed on January 14, 2025 we have the right to use and grant franchises and master franchises using the registered Mark and the applied for mark. The License Agreement provides us the license for 30 years, with two 10-year extensions. The License Agreement may be terminated if we fail to remain a franchisor, fail to uphold our covenants to police the Mark, fail to properly screen prospective franchisees, fail to instruct franchisees on the proper use of the Mark, and we do not cure any of these defaults after written notice and the cure period has expired.

You must follow our rules when you use the Mark. You cannot use a name or the Mark with modifying words, designs or symbols except for those which we license to you, nor can you use any Mark as part of a corporate name. You may not use the Mark in connection with the sale of an unauthorized service or product or in a manner we do not authorize in writing.

There are currently no effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or court, nor do we know of any pending infringement, or cancellation proceedings or material litigation, involving the Mark. Other than the License Agreement described above in this Item 13, there are no agreements currently in effect which significantly limit our right to use or license the use of the Mark in any manner material to the franchise.

You must notify us immediately when you suspect or learn about an apparent infringement of or challenge to your use of the Mark, or of any claim by any person of any rights in the Mark, and may not communicate with any person other than us, our attorneys and your attorneys in connection with any such infringement, challenge or claim. We will take the action we deem appropriate. We or our Affiliate have sole discretion to take any action and the right to exclusively control any litigation, United States Patent and Trademark Office proceeding or any other administrative proceeding arising from an infringement, challenge or claim or otherwise relating to any Mark. You must sign any instruments and documents, provide assistance to us and take any action that, in the opinion of our attorneys, may be necessary or advisable to protect and maintain our interests in any litigation or United States Patent and Trademark Office or other proceeding or otherwise to protect and maintain our interests in the Mark.

While we are not required to defend you against a claim against your use of the Mark, we will reimburse you for your liability and reasonable costs in connection with defending the Mark. To receive reimbursement you must have notified us within three business days after you learned about the infringement or challenge.

If it becomes advisable at any time in our sole discretion for us and/or you to modify or discontinue the use of any Mark and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable period of time after receiving notice, at your expense. We will not be obligated to reimburse you for any loss of revenue attributable to any modified or discontinued Mark or for any expenditures you make to promote a modified or substitute service mark. You must modify or discontinue the use of any mark if we modify or discontinue its use. You must not directly or indirectly contest our right to our Mark, trade secrets or business techniques that are part of our business. You are not permitted to license, sublicense or otherwise convey the use of the Mark for any purpose or for any reason.

Item 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents that are material to the master franchise. We claim copyright protection of our Operations Manual, and our website www.shaghfcoffee.com and related materials although these materials have not been registered with the United States Registrar of Copyrights. We will mark those items as follows: ©2025 SHAGHF CAFE FRANCHISE LLC, or the year they are

produced. The Operations Manual and related materials are considered proprietary and confidential and are considered our and our Affiliate's property, and will remain our and our Affiliate's property. You may use them only as provided in the Master Franchise Agreement. You may not use our confidential information in any unauthorized manner and must take reasonable steps to prevent its disclosure or any aspect of it to others, unless that person has a need to know to operate a Franchised Cafe you open for your own account or the materials are needed to train unit franchisees in your Exclusive Territory.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. There are no agreements in effect, which significantly limit our right to use or license the copyrighted materials. Finally, there are no infringing uses actually known to us, which could materially affect a franchisee's use of the copyrighted materials in any state. We are not required by any agreement to protect or defend copyrights or confidential information, although we intend to do so when this action is in the best interest of our System. If we modify or discontinue using our copyrighted materials at any time, the Franchise Agreement does not give you any particular or specific rights, including a right to compensation. We expect to continue to use and update those materials.

One or more of our Affiliates also will sell to your Franchised Cafe private labeled products, and those packages may also be marked with a copyright notice.

Item 15: OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You are obligated to participate personally in the direct operation of your Master Franchise Business. The first Franchised Cafe you open must at all times be under the direct on premises supervision of you or a trained general manager. Both you, and the trained general manager must have successfully completed our training program. The general manager will not be obligated to own an equity interest in your Master Franchise Business. You must disclose to us the identity of the general manager for your Franchised Cafe, and you must require the general manager to sign an agreement, in the form we have provided in Exhibit C to the UFA, in which the manager agrees not to divulge any trade secret or confidential or proprietary information, including the contents of the Operations Manual, or to engage in or have any interest in any competitive business, as that term is defined in Section 4.3.4 of the UFA.

If you are a partnership, a corporation, or a limited liability company, each partner, shareholder, or member must personally guarantee your obligations under the Master Franchise Agreement and also agree to be personally bound by, and personally liable for the breach of every provision of the Franchise Agreement. All guarantors are required to sign Exhibit A to the Master Franchise Agreement. We do not require spouses of master franchisees who are not master franchisees, officers, directors, shareholders or interest holders to sign or guarantee the Master Franchise Agreement, or sign a confidentiality or non-compete agreement.

Item 16: RESTRICTIONS ON WHAT THE FRANCHISE MAY SELL

As a Master Franchise you can only sell and service unit franchises who open Shaghf Cafes as Franchised Cafes, or operate your own Shaghf Cafes in your Exclusive Territory. As a Master Franchisee, you must comply with all laws and regulations governing the sale of franchises, including the proper and timely delivery of a Franchise Disclosure Document for the UFA to each prospective franchisee. If a registration or filing is required in the state where your Exclusive Territory is located, you must register or file all necessary documents and disclosures with the appropriate state agency before advertising, offering for sale or selling any franchise within the Exclusive Territory. Exhibit A in this Disclosure Document lists state agencies with whom these filings must be made. It is not an exhaustive list. You must consult your own franchise lawyer to determine if your Exclusive Territory is a state or is in a state that has a registration, filing or need for exemption filing statute.

Neither we, nor any of our Affiliates are responsible for preparing, registering or filing the SFDD you are required to prepare, nor are we responsible for the accuracy of disclosures you make that you did not receive from us. We will provide you with our unit franchise Franchise Disclosure Document which you can use to prepare your disclosure document for compliance. You must seek the assistance of your own independent franchise lawyer to complete your SFDD and make those applications that may be needed to register or file, or exercise an exemption before making an offer or sale.

You are required to submit, and we must approve your SFDD before use. If you intend to make changes or revisions in any franchise agreement before selling it, based on the request of the prospective franchisee, we must first be made aware of the changes in writing and approve them in advance in writing before you can close the sale. We can deny the change, offer an acceptable modification or approve it. In some states, you may be required to make a disclosure about the change; or offer the same change to other prospective franchisees. You must seek this advice from your own franchise lawyer.

With respect to your own unit franchises, operated under a UFA you sign with us, you must offer and sell only those services, food items and products that we have approved. You do not have approval at this time to offer any other products for sale except those that you will display and offer in a prominent place in your Franchised Cafe, and you do not have approval to provide any services other than those offered by a Shaghf Cafe. Unless you have requested our written permission not to provide certain services or products in your Franchised Cafe, which approval we can withhold for any reason, you must provide all the services we authorize and offer and serve all products on the menu. You may not offer for sale any products or food or beverage items we do not authorize. You may not perform any services that we have not authorized. You may not have any form of vending, gaming, ATM or video machine in your Franchised Cafe, or on the premises on which the Franchised Cafe is located. We have the right to change the types of authorized services and products. We do not anticipate eliminating the services we currently provide, or products we sell but we may add to them if they fit within our image. There are no limits on our right to do so.

We place no restrictions upon your ability to serve customers provided you do so in your Franchised Cafe. You can also deliver, cater and offer take out services from your Franchised Cafe, and for a limited time use a trolley for an event.

We place no restrictions on who you can discuss the sale of a franchise to as long as that person is interested in purchasing a franchise from you which will be located in your Exclusive Territory. Be advised that franchise statutes may protect their residents regardless of where they intend to locate a franchise. Consult with your own franchise lawyer to determine if an out of state inquiry requires additional filing before making initial disclosure.

Item 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 2.1	Initial term is for 15 years, unless terminated before its natural expiration.
b. Renewal or extension of the term	Section 2.2	There are two possible renewals for ten years each.
c. Requirements for Franchisee to renew or extend	Section 2.3	We must receive your written notice that you want to renew your master franchise between 180-210 days before expiration date, and: 1) You must bring all your accounts current with us, with our Affiliates and with any affiliated companies with whom we are working at that time. This means, you must pay to us any outstanding royalties from your Franchised Cafes held for your own account, and to us and to our Affiliate, any other monies owed. 2) You must sign the then current master franchise agreement, which may be a contract with materially different terms and conditions than in the original franchise agreement you signed, or at our option, we can provide you with a renewal addendum that continues the Master Franchise Agreement that is expiring; and you must have a lease in place for the full term that extends

Provision	Section in Franchise Agreement	Summary
		through the successive 10 your term, or part of that term, with an option to exercise for the remainder of the term. 3) You must return your copy of the Operations Manual for a new Operations Manual, which is the same Operations Manual we give to new franchisees. If the Operations Manual was in the form of an electronic version that we sent to you on line, and you have the most up to date Operations Manual downloaded, you will not need to make any other changes. If you have a non-current paper version, you will need to turn in that copy and we will update it in order to assure that you use the most recent Operations Manual. 4) You must have substantially complied with the terms and conditions of this Agreement and your Franchised Cafe has consistently maintained quality standards. 5) You must prove to us that you have all of the insurance you are required to have in force, and that the policies continue to name us, and our Affiliate. 6) You must have qualified under the then current training requirements. If we determine you require further training when you renew your Agreement, you agree to obtain that training before you sign the new Master Franchise Agreement. We reserve the right to require you to come to our training center at the time, where you will be able to receive further training to continue to operate the Franchised Cafe.
d. Termination by Franchisee	None	There is no provision for termination by the Master Franchisee under the Master Franchise Agreement.
e. Termination by Franchisor without cause	None	No termination without cause.
f. Termination by Franchisor with cause	Sections 13	We can terminate only if you commit any one of several listed events of default. 1) You fail to open one Franchised Cafe for your own account by the end of the first year after we executed the

Provision	Section in Franchise Agreement	Summary
		Master Franchise Agreement. You fail to meet the schedule stated in the Master Franchise Agreement for opening Franchised Cafes throughout the term of the Master Franchise Agreement. 2) You assign or transfer the Master Franchise Agreement or any interest in it or in the master franchise without compliance with the provisions of Section 15 of the Master Franchise Agreement. 3) You are convicted of or you plead no contest to a felony, or you are convicted or plead no contest to any crime or offense that is likely to adversely affect the reputation of our franchise program, us, and the goodwill associated with our Affiliate's service mark(s). 4) You fail to comply with the in-term covenants, including the covenant not to compete in the Master Franchise Agreement. 5) You disclose or divulge the contents of the Operations Manual, trade secrets or other confidential information we provide to you contrary to the Master Franchise Agreement, instructions in the Operations Manual, and/or training you received. 6) You, or your legal representative are unable to complete an approved transfer to a qualified transferee within the time limits the Master Franchise Agreement, Section 15 allows if you die or become permanently incapacitated. 8) You improperly use the logo mark SHAGHF, or any other service mark(s) we approve for use in operating your Master Franchise Business. 9) The premises where you conduct your own Franchised Cafe(s) is/are dirty, in disrepair or shows neglect, and/or presents a health hazard to its customers and you fail to cure the problems brought to your attention. 10) You use unapproved advertising.

Provision	Section in Franchise Agreement	Summary
		11) You commit any other material breach of the Master Franchise Agreement.
g. "Cause" defined-curable defaults	Section 13	Cause is the failure to comply with any other provision of the Master Franchise Agreement, besides the events of default stated directly above in Item 17.f, or any standard or administrative procedure we prescribe and you do not correct this failure or make a good faith effort to correct it within thirty days after we give you written notice of your non-compliance.
h. "Cause" defined-non-curable defaults	Section 13	The events of default that can cause immediate termination are: 1. bankruptcy 2. misrepresented facts or provided fraudulent or misleading information on application 3. violation of Anti-Terrorism laws
i. Franchisee's obligations on termination/non-renewal	Section 14	a. You discontinue use of any trademarks or service marks, slogans and/or logos we approved for your use during the time you operated your Master Franchise Business. You must also destroy all stationery, cards, advertising material and other business related items that bear or refer to the Marks, slogans and/or logos we approved for use. If you placed any signage in your business office, you must remove all signage that shows our Affiliate's Marks. b. You must take immediate steps to cancel or otherwise discontinue further display or reference to the Marks, slogans and/or logos we approved for use in any telephone or trade directory and in any advertising. c. Within five days, you must return to us your loaned copy of the Operations Manual including additions or amendments to it and any other signs, displays and other materials we loaned to you. If the Operations Manual is electronic, you will certify to us, in writing under oath, that you have deleted all references to it, and that you no longer have it on your computer, and that it was not transferred to another file, computer, hard drive, thumb drive, flash drive, stick, security key, DVD or CD, or to any person or business entity by any known means of

Provision	Section in Franchise Agreement	Summary
		technology. d. You must discontinue all forms of advertising, promotion and all forms of marketing in which you hold yourself out to the public as a Master Franchisee able to sell our unit franchises. e. You agree to and must abide by all obligations of confidentiality and by all provisions of the post-term covenant not to compete as described in Sections 12 and 14 of the Master Franchise Agreement. f. For eighteen months that follows the termination or expiration of the Franchise Agreement, you agree that you will not offer employment to any of our or our Affiliate's employees, or the employees of another Franchised Cafe, without our or our Affiliate's knowledge and advanced written approval, or the knowledge and advanced written approval of the other franchisee under Section 12 of the Unit Franchise Agreement, and that for a two year period, as stated in Section 12 that you will not be involved in a competitive business. g. You will cease further use of any of our confidential and proprietary information. h. You must assign to us any business telephone numbers and or emails specifically used for the Master Franchise Business. i. You must refer to us directly all inquiries you receive from prospective franchisees, or current franchisees interested in purchasing additional franchisees, for a period of 12 months.
j. Assignment of contract by Franchisor	Section 15	No restriction on our right to assign and to extent transferee is responsible for compliance with our covenants and obligations, we shall be freed and relieved of all liability with respect to those covenants and obligations.

Provision	Section in Franchise Agreement	Summary
k. "Transfer" by Franchisee - definition	Sections 15	Includes transfer of assets or any ownership change, and transfer to a partnership, corporation or limited liability company that does not require our consent, but must be in compliance with Section 16 of the Franchise Agreement. A transfer to a partnership, corporation or limited liability company requires that you are in substantial compliance with the Master Franchise Agreement, that you have no outstanding debt to us or our Affiliates, that the new business entity conducts no business other than the Master Franchise Business which you actually manage and in which you maintain control by owning and controlling at least 51% of the equity and voting rights of all issued and outstanding partnership interests, shares of stock, or an equivalent interest in a limited liability company, and all owners of your entity with ownership interests of 25% or greater agree to jointly and severally guarantee the obligations of the Master Franchise Agreement and to be bound by its provisions. We also require you to submit a copy of your Articles of Incorporation, or Articles of Organization, or the equivalent document in your state before the transfer.
l. Franchisor's approval of transfer by Franchisee	Section 15	We have the right to approve all transfers, our consent not to be unreasonably withheld.
m. Conditions for Franchisor's approval of tran-sfer	Section 15	1) We must approve the purchase agreement and the purchaser, who has otherwise met our requirements for financial responsibility, and suitability as a Master Franchisee. The transfer must have at least one open and operating Franchised Cafe for training purposes, which can either be part of the sale you negotiate, or already be owned by the transferee. 2) The assignee, transferee or purchaser must not continue to be engaged as a licensor, franchisor, independent operator or current licensee or franchisee of another competitive business. Before entering into the Master Franchise Agreement, the assignee, transferee or purchaser must terminate all previous licensing or franchise relationships unless with us, and must prove to us that if

Provision	Section in Franchise Agreement	Summary
		the assignee had such previous affiliations or relationships that the assignee and all connected with the assignee have received a full release from its or their previous franchisor and/or licensor and have been relieved of any obligations to comply with a non-compete if still within the term in which that non-compete is in effect. 3) You agree to enter into a mutual general release to date of transfer prepared by us, the current version of which is attached to the Master Franchise Agreement as Exhibit D, in which we each release all claims that we have against the other, except for those listed exempt claims that survive the date of transfer. 4) The transferee, assignee or purchaser shall have completed, at their expense and upon the terms and conditions as we may reasonably require, given the experience of the transferee, assignee or purchaser, and level of education and skill, any training programs then in effect for master franchisees. 5) The party that acquires your interest in your Master Franchise Business and in the Master Franchise Agreement must execute an assumption agreement that will assign your Master Franchise Agreement, with the length of the term of transferee's master franchise agreement the same as your term, unless we agree to extend that term. If we agree to an extended term, we will require the transferee to sign the then current master franchise agreement. The party that assumes your Master Franchise Agreement must prepare its own SFDD, and if required register it, file it obtain an exemption before it will be legally permitted to sell franchises under our program. This may cause a delay between the closing of the sale the offer and/or sale of a franchise. 6) A transfer fee of Ten Thousand Dollars in certified funds or by wire transfer must be paid to us within five business days before the date for the closing of the sale, or the transfer. If the transferee does not require training the fee will be reduced $7,500.

Provision	Section in Franchise Agreement	Summary
n. Franchisor's right of first refusal to acquire Franchisee's business	Section 15	We will have thirty calendar days to decide whether to purchase the Master Franchise Business at the offered price, which must be in U.S. dollars, without other consideration. If the offer includes payment in installments, we can also pay in installments. If we decide to purchase the Master Franchise Business, we will execute a purchase agreement with you and complete purchase within sixty days of the date we make our decision.
o. Franchisor's option to purchase Franchisee's business	Section 15	Other than our right of first refusal, we have no option to purchase your Master Franchise Business
p. Franchisee's death or disability	Section 15	If you die or become permanently disabled your executor, administrator, conservator or other personal representative will have a period of one-hundred eighty days to transfer your Master Franchised Business to a qualified transferee. During that period there must be a currently trained manager that manages the Master Franchise Business, can provide training and assistance to Subfranchisees, and can generally continue the business. Provided a qualified transfer candidate is found, the individual who will be responsible for operating the Master Franchised Business must successfully complete our training program before assuming the Master Franchise Agreement. The death or disability of one owner will not cause a termination when more than one owner has signed the Master Franchise Agreement and that owner has an interest of more than 50%. If a suitable transferee is not located within one-hundred eighty days, the Master Franchise Agreement will be terminated. Termination of the Master Franchise Agreement does not terminate a Franchised Cafe the Master Franchisee holds for its own account.
q. Non-competition covenants during the term of the franchise	Section 13	Subject to state law, no involvement by you or any guarantor in competitive business in any manner during term of the Master Franchise Agreement.
r. Non-	Section 13	No competing business for two years within a fifty mile

Provision	Section in Franchise Agreement	Summary
competition covenants after the franchise is terminated or expires		radius from the border of your Master Franchise Agreement Exclusive Territory, or within ten miles of any other opened Franchised Cafe, or one that has a leased site when the termination or expiration occurs.
s. Modification of the agreement	Section 22.3	The Master Franchise Agreement may only be amended by a writing made on a date after the date of the Master Franchise Agreement execution, and must be signed by you and us.
t. Integration/merger clause	Section 31	The Master Franchise Agreement, and incorporated Introduction, and the Exhibits attached to it, represent the entire agreement for the master franchise. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in this Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	Sections 21	Pre-mediation, then mediation, then arbitration in Cook County, Illinois
v. Choice of forum	Section 19	Cook County, Illinois subject to applicable law
w. Choice of Law	Section 24	Illinois, subject to applicable state law

Item 18: PUBLIC FIGURES

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

Item 19: FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a master franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Niaz Ahmed, at telephone number 971 50 493 3936, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For Years 2022-2024

Column 1 **Outlet Type**	**Column 2** **Year**	**Column 3** **Outlets at the Start of the Year**	**Column 4** **Outlets at the End of the Year**	**Column 5** **Net Change**
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	0	0	0
	2023	0	0	0
	2024	0	0	0

Table No. 2

Transfers of Outlets from Franchisees to New Owners
(Other than the Franchisor)
For Years 2022 to 2024

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Total	2022	0
	2023	0
	2024	0

Table No. 3

Status of Franchised Outlets
2022-2024

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
State	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Nonre-newal	Reacquired by Franchisor	Ceased Operation Other Reasons	Outlets at End of the Year
Total	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

Table No. 4

Status of Company-Owned Outlets
2022 to 2024

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchi-sees	Column 8 Outlets at End of Year
Total	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

Table No. 5

Projected Openings as of December 31, 2024

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Current Fiscal Year
None	0	0	0
Total	0	0	0

No master franchisee had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a master franchise agreement with us during the most recently completed fiscal year. There are no master franchisees who have not communicated with us within 10 weeks of the date of issuance of this Disclosure Document. If you buy this master franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, there were no current or former master franchisees who signed confidentiality clauses that restricted them from discussing with you their experiences as a master franchisee in our franchise system.

There are no trademark-specific franchisee organizations associated with the System for the master franchise being offered.

Before we were organized, the Shaghf Company, an unincorporated business entity in the United Arab Emirates represented by our Affiliate Mr. AlShareif made sales of master franchises from the United Arab Emirates between 2022-2024, but under a much different master franchise agreement than is offered by this Disclosure Document. All further master franchise sales will be made only through this Disclosure Document, as it is amended and renewed. Neither Mr. AlShareif nor Shaghf Company will make further sales. Those sales ceased in early 2024. Those master franchise sales are disclosed here.

Table No. 1

Systemwide Outlet Summary
For Years 2022-2024

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Master Franchisee	2022	0	0	0
	2023	0	2	2
	2024	2	7	5

Affiliated Unincorporated Business Entity	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total	2022	0	0	0
	2023	0	2	2
	2024	2	7	5

Table No. 2

Transfers of Outlets from Master Franchisees to New Owners*
(Other than the Franchisor)
For Years 2022 to 2024

Column 1 **State**	**Column 2** **Year**	**Column 3** **Number of Transfers**
None	2022	0
	2023	0
	2024	0

*In March 2024, master franchise rights were sold separately, each state in a different master franchise agreement, for the states of CA, FL, GA, NJ, NY and OH to the same three individuals, all of which were executed on the same day in the United Arab Emirates, and all of which were sold to non-residents of the states in which they purchased the master franchise rights. Before the end of 2024, all three individuals decided not to proceed with New York, for which no fee had been paid, and asked that the agreement be canceled, which it was. Two of the owners of all the remaining master franchise agreements exited from their master franchise agreements for the remaining states, according to their own arrangement leaving one of the original owners with 100% of the master franchise rights for CA, FL, GA, NJ and OH, also a non-resident of any of those states.

Table No. 3

Status of Master Franchised Outlets*
2022-2024 to date of Disclosure Document

Column 1	**Column 2**	**Column 3**	**Column 4**	**Column 5**	**Column 6**	**Column 7**	**Column 8**	**Column 9**
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Termin-ations**	**Nonre-newal**	**Reacquired by Franchisor**	**Ceased Operation Other Reasons**	**Outlets at End of the Year**
CA	2022	0	0	0	0	0	0	0

	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
FL	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
GA	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
IL	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
OH	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
NJ	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
NY**	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	1	0
TX	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Total	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
	2024	2	6	0	0	0	1	7

*Although master franchise rights were sold for the above states as shown, actual master franchise outlets did not open as separate businesses. There were separate unit franchise outlets that were opened, which are shown in another set of tables in the Unit FDD, with one Franchised Cafe opened by the Illinois Master Franchisee for its own account. Outlets opened would more correctly be identified as master franchise rights sold.

** Although the New York master franchisees are listed above in Column 8 as "Ceased Operation Other Reasons" no payment was made and operations had not actually begun. In order to show it as a statistic, Column 8 is the only column that fits what occurred.

Table No. 4

Status of Company-Owned Outlets
2022 to 2024

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchi-sees	Column 8 Outlets at End of Year
None	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Total	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

Table No. 5

Projected Openings as of December 31, 2024

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Current Fiscal Year
CA	1	0	0
FL	1	0	0
GA	1	0	0
OH	1	0	0
NJ	1	0	0
TX	1	0	0
Total	6	0	0

Item 21: FINANCIAL STATEMENTS

Attached to this Disclosure Document are the Audited Financial Statements dated for the period from our organization on January 10, 2025 to March 11, 2025.

Our next fiscal year ends December 31, 2025.

Item 22: CONTRACTS

Attached to this Disclosure Document as Exhibit B is the SHAGHF Master Franchise Agreement. Also attached as Exhibit C is the Unit Franchise Agreement unit franchisees will be required to sign. No other agreements are applicable.

NASAA Statement of Policy

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, any 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.

Item 23: RECEIPTS

Attached, as Exhibit I to this Disclosure Document are two Receipts. When you receive this Disclosure Document, you must sign, date and return one Receipt to us, which we will retain in our records. You should maintain the duplicate for your records.

EXHIBIT A

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states below.

CALIFORNIA
1-866-ASK-CORP (275-2677)
Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
(*Los Angeles*)
320 West 4th Street, #750
Los Angeles, CA 90013-2344
(213) 576-7500

(*Sacramento*)
2101 Arena Boulevard
Sacramento, CA 95834
(916) 445-7205

(*San Diego*)
1455 Frazee Road, Suite 315
San Diego, CA 92108
(619) 525-4233

(*San Francisco*)
One Sansome Street, Suite 600
San Francisco, CA 94105-2980
(415) 972-8559

HAWAII
(*for service of process*)
Commissioner of Securities
Business Registration Division
Securities Compliance
Department of Commerce and Consumer Affairs
335 Merchant Street, Suite 205
Honolulu, HI 96813
(808) 586-2722
(state administrator for other matter)
Business Registration Division

MARYLAND
(*for service of process*)
Securities Commissioner at the Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202-2020
(410) 576-6360

(*state agency*)
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202
(410) 576-6360

MICHIGAN
State of Michigan
Department of Attorney General
Consumer Protection
Franchise Section
525 West Ottawa Street
G. Mennen Williams Building,
1st Floor
Lansing, MI 48933
(517) 335-7567

NEW YORK
(*for service of process*)
New York Department of State
Division of Corporations, State Records and Uniform Commercial Code
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, NY 12231
(518) 474-4770

NORTH DAKOTA
(*state agency*)
North Dakota Securities Department
Securities Commissioner
Fifth Floor Dept. 414
600 East Boulevard
Bismarck, ND 58505-0510
(701) 328-4712

(for *service of process*)
Securities Commissioner
Fifth Floor Dept. 414
600 East Boulevard
Bismarck, ND 58505-0510
(701) 328-4712

OREGON
Oregon Division of Finance and Corporate Securities
350 Winter Street NE, Room 410
Salem, OR 97301-3881
(503) 378-4387

RHODE ISLAND
Securities Division
Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex-Building 69-1
Cranston, Rhode Island 02920
(401) 462-9500

SOUTH DAKOTA
Division of Securities
445 East Capitol

Securities Compliance Department of Commerce and Consumer Affairs 335 Merchant Street, Suite 203 Honolulu, HI 96813 (808) 586-2722 **ILLINOIS** Illinois Attorney General Chief, Franchise Division 500 South Second Street Springfield, IL 62701 (217) 782-4465 **INDIANA** *(for service of process)* Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204 (317) 232-6531 (*state agency*) Indiana Secretary of State Securities Division 302 West Washington Street Room E-111 Indianapolis, IN 46204 (317) 232-6690	(*for other matters*) New York State Dept. of Law Investor Protection Bureau 28 Liberty St., 15th Floor New York, NY 10005 (212) 416-8236	Pierre, South Dakota 57501-3185 (605) 773-4823 **VIRGINIA** (*for service of process*) Clerk, State Corporation Commission 1300 East Main Street Richmond, VA 23219 (804) 371-9733 (*for other matters*) State Corporations Commission Division of Securities and Retail Franchising 1300 East Main Street Ninth Floor Richmond, VA 23219 (804) 371-9051 **WASHINGTON** (*for service of process*) Director Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501-9033 (360) 902-8760 (*for other matters*) Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760 **WISCONSIN** Department of Financial Institutions Division of Securities 201 W. Washington Avenue Suite 300 Madison, WI 53703 (608) 261-9543

EXHIBIT B

MASTER FRANCHISE AGREEMENT

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Exhibit D Mutual General Release

MASTER FRANCHISE AGREEMENT

This Master Franchise Agreement is entered into on the __ day of _____, 20__, by and between SHAGHF CAFE FRANCHISE LLC, a Pennsylvania Limited Liability Company ("Franchisor") whose principal place of business is located at 3 Khorfakkan Road, Ground Floor, Fujairah, United Arab Emirates and _____ ("Master Franchisee") who resides at _____.

INTRODUCTION

A. This is a Master Franchise Agreement (the "Agreement"). It creates rights and obligations between us. Once signed, each will be making a commitment to the other to work together as franchisor and master franchisee/subfranchisor. Throughout this document the master franchisee/subfranchisor will be referred to as "Master Franchisee." For ease of reference, and in order to coordinate terms with the Master Franchise Disclosure Document ("MFDD") which we provided to you, and to which this Agreement was attached as Exhibit B, the franchisor SHAGHF CAFE FRANCHISE LLC will be called "us" or "we" or will be referred to by the terms "our" or "ours." You, as Master Franchisee will be called "you", or we may refer to you by the term "your." We will also refer to Hamad Khalfan Ali Al- Shareif Aal AlShareif ("Mr. AlShareif") as one of our Affiliates.

B. Under this Agreement, you are required as the owner to participate in the management of the franchise business. We offer and grant to you certain rights to own and operate one franchise (the "Master Franchise Business"), which gives you two main rights; to open your own unit franchise(s) under Unit Franchise Agreement(s) ("UFA") in your exclusive territory, and to sell franchises to third parties ("Subfranchisees") under UFAs. We, not you will execute all UFAs you sell. Under this Agreement, you are entitled to participate in sharing the initial franchise fee and royalties that the Subfranchisees pay to us under their UFAs. You will also be required to assist in training and provide ongoing support. Under this Agreement, and according to franchise disclosure law, you are required to prepare and register or file where appropriate your own Franchise Disclosure Document ("SFDD") which you must timely provide to all prospective franchisees in your territory, state or group of states in which we grant those rights to you. If you decide to open and operate your own SHAGHF Coffee Cafe (a "Franchised Cafe"), you will still be required to sign a UFA for each Franchised Cafe you open. You will still be required to pay a royalty fee. For each Franchised Cafe you open for your own account, you agree to operate it using the service mark SHAGHF and logo, under a valid UFA.

C. As a Master Franchisee you will have continuing obligations. Dependent on the number of Shaghf cafes you open under UFA(s) and/or sell to Subfranchisees and service, those obligations will vary. Execution of this Agreement means that for your own UFA(s), you agree to follow the methods we and our Affiliate have developed, use the service mark(s) and trademark(s) we have been licensed to use, implement the methods we will teach you and the standards we have established for this franchise program ("System Standards"). Under this Agreement, you agree to always timely provide every prospect with a SFDD, inform each prospect that there is a federally

required time period necessary before that prospect can sign the UFA, and before it can legally pay us the franchise fee or any other funds.

D. When you open and operate your own Franchised Cafe(s), you will use only our or our Affiliate's service marks and trademarks (the "Marks"), the methods we or our Affiliate's businesses have and continue to develop, and the various administrative and marketing procedures and standards we or our Affiliate's businesses have created, along with other information we will provide to you, all of which comprise our system (the "System").

E. You have expressed a desire to purchase the master franchise rights granted under this Agreement. You have completed our master franchisee application, and provided us with current and accurate information and financial statements. We have provided you with a current MFDD. You have signed and dated a receipt for the MFDD. We have reviewed your franchise application and have approved it, and have agreed to grant you a franchise under the terms and conditions stated below.

In consideration for the promises made by both parties, which include the payment by you to us of a fee for the Master Franchise Agreement rights, and other good and valuable consideration and in acknowledgement and acceptance of the covenants and commitments made in this Agreement, and the terms and conditions to which the parties agree to be bound, the parties agree as follows:

TERMS AND CONDITIONS OF THE AGREEMENT

1. MASTER FRANCHISE RIGHTS GRANT

1.1 Grant. Under this Agreement, and during its entire term, we grant to you, individually, and only in the name in which you signed this Agreement, the non-exclusive right, license and franchise to:

a. Sell, service and support Subfranchisees in the territory we have approved and is identified in this Agreement as stated on Exhibit B ("Exclusive Territory").

b. Open and operate Franchised Cafe(s) under the terms and conditions of the then current UFA.

c. Use the marks that will be identified below in this Agreement to promote and sell franchises to Subfranchisees.

1.2 Non-exclusive Rights. These rights are non-exclusive. Nothing in this Agreement limits our rights to offer or grant others a similar or the same type of master franchise rights anywhere we choose outside your Exclusive Territory. We will not open or operate, and will not permit another franchisee or master franchisee to open or operate inside your Exclusive Territory, provided you have satisfied your financial obligations to us, have met the quota stated in this Agreement, and have complied with the terms of this Agreement. We define Exclusive Territory below in Section 4 and in Exhibit B.

1.3 Newly Formed Business Entity; Guarantee of Obligations. You must, within one month from the date of this Agreement, assign this Agreement to a newly formed business entity, in which you or others who have individually signed this Agreement and control the majority of the voting interests, organized for the sole purpose of operating this Agreement. Failure to make the assignment of this Agreement will be considered a material breach of this Agreement. After transfer, you will remain responsible for all obligations and upholding the covenants under this Agreement. You must sign a personal guarantee at the same time you execute this Agreement, attached to this Agreement as Exhibit A. No fee will be assessed for this type of assignment.

1.4 Franchise Disclosure Document. You must, at your expense, prepare the SFDD. You must submit that SFDD to us and our counsel for approval before you file it or provide it to a prospect. After we approve it, you must register or file it where registration or filing is required, as well as comply with all other state and federal regulations regarding disclosure and registration. You must provide the SFDD to all prospective franchisees before offering or selling a franchise. You must renew the SFDD annually, or amend it more often if you make any material changes. Before you file an amendment or a renewal you must submit it to us or our counsel for approval. You must make any changes before registration, amendment or renewal that we require. We shall have no responsibility whatsoever for the accuracy or legal compliance of your SFDD or your compliance with the requirements of any regulatory agencies which now or hereafter may have jurisdiction over the sale of franchises. We will give you our UFA Franchise Disclosure Document to which you will add required information. We will provide you with the updates we make to our UFA Franchise Disclosure Document. You agree that you are solely and exclusively responsible for complying with all federal and state franchise registration and disclosure laws for your territory and the payment of all franchise registration and continuing filing fees. You must retain a franchise lawyer to work with you to properly prepare and update your SFDD and on mandatory compliance.

Regardless of where your Exclusive Territory is located, every state in the United States and the District of Columbia requires that a current Franchise Disclosure Document be timely provided to prospective franchisees.

2. TERM AND RENEWAL

This Agreement is for a specified term and includes limited renewal possibilities as stated below.

2.1 Initial Term. The term for this Agreement begins on the day we execute this Agreement and continues for a period of 15 years.

2.2 Consecutive Renewal Terms. Provided you have been in substantial compliance with the terms of this Agreement, and you have not been in default during the last year of the initial 15 year term, we will offer the right to continue to own and operate a Master Franchise Business for two 10 year terms. If you wish to renew the Agreement and provide us with written notice, we will notify you before each expiration date whether we have decided to grant each successive renewal term.

2.3 Renewal Requirements. You must send us a notice of your interest in continuing to be a subfranchisor between 6 and 9 months before this Agreement expires. We will respond within 30 days either that we will offer you the opportunity to renew the Agreement, or will inform you that we have decided not to renew this Agreement. If we decide to renew this Agreement we will require you to do the following on or before 30 calendar days from the date of expiration of your initial term:

2.3.1 You must sign the then current master franchise agreement which terms may be different than the terms in this Agreement.

2.3.2 You must return your copy of the SHAGHF Confidential Operations Manual (the "Manual"). We will provide you with a copy of a new Manual, which is the same as we give to new master franchisees, unless the Manual is only distributed electronically, at that time. If distributed electronically, then you must be certain that you have the most up to date version. If you do have a paper copy of that Manual that has not been returned, it must be returned before we can approve your renewal. If we are not using an electronic version of the Manual, we will supply you with the latest version of the updated Manual, then you will be required to sign a receipt acknowledging that you received the updated Manual.

2.3.3 You have substantially complied with the terms and conditions of this Agreement and you have met our quality standards for operating a Master Franchise Business.

2.3.4 You have arranged to renew your lease for office space, and operate your Master Franchise Business from that location, or you have secured an alternate location within your Exclusive Territory.

2.3.5 You are up to date in training and are able to train prospective and transferee franchises in your Exclusive Territory and have proved to us that you are able to provide support and guidance to the franchisees under UFAs in your Exclusive Territory.

2.3.6 You must prove to us that you have all of the insurance you are required to have in force, and that the policies continue to name us, and our Affiliate as additional insureds.

2.3.7 You must maintain compliance with all federal and state franchise and franchise related registration and disclosure laws.

2.4 Non-Renewal. If we have good cause to refuse you the right to renew or further extend the term of this Agreement, we will respond to your notice stating your desire to renew with that information. For purposes of this Agreement, good cause means good cause as defined by statute in the state in which your Master Franchise Business is located. If no statutory definition exists, good cause is defined as any of the following:

2.4.1. Failure to pay royalties or for product for the UFAs you have opened and are operating, or to pay other monies owed to us or our Affiliate;

2.4.2 Failure to maintain a current SFDD that we have approved, or to keep it renewed or updated;

2.4.3 Failure to timely provide your SFDD to prospective unit franchisees;

2.4.4 You engage in competition during the term of this Agreement;

2.4.5 The commission and conviction of a crime during the term of this Agreement;

2.4.6 The inability to conform to the standards and practices of our System, either under one or more UFAs;

2.4.7 A non-monetary material breach of this Agreement for which a default notice was issued and sent on at least three occasions, for the same or different types of non-monetary material breaches, whether or not they were cured during the term of the Agreement.

3. FEES

In consideration for the right and license to be a subfranchisor under this Agreement and be granted the rights to sell, service and support Subfranchisees, you agree to pay a master franchise agreement fee and other fees described below on a timely basis.

3.1 Initial Master Franchise Fee. You are required to pay directly to us a fee, stated in Exhibit B attached to this Agreement, for the right and license to sell, service and support Subfranchisees in the amount based on the size and population in your Exclusive Territory. The Initial Master Franchise Agreement Fee is not uniform. The Initial Master Franchise Agreement Fee is due and payable in full when you execute this Agreement. The Initial Master Franchise Agreement Fee is not refundable and is fully earned when received.

3.2 Initial Unit Franchise Agreement Fee. As a Subfranchisor you have the right to open and operate Franchised Cafes for your own account under UFAs, without the requirement to pay an initial franchise fee.

3.2.1 Opening Requirement. In the first year after executing this Agreement with us, you are required to open and operate one of your own Franchised Cafes under a UFA, which will serve as your training facility. You are still required to pay monthly royalties to us based on your Gross Receipts for all your Franchised Cafes, as defined below.

3.3 Royalty Payment. You are required to pay to us without offset, credit or deduction on or before the end of the fifth day after the end of the month while your Unit Franchise Agreement remains in effect, a monthly fee ("Royalty Fee") equal to five percent of Gross Receipts (as defined below in Section 3.4) for the month that has ended. A Gross Receipts Report must accompany each monthly Royalty Fee. If we require your Franchised Cafe to pay Royalty Fees

through electronic transfer, you must send the reports to us, after each report has been certified by you, or your General Manager, via e-mail.

3.4 Gross Receipts. Gross receipts consist of all revenues received from all sales of all menu items, and sale of all services you perform in, from or through your Franchised Cafe(s), regardless of how the funds are collected, or if they are not collected but you made the sale, including all sales made if you use a Shaghf Trolley to take to an event, and whether or not you have made an exchange or bartered with a customer. Gross Receipts do not include return of funds to customers for legitimate reasons, or any taxes that you collect for any reason that are paid to a government or municipality.

4. EXCLUSIVE TERRITORY

Under this Agreement, you will have the right to operate as a Master Franchisee in an Exclusive Territory. The Exclusive Territory is expected to be one state, but may be less than one state if we determine that it would be in our best interest to approve more than one Master Franchise Agreement in a particular state. If we do, we will specify your Exclusive Territory on Exhibit B following this Agreement by city, county or other boundary. If we do not, we will specify "State of" and name the state.

4.1 Right to UFA "exclusive territory." The UFA also provides an exclusive territory for your own Franchised Cafe(s). When you open one or more Franchised Cafes under one or more UFAs, we grant you the right to operate your Franchised Cafe in an exclusive territory for that specific location. It will consist of a radius from your Franchised Cafe location of 5 miles in all directions. Neither we, our Affiliates, nor any other franchisee will be permitted to franchise, own or operate a restaurant using the mark Shaghf and logo within your Exclusive Territory. As the franchisee, owner and operator of the Franchised Cafe under a UFA, you will have the right to locate another of your own Franchised Cafes within the 5 mile radius, provided we approve the location. You will not be required to meet any quota to maintain the exclusive territory for the Franchised Cafe, nor can we modify the exclusive territory for any reason, including influx of population. The 5 mile radius for your Franchised Cafe is within but conceptually unrelated to the Exclusive Territory we have granted to you under this Agreement. However, you are also not permitted to place either one of your Franchised Cafes under your own UFA, or another UFA that you sell to another franchisee within the 5 mile radius of any other franchisee in your Exclusive Territory.

4.2 Rights We Reserve. Notwithstanding our Exclusive Territory grant in this Agreement as it relates to your Master Franchise rights, we reserve all the following rights:
4.2.1 own or operate, and license others to own or operate, Shaghf Restaurants, or Master Franchise rights outside of your Exclusive Territory anywhere in the world, as we deem appropriate;

4.2.2 own or operate, and license others to own or operate other businesses under other systems using other trademarks at locations inside and outside of the Exclusive Territory without notifying you or offering those other concepts to you;

4.2.3 be acquired by any business, even if the other business operates franchises and/or licenses for competitive businesses* within your Exclusive Territory; and

4.2.4 provide the services and/or sell any of the products authorized for Shaghf Restaurants using the Marks or other trademarks, service marks and commercial symbols through an alternate channel of distribution, or to other similar non-system restaurants, for which we do not compensate you.

*For purposes of this Agreement, a competitive business is another coffee cafe that sells the types of products and offers the types of services that a Franchised Cafe sells and offers.

4.3 Quota. You are required to meet a minimum quota to maintain your Exclusive Territory. Within the first year, you must open your own Franchised Cafe, which will be the training site for the Subfranchisees to whom you sell UFAs. Within the second year, you must sell or open for your own account at least two more Shaghf cafes for a total of three. By the end of the third year you must have a minimum of five Shaghf cafes under UFAs**.** This can be a combination of your own Franchised Cafe(s), and/or those that you sell to third parties. Beginning with the fourth year, through the tenth year, you must have sold or opened for your own account at least one new Shaghf cafe each year. We have the right to approve each Subfranchisee, and/or your own locations.

5. PROMOTION

5.1 Best Efforts. You shall always exercise your best efforts to effectively market, promote, and publicize Shaghf cafes throughout the Exclusive Territory. This includes, but is not limited to identifying suitable locations for future Shaghf Cafes. We must approve in writing, in advance, any promotion materials you intend to use to advertise for sales of Shaghf Cafes in your Exclusive Territory (unless we furnished the material to you.

5.2 Approval Process. You are required to send the promotional material to us. If by 15 days after our confirmed receipt, we have not disapproved it, then you can use it. If we have not approved it, and give you notice by email, then you cannot use it.

6. DIVISION OF FEES

As a Master Franchisee, you have obligations and are accorded rights unlike those under the UFA. You have the ability to sell franchises and benefit from those sales, provided you comply with federal and state disclosure laws, which require you to furnish your own FDD to franchise prospects, the SFDD. You are required to screen, qualify and conduct training for any franchise that you sell in your Exclusive Territory. You are also required to provide assistance pre-opening and post-opening to any Subfranchisee in your Exclusive Territory. In return for performing these and other services, you will be entitled to the following division of fees:

6.1 Initial Franchise Fee: For each UFA that you sell, whether we have referred a prospect to you, or you have worked with that prospect to purchase one or more Franchised Cafes, including the sale of additional Franchised Cafes under one or more UFA(s) to a current franchisee, you will

receive 50% of the then current Initial Franchise Fee after we have been paid in full, directly. If you sell in a state that requires either a deferral of the franchise fee, or that the franchise fee be placed in an escrow account you will not receive 50% of the Initial Franchise Fee until we have been paid in full. If the above applies, payment to you may not be possible until after all obligations have been performed, including training and the franchisee in question has opened the Franchised Cafe for business.

6.2 Royalty payment: All royalty payments under all UFAs are to be paid directly to us, including those payments made from your own Franchised Cafe(s). The current royalty payment is 5% per month per franchised restaurant. All Franchised Cafes must make this payment including all of your Franchised Cafes beginning with the first one, with no exception. After receipt of these payments, and provided you have trained the Subfranchisee, and are supporting the needs of the Subfranchisees for all Franchised Cafes in your Exclusive Territory, except for the royalty fees you pay to us for your Franchised Cafe(s), we will divide the royalty payment by sending you 40% of 5% (if we collect $100, we will send you $40 and we will keep $60) collected and we will retain 60% of the 5%. These payments will be made only after we have collected the full amount of the royalty from the franchisee in your Exclusive Territory.

6.3 No Further Division: For avoidance of doubt, no other payments, including late payments, interest, fines, transfer fees or amounts received from sale of products we or one of our Affiliate's businesses sell to Franchised Cafes will be divided with you.

7. OUR OBLIGATIONS TO YOU

Our obligations to you are as follows:

7.1 Our Obligations Before You Begin Business

7.1.1 Grant of Rights. We provide you with the right to own and operate one Master Franchise operating under this Agreement, using our and our Affiliate's Marks, methods, systems, administrative procedures, proprietary and confidential information, knowledge and know-how all within an Exclusive Territory.

7.1.2 Operations Manual. There is no separate Master Franchise Operations Manual. The Operations Manual you will receive after you have executed this Agreement, paid the entire initial master franchise fee and we have approved and executed your Agreement is the Operations Manual that we provide to unit franchisees. As with a UFA, we will provide to you, on loan, and for the duration of your term under this Agreement and any renewals or extensions, to assist you in operating the Master Franchise Business one copy of the SHAGHF Operations Manual, and we will provide the same Operations Manual to you for each UFA you execute for own account.

7.1.3 Training. We will provide comprehensive training to you for a minimum of 21 calendar days, in the United Arab Emirates. The training will cover all aspects of operating a Shaghf Cafe, as well as operating a Master Franchise Business. In addition to the training you will receive for operating a Shaghf Cafe, the topics covered will include but are not limited to, sales of franchises,

requirements for use of trademarks, training of unit franchisees, further assistance to unit franchisees for their Franchised Cafes and preparation of records.

7.1.4 Development and Consultation. We will provide you with assistance in establishing your Master Franchise business which include providing the Unit Franchise Disclosure Document, which your franchise lawyer will use to create the disclosure document that you will provide to prospective franchisees in your Exclusive Territory.

7.2 Our Obligations After You Open and Begin to Operate.

7.2.1 When you sell a franchise, or a prospect in your Exclusive Territory approaches us and we refer that prospect to you for sale and you sell that prospect a franchise and we execute a UFA for a Franchised Cafe:

1. We are obligated to pay you 50% of the initial franchise fee, for any unit franchise sale you make in your Exclusive Territory, after it has been received in full.

2. We are obligated to pay to you a portion of the royalties paid by the franchisees in your Exclusive Territory. The royalty is a total of 5% and we are obligated to pay to you 40% of the 5%, (except for franchised restaurants you open for your own account), we retain the full 5% you pay to us.

3. As administrative procedures are further developed, and System Standards and guidelines are updated or changed, we will provide you with new pages for the Operations Manual, which loaned copy you must maintain and update throughout the term of this Agreement. If the Operations Manual is on or converted to an electronic file, we will forward the updates via a secure website.

4. We will offer guidance and support where we can be helpful. Any guidance we are able to offer over the telephone, or through written, or other verbal communication, or email or through a video conference platform will be provided to you free of charge.

7.3 At our discretion, and when the number of franchisees warrants it, we may hold annual conferences. If we institute this practice, the conferences will last approximately two days, and you or a business associate who owns or manages your Master Franchise Business will be required to attend, as will you or your general manager of any Franchised Cafe you open for your own account. We do not expect to, but reserve the right to charge a fee for an annual conference. You will be responsible for the travel costs, hotel and food, other than meals we may provide for you and anyone you choose to bring. Annual conferences may be held at any location we choose in the United States or at our headquarters in the United Arab Emirates.

7.4 Additional assistance may be provided at our sole discretion, may be offered once and not repeated, infrequently conducted, or may become a practice we institute.

8. YOUR OBLIGATIONS TO US

Before and during the term of this Agreement, you will be obligated to comply with the terms and conditions of this Agreement, as follows:

8.1 Truthful Master Franchise Application. You must submit an honest master franchise application which contains no misrepresentations. Included in the franchise application is a form financial statement. The information provided to us must be accurate and current, to within thirty days of when you apply, unless your financial picture has sustained material negative changes within the thirty day period. In that case, we must be made aware of those changes. If, at any time during the term of this Agreement, we learn that you misrepresented the facts on your franchise application, or that your financial statement was fraudulently submitted or misleading, or that your funds to purchase the Franchised Cafe were not legally obtained, we may terminate this Agreement. Your master franchise application must include a notarized statement that all information you have provided is truthful and accurate.

After we receive your application, we may conduct a background investigation. No persons with felony convictions will be considered for a master franchise.

8.2 Use of Marks. During the term of this Agreement, you are obligated to use those Marks and any other trademarks or service marks we authorize, or periodically approve for use by our franchisees to market the franchise program in your Exclusive Territory. Provided there are no legal restrictions in the state in which any Franchised Cafe you open and operate for your own account is located, the name of the Franchised Cafe(s) must be SHAGHF, and you must use the following to identify your business, which is our Affiliate's federally registered service mark which has been licensed to us, and is the word Shaghf in Arabic, used in gold lettering with a black background only.


®

The Mark SHAGHF and design as it appears above, must appear on your stationery, business cards, and in all your advertising and promotion used to sell franchises. Your signage, stationery and business cards must use the colors and logo as we have depicted them, unless, at some point during the time this Agreement is in effect, we change our name, our logo, or our color scheme, or add to our Affiliate's federally registered Mark. You are also granted the right to use the more expanded Mark as shown directly below:



8.2.1 Trademark Infringement. During the term of this Agreement, you agree to report to us immediately if you learn of a use of the Mark by a third party which may infringe your use, or your ability to sell franchises in your Exclusive Territory. We will take actions we deem to be appropriate under the circumstances.

8.2.2 Confidentiality of Proprietary Information. As further discussed in Section 9 of this Agreement, proprietary information such as our Operations Manual may only be shared with those persons in your employ or management who absolutely must have access to it in order to do their job properly. You agree that any attempt to divert, transfer or copy in any manner, and through whatever means possible or imaginable, including any form of artificial intelligence whether currently known or yet to be devised or discovered; or give away proprietary information we provide to you will be considered a material breach of this Agreement, which could place you in default and/or lead to termination of this Agreement and possible fines as detailed in Section 19.4 below.

8.3 Remain Current and Conduct Your Business Properly.

8.3.1 Registration and Disclosure. You must remain current by annually, or more if required updating your SFDD, and you must file and pay the fees for any registration or renewal your state requires you to undertake and complete before you can offer or sell, or continue to offer and sell franchises in your Exclusive Territory. If your registration lapses, or you have not updated your SFDD and it is not current, you can no longer offer or sell and you must stop offering and selling franchises, until you have updated/and or renewed the registration.

8.3.2 Training and support. You must remain up to date with our methods of training in order for you to be able to conduct training with any new Subfranchisee in your Exclusive Territory. This may mean traveling to our headquarters in the United Arab Emirates to receive further training. You must support and provide necessary assistance to the Subfranchisees in your Exclusive Territory.

8.3.3 Extra-territorial sales. You must not advertise, and you are prohibited from offering, or selling a franchise outside your Exclusive Territory.

8.3.4 Business Conduct. You must conduct your Master Franchise Business in an honest, safe and respectable manner that will at all times reflect favorably upon you, us, and the SHAGHF brand.

8.3.5 Grand Opening Availability. You must always have at least one of your representatives available and on hand for the Grand Opening for any new franchised location in your Exclusive Territory that you do not own.

8.3.6 Unit Franchise. For the one or more UFAs you execute with us, you must always remain in substantial compliance, make timely payments to us and our Affiliates when required, and you must always lead by example because your Franchised Cafe(s) will be the location for training all Subfranchisees in your Exclusive Territory.

8.3.7 Alert Us. You must alert us as soon as you or one of your Subfranchisees has been made aware of a challenge to our Mark.

8.3.8 Computer; Books and Records. You are required to purchase one MacBook Air laptop computer, scanner and printer. You must maintain your books and records for the Master Franchise Business on that computer which must be dedicated to the Master Franchise Business only, and you must give us electronic access through your computer to review them. Alternatively, we can require you to use specific software that will enable us to have this access.

8.3.9 Email Registration. You must maintain the registered email you use for the Master Franchise Business, so that we can contact you by email at all times.

8.3.10 Text. You must maintain an accurate and working cell phone number that can receive texts so that we can contact you by cell phone or text.

8.3.11 Website. You must not establish your own website. We will include you on our official website, and refer and/or direct any prospects who contact us, or who view the website who express an interest in a Shaghf cafe franchise in your Exclusive Territory, to contact you.

8.3.12 Office Space. You must operate your Master Franchise Business from an office that is outside of your Franchised Cafe, and you must remain in compliance with the lease for that office. The office must be located in your Exclusive Territory.

9. CONFIDENTIAL OPERATIONS MANUAL

During the term of this Agreement, we will loan to you one copy of the Operations Manual. There will only be one Operations Manual that will apply to the franchise concept and system; the master franchise program will not have a separate Operations Manual.

9.1 Contents. The Operations Manual is and must remain confidential. It will contain mandatory and suggested specifications, standards and administrative operating procedures we periodically prescribe for the Franchised Cafe and information relating to other obligations under this Agreement. It will also include a list, subject to modification at any time, of approved suppliers for items you may need in your Franchised Cafe. All parts, all items and all entries in the Operations Manual are considered confidential information, proprietary to us and constitute trade secrets.

9.2 Maintenance Requirement. You must keep the loaned copy of the Operations Manual available in your Franchised business office at all times, and must keep it current. When we send you an update, you agree to destroy the replaced page(s), and insert the updated replacement pages promptly. If there is a dispute relating to the contents of the Operations Manual, the master copy we maintain will control. As above stated in Section 8.2.2 no part of the Operations Manual may be copied, transferred or shown to anyone other than your employees and/or management who require the information to properly do their job. No part may be otherwise reproduced without our advance written approval, which, we can deny for any reason.

9.3 Modification. We may periodically modify the Operations Manual to reflect changes in our image, specifications, standards and administrative procedures. No addition or modification will detrimentally alter or reduce your rights under this Agreement.

9.4 Surrender of Operations Manual. When this Agreement expires, or otherwise terminates before execution, you are required to return the Operations Manual to us or our designated representative within 5 days.

9.5 Renewal. At renewal, if not sooner, we will exchange the current Operations Manual for the copy you have had during the term of this Agreement.

9.6 Electronic File. Notwithstanding the above to the contrary, if at any time we convert the physical Operations Manual to an electronic file, unless when you begin your franchise, we have already converted to an electronic file only, that is suitable for sending via a secure Internet file, we will notify you of this change in procedure. Thereafter, the entire Operations Manual will be contained in an electronic file. All modifications will be made online and you will be required to download the changes when received. You are still under the obligation to return the physical Operations Manual to us at the end of the Agreement term, or sooner if you no longer have use for it. You are not permitted to make individual changes in the Operations Manual, other than to update materials we send or email to you. When this Agreement expires, terminates or is terminated, you are required to delete all files related to the electronic version of the Operations Manual. The failure to delete all files constitutes a trade secret violation.

10. INSURANCE

As a Master Franchisee, and separate from any UFA you execute with us which already describes in detail the types of insurance you must have in force at all times, you are required to have the following types of insurance:

10.1 General Liability Insurance in the amount of $2,000,000 per occurrence and $3,000,000 in the aggregate. This insurance will provide coverage for all master franchise operations and include independent contractors with whom you may contract. This policy must name us and our Affiliate as additional insureds with full notice provisions.

10.2 Errors and Omissions Insurance which must cover any errors or omissions that you make in the SFDD that you prepare and provide to prospective franchisees. This insurance must be for a minimum amount of $1,000,000 per occurrence and $3,000,000 aggregate. This policy must name us and our Affiliate as additional insureds with full notice provisions.

10.3 Worker's Compensation with statutory limits in the amounts required by state law for all your covered employees, and Employers Liability limits of not less than $1,000,000 for each accident, $1,000,000 policy limit and $1,000,000 for each employee, unless the state in

which your Exclusive Territory is located requires higher limits, in which case, then you must comply with those limits.

10.4 Cyber fraud coverage. You must have an insurance policy separate from any Franchised Cafe you open for your own account to cover cyber fraud, in the amount of $100,000 per occurrence, and $250,000 aggregate and we and our Affiliate must be named as additional insureds, with full notice provisions.

10.5 When you open your Franchised Cafe(s), you must purchase all required insurance as stated in detail in the UFA, for each Franchised Cafe you open, and must maintain that insurance in force for the entire term, and any extensions, and where stated must name us and our Affiliates Mr. AlShareif and Shaghf Cafe LLC as additional insureds.

11. BOOKS AND RECORDS

You agree to keep and maintain accounting records for a period of 5 years after the close of the fiscal year in which the record is made, according to generally accepted accounting principles. We will have electronic access to your records at all times.

Required Reporting.

11.1 You agree to provide to us monthly the following:

11.1.1 The number of franchise prospects who contacted you.

11.1.2 The number of SFDDs you sent out.

11.1.3 The number of prospects who sent back an Acknowledgement of Receipt for the SFDD you sent.

11.1.4 The number of prospects with whom you discussed a franchise.

11.1.5 The number of prospects that agreed to buy a franchise.

11.2 Franchised Cafe Records and Reporting. You agree to comply with all record and reporting requirements for those Franchised Cafes you open and operate as stated in the UFA.

12. COVENANT NOT TO COMPETE

12.1 In term. During the term of this Agreement or any approved renewals or extensions, you agree that, to the extent this provision does not conflict with state law where you operate your Master Franchise business, that you cannot and will not open, consult, work for, own, franchise or act as franchisor for, license or be in any way involved as a director, officer or shareholder, partner, member and/or member/manager with or in any competitive business that offers the same or similar type of restaurant services and products offered by a Shaghf cafe, anywhere in the

United States, unless you have entered into another UFA or have more than one Master Franchise Agreement. Neither will you, during the term of this Agreement, knowingly divert any franchise prospects to any to another competitive restaurant franchise which is not part of the franchise network.

12.1.1 Management Agreement. Attached to this Agreement as Exhibit C is a Confidential Information and Non-Disclosure Agreement that must be executed at the time you employ managers and other employees, who will have access to our Confidential and Proprietary Information, and otherwise whom we or you may train. All executed Confidential Information and Non-Disclosure Agreements must be maintained by you, and made available to us upon our request.

12.2 Post-Term. For a period of 2 years after the expiration or termination of this Agreement for any reason, except for owning another Master Franchise in our System, or for working in another master franchise business, or other Franchised Cafe operated under a UFA with us, or for another Franchised Cafe franchisee, neither you nor any of the business entity owners who execute this Agreement will (1) have any direct or indirect ownership interest in a type of restaurant with similar services and products offered by a Shaghf cafe, within a radius of 50 miles from the outer boundary of your Exclusive Territory, or within 10 miles of any other SHAGHF Cafe or franchisee owned Shaghf franchised restaurant; (2) use, transfer, convey, implement, or in any other manner possible or imaginable provide to another any part of our System or trade secrets, or (3) for an eighteen month period, solicit or hire our, or our Affiliate's or any other franchisee's employees without our or their previous written approval.

12.3 Unenforceable Restrictions. To the extent that any of the foregoing restrictive covenants are deemed unenforceable by virtue of their scope in terms of area covered, business activity prohibited and/or length of time, but, could become enforceable by reducing any or all of their elements, the parties to this Agreement agree that a reduction in scope will be made and that as reduced those elements will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought.

12.4 Enforcement Not Dependent on Franchisor Obligations. There are no obligations we must meet as a condition to the enforcement of any covenant not to compete. They exist for our benefit, and those to whom we sell master franchises and franchises, and to maintain the integrity and confidentiality of our System.

13. TERMINATION OF MASTER FRANCHISE AGREEMENT

13.1 We have the right, and can terminate this Agreement for the following valid reasons, with or without notice, and with or without offering you the right to cure, as follows:

13.1.1 Immediate Termination

1) Subject to the United States Bankruptcy Code 11 U.S.C. 365, this Agreement may be terminated immediately, with or without notice if you declare bankruptcy, are adjudged bankrupt or become insolvent.

This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

2) We have the right to terminate this Agreement immediately, and at any time, if we learn that you misrepresented facts on your initial master franchise application, and/or submitted fraudulent or misleading financial statements.

3) You violate Anti-Terrorism Laws of the United States.

13.2 Termination for Good Cause after Notice. We have the right to terminate this Agreement effective upon delivery of notice to you, which notice will state the date of termination, if you breach this Agreement as follows, and termination for the below-stated reasons will be considered termination for good cause:

13.2.1 You fail to actively operate your Master Franchise business, without any extenuating circumstances to prevent your continued operations.

13.2.2 You assign or transfer this Agreement or any interest in it without compliance with the provisions of Section 15 of this Agreement.

13.2.3 You are convicted of or you plead no contest to a felony, or you are convicted or plead no contest to any crime or offense that is likely to adversely affect the reputation of our franchise program and the goodwill associated with the Mark.

13.2.4 You fail three times in a 12 consecutive month period to submit when due, any reports or other data, information or supporting records and these failures to comply are not followed by a minimum of 12 months of consecutive, on-time monthly report submissions.

13.2.5 You fail to comply with the in-term covenants, including the covenant not to compete in this Agreement.

13.2.6 You disclose or divulge the contents of the Operations Manual, trade secrets or other confidential information provided to you by us, contrary to this Agreement, instructions in the Operations Manual, and/or training you received to a third party not entitled to be given that information.

13.2.7 You improperly use the Mark SHAGHF, or any other service mark or trademark we approve for use in operating and promoting your Master Franchise business or challenge our rights or our Affiliate's right to the ownership or right to use the Mark anywhere.

13.2.8 You, or your legal representative are unable to effect an approved transfer to a qualified transferee within the time limits allowed by Section 15 of this Agreement, if you die; or you become permanently incapacitated, and there is nobody within your Master Franchise business entity that can operate it.

13.2.9 You make any form of earnings claim, to any prospective franchisee, and/or provide information about potential sales, income or profits in the selling process, except for providing actual factual financial information to a prospect purchasing an existing Franchised Cafe in your Exclusive Territory that is already opened and operating.

13.2.10 You commit any other material breach of this Agreement.

13.3 Notice of Termination for Registration and Disclosure Violation. We have the right to terminate this Agreement if you fail to get registered, file your SFDD, provide notice where required, in the state this Agreement grants you an Exclusive Territory, if that state is a registration state, a filing state or a notice state, and requires you to be registered, filed or give notice before you begin to sell franchises, or during the time you sell franchises with an up to date SFDD, and/or you fail to give a prospect a registered SFDD, or if registration, filing or notice is not required you fail to timely provide a franchise prospect with an SFDD. Regardless of which state your Exclusive Territory is located as stated above in 1.1.1 of this Agreement, every state in the United States and the District of Columbia requires you to give a current Franchise Disclosure Document.

13.4 Potential Liability Resulting from Termination. If you do not comply with a written notice of termination we send and/or deliver and can prove you received, and, a court or arbitrator later upholds the notice as having been properly issued, operation of your Master Franchise Business and holding yourself out as having the ability to sell franchises on our behalf after the date of termination will constitute willful service mark infringement and unfair competition. You will be liable to us for monetary damages to the fullest extent provided by law. We also may impose a fine as further stated below in Section 20.

14. YOUR OBLIGATIONS AT TERMINATION OR EXPIRATION

You agree that when this Agreement is terminated or expires, for any reason, you will no longer be eligible to operate the Master Franchise Business. If you own and operate any Franchised Cafes under UFA(s), the termination of this Agreement will not affect those Franchised Cafes, unless there is also an independent reason to terminate those UFAs as well.

14.1 Discontinue All Forms of Promotion. You must discontinue all advertising, promotion and all forms of marketing in which you hold yourself out to the public as a Master Franchisee/Subfranchisor with the ability to sell Shaghf Cafe franchises.

14.2 Notification. You must notify each subfranchisee in your Exclusive Territory, other than those owned by you that you are no longer a Master Franchisee/Subfranchisor, cannot sell franchises and will not be able to offer any further training or assistance. You must provide written notice to us that you made that notification.

14.3 Compliance with Confidentiality and Non-Compete Covenants. You agree to abide by all obligations of confidentiality and by all provisions of the covenant not to compete as described in Section 12 of this Agreement.

14.4 Our Re-Market Rights. Depending on the circumstances of the expiration, or termination, we will have the right to immediately remarket the exclusive territory previously granted to you, notwithstanding that you may own one or more Franchised Cafes in your former exclusive territory.

14.5 Future Franchised Cafes. Except as otherwise provided above in this Section 14, at the termination or expiration of this Agreement, all rights and privileges granted to you under this Agreement will end. Any additional franchised cafes you apply to us to open will require you to pay a full initial franchise fee and to comply with all requirements imposed on a franchised cafe owner under the UFA.

15. ASSIGNMENT OF THE MASTER FRANCHISE AGREEMENT

15.1 By Us. This Agreement is fully transferable by us and inures to the benefit of any transferee or other legal successor to our interests who agrees to accept the obligations we have under this Agreement.

15.2 By You. The rights and duties created in this Agreement are personal to you. We have granted the franchise to you in reliance upon your experience, character, skill, aptitude, attitude, business ability, financial capability and the interest you have expressed in being a Master Franchisee/Subfranchisor. You may not sell, assign, transfer, pledge or mortgage this Agreement (nor any rights or interest in it), or any part or all of the ownership (including by will or intestate succession) without our advanced written consent, which we will not unreasonably withhold if you are in substantial compliance with this Agreement. Because this is a Master Franchise Agreement, and you have training and support responsibilities, we will condition the assignment on the character, business experience, financial capability and credit rating of the proposed assignee (and his, her or their partners, officers, controlling stockholders and/or members/managers, if the transferee is a partnership, corporation, or limited liability company). We will also condition the assignment on the prospective assignee's ability to train and assist Subfranchisees in your Exclusive Territory, and whether or not the prospective assignee has a staff that can perform those tasks. Any transfer made without our advance written approval constitutes a material breach of this Agreement, which can result in termination, and conveys no rights whatsoever. In addition, consent to the transfer will be conditioned on the following:

15.2.1 We must approve the purchaser for financial responsibility, and suitability as an Master Franchisee/Subfranchisor which standards will be different than a Franchised Cafe transferee;

15.2.2 The assignee, transferee or purchaser must not continue to be engaged as a licensor, franchisor, independent operator or current licensee of another business that is similar in nature or competes with a Shaghf Cafe. Before entering into an agreement with us, the assignee, transferee or purchaser must terminate all previous licensing or franchise relationships, unless they are with

us, and prove to us that there are no non-competition agreements that can be enforced against that person, or persons.

15.2.3 Before operating on his, her or its own, the transferee will have completed, at the transferee's expense and upon the terms and conditions as we may reasonably require, all training programs then in effect for master franchisees, unless they are already a Master Franchisee under a different agreement, and require no further training at the time of purchase.

15.2.4 The party who will acquire your interest must execute an assumption agreement with us in the form we approve for a term equal to the remainder of your term.

15.2.5 If the purchaser is new to the SHAGHF franchise network, and requires training, a transfer fee of $10,000 must be paid to us within 5 business days of the date before the closing of the sale, which we will hold until the sale has closed. If the purchaser does not require training, the transfer fee will be $7,500. If the sale does not close, we will return 75% of the transfer fee, maintaining 25% for the due diligence we conducted and legal fees we incurred. If the sale closes we will retain the full amount of the transfer fee we collected, which will be non-refundable.

15.2.6 The party who will acquire your interest must employ a franchise lawyer to draft a SFDD for that party, and if required, register, file or receive an exemption which may cause a delay between the time of the closing and the time the transferee can begin to sell franchises.

15.3 Transfer to a Partnership, Corporation or Limited Liability Company. You are required and you commit to form a business entity to assign this Agreement to, after you sign this Agreement, provided you do not initially sign it as a partnership, corporation or limited liability company, which we will allow under certain circumstances. You agree to send to us your articles of partnership, incorporation or for a limited liability company within four months of the date we accept this Agreement. The failure to comply with this requirement will be considered a material breach for which we can terminate you, unless you have obtained written approval from us to waive or extend the time to provide us with those documents.

15.3.1 If you are in full compliance with this Agreement, you will not be charged a transfer fee nor will approval of a transfer be unreasonably withheld for transfer of your individually held franchise interest, or more than one individually held interest, to a partnership, corporation or limited liability company that conducts no business other than as a Master Franchisee/Subfranchisor. You must actually manage the Master Franchisee/Subfranchisor business on a full time basis, and must maintain at least 51% control in the business entity you form. Additionally, all owners with interests of 25% percent or greater agree to jointly and severally guarantee the obligations of this Agreement and to be bound by its provisions. If no owner holds 25%, then the three individuals with the greatest interest must execute a personal guarantee. You will notify us in writing of the name and address of each and every partner, shareholder, member and/or manager, officer, director and supervisory employee of your business entity and any changes made. Before the transfer is approved, we require you to submit a copy of your Partnership Agreement, Articles of Incorporation or Articles of Organization.

15.4 Right of First Refusal. If, at any time, you decide to sell the entire interest in this Agreement, or your business entity, unless the proposed sale results from the need to sell due to a permanent incapacity or death, you must obtain a bona-fide, executed written offer from a responsible and fully disclosed purchaser and immediately submit an exact copy of the offer to us. In order for the offer to be bona-fide, it must be accompanied by a 10% down payment, in cash, a cashier's check or certified funds. We will have the right, exercisable by written notice delivered to you within 30 calendar days from the date we receive the offer, to purchase the interest for the price and on the terms and conditions in the bona fide offer. We may substitute cash for any form of payment proposed in the offer. Our credit will be deemed equal to the credit of any proposed purchaser and we will be given not less than 60 calendar days to close. If we do not exercise our right of first refusal, the sale may be completed to the purchaser on the exact terms of the offer, subject to your compliance with Section 15 and our reasonable approval of the transfer. If the sale to that purchaser is not completed within 90 calendar days after delivery of that offer to us, or if there is a material change in the terms of the sale, we will have an additional right of first refusal for 30 calendar days on the same terms and conditions as were applicable to the initial right of first refusal.

15.5 Death or Permanent Incapacity.

15.5.1 Appointment of Successor Franchisee. If the majority interest holder dies or becomes permanently incapacitated, that person's executor, administrator, conservator or other personal representative will have a period of 180 calendar days to transfer that person's interest to a qualified transferee. Provided a qualified transfer candidate is found, that individual must successfully complete our training program, if not already trained, before assuming this Agreement. The death or incapacity of one owner will not cause a termination when more than one owner has signed this Agreement, however, this will depend on the division of ownership interest at the time of death, and the willingness of the surviving owner, if a minority owner, to become the majority owner. If a suitable transferee is not located and the transaction is not completed in 180 days, this Agreement will be terminated.

15.5.2 Transfer of the Franchised Business. Any transfer of this Agreement by devise or inheritance, will be subject to all the terms and conditions for assignments and transfers contained in this Agreement. Failure to dispose of those interests within 180 calendar days constitutes grounds, at our option, to terminate this Agreement.

16. CONFIDENTIALITY

You agree that you and your officers, directors, partners, members, management employees, and all owners of any interest in you and your affiliates: (a) will only use our Proprietary Information in the operation of your Master Franchise Business to the extent necessary to carry out your obligations under this Agreement; (b) will maintain the absolute confidentiality of the Proprietary Information during and after the term of this Agreement; (c) will not make unauthorized copies of any portion of the Proprietary Information disclosed in written, visual, auditory or other tangible form; and (d) will adopt and implement all reasonable procedures we periodically prescribe to prevent unauthorized use or disclosure of the Proprietary Information, including, without limitation, restrictions on disclosure to employees and the use of

non-disclosure and non-competition clauses in employment agreements with management level employees and agents in the form we prescribe. Proprietary Information includes, but is not limited to the contents of the UFA Operations Manual and any other training materials and our recipes and trade secrets. Any information which was in the public domain, or Proprietary Information that becomes a part of the public domain, or you learn from a third party independent of the franchise, and outside of the franchise system will not be covered by this provision. However, any information you learn as a result of, or during the operation of one or more of your own Franchised Cafe(s) is covered by this provision. Your obligations under this section survives the termination of this Agreement.

17. RELATIONSHIP OF PARTIES; INDEMNIFICATION

17.1 Independent Contractors. The parties to this Agreement are independent contractors. The grant of this master franchise is not to be construed to create a relationship of employer-employee, joint venture, agency or partnership between you and any other Master Franchisee/Subfranchisor, franchisee, or between you and us or our Affiliates, other than as stated in this Agreement, based on the obligations of each party. Neither of us will be obligated by any agreement, or representation made by the other, (except representations contained in this Agreement), and in the FDD we provide to you. Excluded are UFAs that you sell to franchise prospects, in which we each undertake obligations.

For federal, state and municipal tax purposes, you are treated as an independent contractor and not as an employee.

17.2 Indemnification. You agree to indemnify and hold harmless us, our officers, shareholders, directors, employees, agents, representatives, attorneys, successors and assigns and our Affiliate with respect to any damages, claims, judgments or settlements. This includes the aggregate amount of any loss, liability, damage, cost or expense (including reasonable expert witness, accountants' and attorneys' fees) sustained by us or them as a result of any breach or default by you of any provision of this Agreement required to be performed by you, in the operation of your Master Franchise Business. We have the right to defend any claim or claims with respect to which we may be entitled to defend under this Agreement and to seek indemnity from you.

The indemnities, assumptions of liabilities and obligations will continue in full force and effect subsequent to and notwithstanding the termination or expiration of this Agreement.

18. POLICIES AND PROCEDURES

You shall not have the right to establish policies and/or procedures relating to the operation of the Master Franchise Business or the Franchised Cafe to protect the Mark(s) and our goodwill in the industry outside of the policies and/or procedures that we designate. You and all Subfranchisees subject to the license granted under this Agreement are bound by our policies and/or procedures upon receipt. If we update policies and/or procedures, you will be required to also implement them.

19. REMEDIES AND JURISDICTION

19.1. Remedies are Non-exclusive. Except as specified in particular provisions of this Agreement, no right or remedy conferred on or reserved to you or us by this Agreement is intended to be, nor will be deemed to be exclusive of any other right or remedy provided under this Agreement or permitted by law or equity. On the contrary, each right or remedy will be in addition to every other right or remedy.

19.2 Illinois Courts. The parties agree that any claim, controversy or dispute arising out of or relating to this Agreement or its performance which cannot be amicably settled or resolved through mediation, and is not encompassed below, in the arbitration provision, in Section 20, will be resolved by a proceeding in a court in Illinois, and you agree to irrevocably accept the jurisdiction of the federal and state courts in Cook County, Illinois over those claims, controversies or disputes. No litigation arising out of or relating to this Agreement or the performance of it will ever be initiated in any court other than a court in Cook County, Illinois, unless no court in Cook County, Illinois will accept jurisdiction over the case, or the state in which your Franchised Cafe is located has laws which render this section inapplicable.

The parties agree that service of process in any proceeding may be made by serving a person of suitable age and discretion. Service on us may be made at our office or on our registered agent. Service on you may be made at the address given for you at the beginning of this Agreement. Service on you may also be made on your registered agent if you have transferred this Agreement to a corporation or limited liability company. Service on your corporation or limited liability company will also be considered the same as personal service on you. Service on you may also be made by personal delivery to any responsible employee above the age of 18 years old, at your Franchised Cafe location when service is made.

19.3 Prevailing Party. If either you or we bring any legal action to construe or enforce the terms of this Agreement, including its termination or post-termination provisions, or to obtain damages or other relief, injunctive or otherwise, to which either party may be entitled under this Agreement, with the exception of the right to request an arbitration proceeding (pursuant to Section 21 below), the non-prevailing party agrees that an award will include and agrees to pay the reasonable attorney fees, accountant's fees and all associated costs, expenses, and expert witness fees of the prevailing party. For avoidance of doubt, and notwithstanding anything in this Agreement to the contrary, nothing in this Section 19 of the Agreement relates or applies to any action you have brought, or may bring for any other franchise agreement or master franchise agreement you executed with us before we provided the Master Franchise Disclosure Document to you of which this Agreement is Exhibit B. This Section 19 is prospective only and will be applicable only to this Agreement.

20. FINES IMPOSED

20.1 Fines. Fines will be imposed on you if you commit certain defaults during the term of the Agreement based on the following conduct and for the following amounts:

20.1.1 Opening your own Shaghf Cafe under this Agreement, whether it is one of the first three you are required to open or sell, before informing us and receiving our approval.

Fine imposed: $50,000 and we will have the right to terminate this Agreement.

20.1.2 Failure to keep confidential information confidential; improper use of trade secret or intentional improper use service mark or trademark.

Fine imposed $50,000 and we will have the right to terminate this Agreement.

21. NEGOTIATION; MEDIATION; ARBITRATION

21.1 Attempt to Resolve Differences by Informal Discussions. In the spirit of working together to achieve a mutual benefit, and pursuant to the accommodations made in this Agreement, it is our desire to prevent disputes with franchisees, which, if escalated will divert resources better spent elsewhere. In an attempt to avoid litigation and arbitration, we request that if issues arise that you believe are not being properly handled, you first send us a letter, and copy our counsel whose address appears below in Section 22, stating the facts and the reasons you believe we have not been attentive, or have taken action adverse to your interests. We will review your letter, and attempt to resolve the dispute as quickly as possible, and will contact you to arrange a discussion within 30 days of receipt of the letter, unless time is a factor, as made evident in your letter. By honest and good faith negotiation, we may both be able to avoid unnecessary further steps, which would enable both of us to conserve resources. Before filing suit or demanding arbitration, unless immediate injunctive relief is sought, the parties must spend a minimum of four hours working out their differences, preferably face to face, but if not possible, through other means of communication like a video conference. After the investment of four hours or longer if the parties have not resolved the issues, one or both parties can propose mediation.

21.2. Dispute Resolution by Mediation. If either party proposes mediation, the parties will choose one mediator to hear the dispute. The mediator must hear the dispute within 30 calendar days. The hearing can be in person in or near Chicago, IL, or by video conference. The parties agree to devote a minimum of six hours to the mediation. Any and all discussions, negotiations, findings, or other statements by the mediator or the parties made in connection with the mediation are privileged and confidential and will not be admissible in any litigation, arbitration, or other dispute proceeding. If mediation does not resolve the dispute either party can proceed to request arbitration.

Any and all discussions, negotiations, findings, or other statements by the mediator or the parties made in connection with the mediation are privileged and confidential and cannot be admissible in any litigation, arbitration, or other dispute proceeding.

21.3 Dispute Resolution by Arbitration. Disputes between you and us that have not been otherwise resolved, related to any issue arising out of or relating to this Agreement (only) or the rights created by it, its offer, sale and disclosure, and any claimed breach, or the relationship

between you and us as a result of this Agreement (only), and provided the parties have complied with Sections 21.1 and 21.2, must be submitted to arbitration, and heard by one arbitrator. The arbitration proceedings will be conducted in the Chicago, Illinois metropolitan area, or, at our option, where our headquarters are located, at the time the claim is filed, or by video conference if in person arbitration is not possible or practical. The rules of the American Arbitration Association ("AAA"), any successor organization, or any similar organization, if the AAA is no longer in operation will be followed. Judgment on the decision of the arbitrator, including any grant of specific performance, may be entered in any court having jurisdiction. The arbitrator will have no authority to extend the Agreement, nor to render any decision related to our ownership of the Mark. Arbitration costs will be split between you and us. An award will include and the prevailing party (if there is a prevailing party) will be entitled to recover from the other party or parties, reasonable attorneys' fees, accountants' fees and all associated costs (including filing fees and the arbitrator fees), expenses, and expert witness fees.

We both agree that the arbitrator will be limited to awarding actual, and not consequential, punitive, speculative or exemplary damages to the prevailing party. We also agree that arbitration can only take place between you and us, and not by a group of master franchisees, or on a class-wide basis.

22. MISCELLANEOUS

22.1 Notice.

22.1.1 Method for Giving Notice To You. All notices to you must be in writing, personally delivered or sent to you at the address stated at the beginning of this Agreement by certified mail, return receipt requested, by overnight courier service or express mail. Notices personally delivered will be deemed received on the date of delivery. Notices sent by certified mail will be deemed delivered 3 business days after placing them in the United States mail, postage prepaid. Notices sent by overnight courier service or express mail will be deemed delivered 2 business days after they are sent, unless receipts show otherwise, or Saturday delivery is specified and accomplished. We can also send a notice by email to your last known email address, which after you confirm receipt will be considered valid written, and delivered notice.

22.1.2 Method for Giving Notice To Us. All notices to us will be in writing personally delivered, or sent to the address stated at the beginning of the Agreement or to Niaz Ahmed at hkalgroup@gmail.com. The method for sending is the same as in Section 22.1.1 above titled "To You." If the notice is related to default, termination or mediation, arbitration or litigation, a copy should also be sent to:

Marc N. Blumenthal, Loftus & Eisenberg, 8950 Lincolnwood Drive, Evanston, IL 60203 and emailed to marc@loftusandeisenberg.com

22.2 Non-Waiver. If either party waives a right or remedy under this Agreement, or in any other manner fails to enforce such right or remedy, that action will not preclude either party from enforcing the same right or remedy in accordance with this Agreement at a later date.

22.3 Modification. This Agreement may only be modified by an instrument in writing, executed by both parties, dated after the date of this Agreement. This Agreement may, however, be modified or amended by us, within 10 calendar days written notice to you in order to comply with any ordinance, statute or regulation applicable to the Agreement, or the franchise relationship. We intend, however, to periodically modify our Operations Manual as we, in the exercise of our sole discretion, deem necessary to meet competition, protect our Marks and improve the quality of products and services provided. No modification will alter or reduce your rights under this Agreement.

22.4 Severability and Construction.

22.4.1 Independent Provisions. The provisions of this Agreement are deemed to be severable and the parties agree that each provision of this Agreement will be construed as independent of any other provision of this Agreement.

22.4.2 Invalid Provisions. If any provision is deemed invalid or unenforceable as written, it will not affect the legality or validity of the remaining provisions, but, will be deemed modified or limited to the extent or manner necessary to make that particular provision valid and enforceable to the greatest extent possible in light of the intent of the parties expressed in that provision.

22.4.3 No Other Beneficiaries. Nothing in this Agreement will be deemed to give any person or legal entity other than you or us, and our respective successors and assigns any rights or remedies under or because of this Agreement, except for the rights ascribed above under Section 12, to a personal or legal representative.

22.4.4 Captions. All captions in the Agreement are intended solely for the convenience of the parties and do not affect the meaning or construction of any provision of this Agreement.

22.4.5 Multiple Originals. This Agreement may be signed in triplicate, and each copy signed will be considered an original.

22.4.6 Binding Agreement. This is a legally binding Agreement, which binds us and you to its terms and conditions, and will inure to the benefit of the successors and assigns of each party.

22.4.7 Introduction. The introductory remarks included on pages 1 and 2 of this Agreement are incorporated into this Agreement, as if written directly into the terms of this Agreement.

23. COMPLIANCE WITH LEGAL REQUIREMENTS

At your own expense, you must make, execute, and file any and all reports required by any legal or public authority with respect to the operation of your Master Franchise Business. You must at all times abide by any and all federal, state, county and/or municipal laws and regulations which

are applicable to your Master Franchise Business, and maintain a current business license. You must comply with all applicable tax laws which require you to pay taxes on your income, and remit taxes for your employees, and you must timely remit all taxes due. If applicable, you must comply with the American Disabilities Act, and any other statute that prevents discrimination.

24. GOVERNING LAW

Except to the extent governed by the United States Trademark Act of 1946 as amended (Lanham Act, 15 U.S.C. Sec. 1051 et seq.), and the Federal Arbitration Act, (9 U.S.C. Subsection 1 et seq.), this Agreement will be governed by the laws of the State of Illinois, except with respect to its conflicts of laws rules.

25. NOTICE OF LAWSUITS AGAINST MASTER FRANCHISEE

You will notify us in writing within five days of notice of the commencement of any action, suit, or proceeding against you, or any subfranchisee in your Exclusive Territory, and/or of the issuance of any inquiry, subpoena, order, writ, injunction, judgment, award, settlement or decree of any court, agency, or other governmental instrumentality, which arises out of, concerns, or may affect the operation or financial condition of your Master Franchise Business or your interests in this Agreement, including, without limitation, any criminal action or proceedings brought against you, your employees, clients, or other Subfranchisees in your Exclusive Territory.

26. GOOD FAITH AND FAIR DEALING

Each party to this Agreement agrees to treat the other in a fair and equitable manner, and in all transactions, interactions and disputes to negotiate and to deal in good faith; it being further understood, that the general industry that this type of business is a part, is highly competitive, and well-developed, and, that working together can accomplish more than working at odds with each other.

27. TIME IS OF THE ESSENCE

Wherever this Agreement requires performance on the part of a party by a specific date, for payments of sums, giving of notice or furnishing of documents or reports, the party required to take the action understands and agrees that it is important to use best efforts to comply with the dates and times set forth in the Agreement, as time is of the essence.

28. COMPLIANCE WITH ANTI-TERRORISM LAWS

You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your owners certify, represent, and warrant that none of your property or interests are subject to being blocked under, and that you and your owners otherwise are not in violation of, any of the Anti-Terrorism Laws. “Anti- Terrorism Laws” means Executive Order 13224 issued by the

President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your owners, or any blocking of your or your owners' assets under the Anti-Terrorism Laws, will constitute good cause for immediate termination of this Agreement, as provided above in Section 13.

29. ACKNOWLEDGEMENTS

29.1 Business Risks. This Master Franchise Business venture involves certain business risks. Your success, if you are to be successful, will be largely dependent upon your own, your owners, your management and your employees' efforts and abilities.

YOU HAVE ENTERED INTO THIS AGREEMENT AS A RESULT OF YOUR OWN INDEPENDENT INVESTIGATION OF US AND THE BUSINESS OFFERED.

WE HAVE ADVISED YOU TO FIRST CONSULT WITH YOUR OWN ATTORNEYS OR ADVISORS.

IN THE MASTER FRANCHISE DISCLOSURE DOCUMENT WE PROVIDED, WE HAVE MADE NO WRITTEN FINANCIAL PERFORMANCE REPRESENTATIONS TO YOU.

WE HAVE NOT AND WILL NOT MAKE ANY WARRANTY OR GUARANTEE, EXPRESSED OR IMPLIED, AS TO THE SUCCESS OF THE BUSINESS YOU HAVE PURCHASED.

29.2 Independent Investigation. You acknowledge that you received, read, and understand this Agreement, including the attached exhibits. We have fully and adequately explained the provisions to your satisfaction. We have strongly suggested that you discuss this Agreement with a franchise lawyer, and have given you ample time and opportunity (1) to consult with advisers of your own choosing about the potential benefits and risks of entering into this Agreement, (2) to contact existing master franchisees/subfranchisors, if any and (3) to investigate all the statements we have made relating to the Franchised Cafe.

29.3 Compliance with Federal Trade Commission Rule. We have provided this Agreement, and the attached exhibits, all in final form and suitable for execution, at least 7 calendar days before the date on which you executed this Agreement. We have provided you with our Master Franchise Disclosure Document at least 14 calendar days before the date on which who made any payment to us or you signed this Agreement.

30. NONWAIVER; NON-DISCLAIMER

No statement, questionnaire, or acknowledgement signed or agreed to by you in connection with the commencement of this master franchise/subfranchisor 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.

31. ENTIRE AGREEMENT

Each party agrees that the foregoing Agreement, including the Introduction, incorporated by reference and made a part of this Agreement, and attached Exhibits A, B, C and D represent the entire Agreement, and is the only Agreement between the parties for a Master Franchise in the Exclusive Territory, governing the relationship between the parties and supersedes all previous and contemporary verbal or written understandings, agreements, promises, negotiations and/or representations made by the parties or understood to be in effect at the time this Agreement is executed. Nothing in this or any related agreement is intended to disclaim the representations we made in the latest Disclosure Document we furnished to you.

SIGNATURES

The parties to this Agreement now execute and deliver this Agreement in triplicate all of which will be considered originals as of the Agreement Date.

Done and executed on the date stated at the beginning of this Agreement in _____, ___.

SHAGHF CAFE FRANCHISE LLC

By:_____
Hamad Khalfan Ali Al-Shareif Aal AlShareif
CEO
Attest: _____

MASTER FRANCHISEE

By: _____

Attest: _____

EXHIBIT A

GUARANTEE OF PERFORMANCE

In consideration for $10.00 and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned Guarantor(s) guarantee(s) the prompt payment of all franchise fees, royalties, advertising contributions if a Marketing Fund is established, and all other fees, contributions, and expenses to be paid by the Franchisee and the full performance by the Franchisee, Franchisee's heirs, executors, administrators, successors or assigns of all the covenants, and agreements stated in the SHAGHF CAFE FRANCHISE LLC Master Franchise Agreement and its attached Exhibits of which this Guarantee of Performance is Exhibit A, and agree(s) to be personally bound to the "non-competition" restrictions as set forth in Section ___ of the Master Franchise Agreement, just as if the Guarantor(s) were signatory(ies) to the Master Franchise Agreement.

Each of the undersigned consents and agrees that: (a) its direct and immediate liability under this Guarantee shall be joint and several; (b) it will render any payment or performance required under the Agreement upon demand if Master Franchisee fails or refuses punctually to do so; (c) that liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Master Franchisee or any other person or entity; and (d) 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 Master Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which modify or amend this Guarantee, which is continuing and irrevocable during the term of the Agreement, and any renewals. However, any partial payment Master Franchisee has made will lower the amount Guarantor owes Franchisor by that amount, notwithstanding that there could be additional debt that has accrued from late payment, interest or fines.

If Franchisor is required to enforce this Guarantee against any of the undersigned guarantors, it shall have the right to proceed against any one, a group of, or all named guarantors to satisfy the franchisee’s debt or other obligations. If Franchisor brings an action to enforce this Guarantee, it will be entitled to its reasonable attorneys’ fees, costs and expenses. This Guarantee is to be governed under the laws of the State of Illinois. All proceedings under this Guarantee are to be conducted in state or federal court located in or nearest to Chicago, Illinois located in Cook County, Illinois. The undersigned submits to the jurisdiction of and the venue in Cook County, Illinois and agrees not to bring legal proceedings anywhere else for purposes of this Guarantee.

SIGNATURE PAGE FOLLOWS

Dated this day of , 202 .

PERSONAL GUARANTOR

_____

Personally and Individually (Printed Name)

_____

Personally and Individually (Signature)

Home Address: **Telephone No.:**

Email Address:

Percentage Of Ownership In Franchisee: **%**

PERSONAL GUARANTOR

_____

Personally and Individually (Printed Name)

_____

Personally and Individually (Signature)

Home Address: **Telephone No.:**

Email Address:

Percentage Of Ownership In Franchisee: **%**

EXHIBIT B EXCLUSIVE TERRITORY AND MASTER FRANCHISE FEE

Section 4 of the Shaghf Cafe Franchise LLC Master Franchise Agreement provides for an Exclusive Territory in which you will operate your SHAGHF Master Franchise Business. That Exclusive Territory is:

The State of _____ or

Exclusive Territory consists of _____.

The grant of an Exclusive Territory is not a guarantee that you will be successful, or that you will achieve a certain amount of business or franchise sales.

MASTER FRANCHISE FEE: $_____ (determined based on the Exclusive Territory). Master Franchise Fees are not uniform.

Dated on the __day of _____ , 202__.

SHAGHF CAFE FRANCHISE LLC

_____

By: Hamad Khalfan Ali Al-Shareif Aal AlShareif
Title: CEO

MASTER FRANCHISEE(S)

_____

_____

_____

EXHIBIT C

EMPLOYEE CONFIDENTIALITY AND NON-COMPETE AGREEMENT

THIS AGREEMENT made this __ day of _____, 202___by and between _____, ("Employer"), a Master Franchisee of SHAGHF CAFE FRANCHISE LLC, a Pennsylvania Limited Liability Company ("Franchisor") and_, whose address is _____, an individual ("Employee").

This is an Employee Confidentiality and Non-Compete Agreement. It is an essential part of your employment relationship with your Employer. Please review this Agreement before accepting employment or receiving special training and instruction. Ask your Employer to explain anything you may not understand. It is very important that you fully understand the obligations under this Agreement.

RECITALS

a. Franchisor, and its Affiliate are the owners of all rights in and to a unique system for the preparation and sale of coffee, coffee drinks and other beverages Franchisor Affiliate's businesses' proprietary recipes, baked goods, and other related food products served in a cafe setting designed by Franchisor, and its Affiliate. Included are the Mark(s), the Confidential Information and trade secrets (the "System"), and a Confidential Operations Manual (the "Operations Manual").

b. Under a written agreement (the "Master Franchise Agreement") with Franchisor, we, as your Employer have been granted a master franchise to operate our own Franchised Cafes and to sell subfranchises to third parties, the right and license to operate for an initial term of twenty years, and we, as your Employer have an obligation under that Master Franchise Agreement to enter into this Agreement with you, as one of our managerial or supervisory employees, or as an individual receiving special training and instruction in the operation of the Shaghf franchised business.

c. The purpose of this Agreement is twofold, (1) to protect Franchisor, its Affiliate and its Affiliate principal's intellectual property which includes the mark SHAGHF; their trade secrets and confidential information, and (2) to prohibit you from using Franchisor and its Affiliate's information to directly or indirectly compete with Franchisor during the term of this Agreement, and for twelve months thereafter.

TERMS

In consideration for the mutual promises and covenants included in this Agreement, you, as our Employee, and we, as your Employer, agree as follows:

A. PRESERVATION OF CONFIDENTIALITY

1. The Recitals made above are hereby incorporated and made a part of this Agreement.

2. We both acknowledge and agree that by being employed in a supervisory or managerial capacity and/or having received special training, you have access to information and materials which constitute trade secrets and confidential and proprietary information, which are not in the public domain. We further acknowledge and agree that any actual or potential direct or indirect competitor of Franchisor or any of its franchisees will not have access to such trade secrets and confidential information.

3. We both acknowledge and agree that the System includes trade secrets and confidential information which Franchisor has revealed to us in confidence, and that the protection of those trade secrets and confidential information, and the protection of Franchisor against unfair competition from others who have or who have had access to the trade secrets and confidential information, are essential for the maintenance of goodwill and special value of the System.

4. You agree that you will not (a) appropriate, use, or duplicate the System, or any portion of it, for use in any business which is not within the System; (b) acquire any right to use, or to license or franchise the use of any name, Marks or other intellectual property right which is or may be granted by a Franchise Agreement or Master Franchise Agreement between us and Franchisor unless you become a SHAGHF franchisee; or (c) communicate, divulge, or use for the benefit of any other person, partnership, association, or corporation any confidential information, knowledge, or know-how concerning the methods of operation of a Franchised Cafe or Master Franchise Business which may be communicated to you as a result of your employment with us. You agree to divulge Franchisor or its Affiliate's confidential information only to those of our other employees who must have access to that information in order to operate that business. Any and all information, knowledge, and know-how, including, without limitation, materials, techniques, and other data, which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which you can demonstrate came to your attention before we disclosed it to you, or which after the time we disclosed it, had become a part of the public domain through publication or communication by others.

5. You further acknowledge and agree that the Operations Manual, loaned to us for the duration of the term of our Master Franchise Agreement, is loaned by Franchisor for limited purposes only, and remains the property of Franchisor. Your Employer, as a franchisee or master franchisee is not permitted to reproduce it, in whole or in part, without the advanced written consent of Franchisor which may be withheld. If the Operations Manual is conveyed to us through electronic means, then you unconditionally agree that you will not otherwise access it, copy it, place it on any form of storage device, or transfer it or a copy of it to the Cloud in a file that is personal to you or any other third party and/or not related to one of our Franchised Cafes or our Master Franchise Business; or to remove it from our premises; or send it by any means whatsoever, to any third party for any reason.

6. If, for some reason, you come into possession of an Operations Manual, either physically or by means of a computer generated version and you are terminated, or leave our employment, you agree to surrender it to us or to an authorized Franchisor representative, and/or delete from your computer, that Operations Manual and any other written confidential information or trade secrets you may have been given, or with which you were entrusted during the time of your employment.

B. ASSURANCES THAT EMPLOYEE WILL NOT COMPETE

You agree that during the time we employ you, and for twelve months following your separation of employment from us, or any other SHAGHF Franchised Cafe, without Franchisor's advanced written consent, you may not directly or indirectly, for yourself, or through, on behalf of or in conjunction with any person, partnership, corporation or other business entity, engage in or acquire a financial or beneficial interest (including interests in corporations, partnerships, limited liability companies, trusts, unincorporated associations, joint ventures, or other business entities with the exception of making an investment of five 5% percent or less in the voting shares of a publicly held and publicly traded company) or make loans to any business which is the same as a SHAGHF Franchised Cafe (other than a SHAGHF Franchised Cafe franchised to you by Franchisor, after you leave our employ, within our Exclusive Territory.

The obligations of this Section B, where applicable, survive this Agreement.

C. BREACH; REMEDY

We both agree that if there is a breach of either the Confidentiality Section A, or the Non-Compete Section B of this Agreement, Franchisor, its Affiliate and its principal and the System, would be "irreparably injured" and would be without an adequate remedy at law. If there is a breach or a threatened or attempted breach of any of the provisions of this Agreement, Franchisor will be entitled to enforce the provisions of this Agreement as a third party beneficiary and will be entitled, in addition to any other remedies which it may have under this Agreement or at law, or in equity, to a temporary restraining order or to a temporary and/or permanent injunction and a decree for specific performance of this Agreement without the necessity of showing actual damage, and without being required to furnish a bond or other security.

D. GOVERNING LAW; SEVERABILITY AND CONSTRUCTION; ATTORNEYS' FEES

This Agreement will be governed under the laws of the State of Illinois or (State where our SHAGHF Franchised Cafe or our Master Franchise Business is located). All provisions of this Agreement are severable and no other provision will be affected by the invalidity of any provision to the extent that its or their invalidity does not also render the other provisions invalid. This Agreement will be interpreted and enforced as if all provisions thereby rendered invalid were not contained in this Agreement. If you violate the provisions of this Agreement and a court or arbitrator agrees that our claims are valid, you will be responsible for our costs and reasonable attorneys' fees, or the reasonable attorneys' fees Franchisor and/or its Affiliate incurs if Franchisor and/or its Affiliate enforces this Agreement against you.

SIGNATURES

We both now sign this Agreement in _____, ___ effective as of the date stated on the first page of the Agreement.

EMPLOYER

By:_____ **Witness** _____

EMPLOYEE

By:_____ **Witness** _____

EXHIBIT D

MUTUAL GENERAL RELEASE

This Mutual General Release ("Release") entered into this ____day of _____,202__ by and between SHAGHF CAFE FRANCHISE LLC, a Pennsylvania Limited Liability Company "Franchisor," "we" or "us") and _____ ("Master Franchisee" or "you") for the following purpose:

Recitals:

a. Franchisor and Master Franchisee are parties to that particular Master Franchise Agreement dated the ____ day of _____, 202__ (the "Agreement").

b. Franchisor and Master Franchisee agreed in the Agreement that if and when Master Franchisee chose to transfer the Agreement, the parties would enter into a Release of claims against the other.

c. This Release does not have any effect on monies currently owed to the Franchisor, or its Affiliate, as those parties are identified in the Agreement, nor does this Release excuse Master Franchisee from the covenants that survive the Agreement.

d. This is the current format for the Release. This or another format for a mutual general release may be in use if and when you are required to sign one.

Now therefore, for valuable consideration the Parties acknowledge as sufficient and received, the Parties agree as follows:

Terms:

1. Date of Effectiveness. This Release will take effect when and if, and only at the time that Master Franchisee has transferred all of its interest in the master franchise business to an unrelated third party; and not to a business entity you organize to operate your Master Franchise Business.

2. Current Debt. This Release does not forgive any current debt, and it must not be interpreted to reduce or eliminate any monies owed to the Franchisor or its Affiliates, for any reason, at the effective transfer date. Unless otherwise agreed to in writing between the Parties to the Agreement, all amounts you owe us and our Affiliates as of the transfer date will be due and payable in their full amount(s), and we can either withhold our approval of the transfer if you do not satisfy this debt, or we can agree to be paid in full from the closing proceeds, provided the proceeds exceed the amount of debt, if any.

3. Covenants That Survive This Release.

a. This Release does not excuse you from any of the covenants that survive the Agreement.

This Release does not excuse adherence to the post-term covenant not to compete. You must not become part of a competitive business in the geographic area and for the time period set forth in the Agreement for post transfer.

b. This Release does not apply to covenants to not use confidential information and trade secrets after you have transferred your interest(s). There is no time frame with regard to this prohibition.

c. This Release does not apply to any form of a violation of the Agreement by continued use of our Affiliate's mark SHAGHF or any form of that mark, whether or not the mark is accompanied, super-imposed, or straddles a logo, in effect on the date of the Agreement, or implemented after that date; nor does this Release exclude any form of disparagement.

d. This Release will not exclude any finding of intentional deceit or fraud committed to induce this Release.

4. Mutual Release. Notwithstanding the above to the contrary, and, barring any exclusions set forth above, the parties, their officers, directors, shareholders, members, interest holders, agents, attorneys and representatives by this Release, mutually, now and forever release each other and the above-named releasees from any and all disputes and claims now known or discovered after the effective date of this Release, and from any amounts due to judgment, compromise or settlement of any claims that are pursued.

5. Indemnification. If either party brings any type of legal action or institutes any other proceeding, not otherwise specifically permitted under this Release, that party agrees to indemnify and hold the other party harmless, and to pay any and all costs, expenses and all attorneys' fees that party incurs.

6. Governing Law; Jurisdiction; Venue.

This Release is to be governed under the laws of the State of Illinois. If there is a dispute related to this Release, either party may enforce it by filing an arbitration demand according to the procedure, and in the location stated in the Agreement.

7. Miscellaneous.

a. This Release may only be amended by a writing signed by the parties to whom it applies.

b. Notices under this Release can only be sent in the manner provided for in the Agreement. The address for the Notices are the last known address for each party.

c. If any provision of this Release is found to be unenforceable, and it cannot be limited to the extent that it is enforceable, it will be severed, leaving intact the remainder of the Release.

d. This Release, is the entire agreement stating all applicable terms and conditions. There were no previous negotiations, understandings or agreements on which the parties can rely.

e. No waivers of any provisions of this Release can be inferred or assumed. If either party is requested to waive one or more provisions, that waiver request must be stated in writing and can be reasonably withheld.

No statement, questionnaire, or acknowledgement signed or agreed to by you in connection with the commencement of the franchise relationship or this Release 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.

Done and executed at _____, on the date stated at the beginning of the Agreement.

SHAGHF CAFE FRANCHISE LLC	MASTER FRANCHISEE
_____	_____
Title	Title
Witness_____	Witness_____

EXHIBIT C

UNIT FRANCHISE AGREEMENT

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Exhibits

Exhibit A Personal Guaranty
Exhibit B Franchised Cafe Location Address and Exclusive Territory
Exhibit C Confidentiality Information and Non-Disclosure Agreement
Exhibit D Mutual General Release

This Franchise Agreement is entered into on the __ day of _____, 20__, by and between SHAGHF CAFE FRANCHISE LLC, a Pennsylvania Limited Liability Company ("Franchisor") whose principal place of business is located at 3 Khorfakkan Road, Ground Floor, Fujairah, United Arab Emirates and _____ ("Franchisee") who resides at _____.

INTRODUCTION

This contract between the above parties is a Franchise Agreement (the "Agreement"). It creates rights and obligations between us. Once signed, each will be making a commitment to the other to work together as franchisor and franchisee. For ease of reference, and in order to coordinate terms with the Franchise Disclosure Document ("FDD") which you have already received, and to which this Agreement was attached as Exhibit B, the franchisor SHAGHF CAFE FRANCHISE will be called "us" or "we" or will be referred to by the terms "our" or "ours." You, as franchisee will be called "you", or we may refer to you by the term "your." We will also refer to Hamad Khalfan Ali Al-Shareif Aal AlShareif ("Mr. AlShareif"), True Roastery, and Shaghf Cafe LLC as Affiliates.

Under this Agreement, we offer and grant to you certain rights to own and operate one SHAGHF Coffee Cafe (the "Franchised Cafe"). You agree to assume various obligations, including the operation of the Franchised Cafe under the service mark, SHAGHF and logo, where you will offer coffee, coffee drinks, espresso, other beverages, baked desserts and other related menu items.

Execution of this Agreement means that you agree to follow the methods we and our Affiliate have developed, use the service mark(s) and trademark(s) we have been licensed to use, implement the system we will teach you and the standards we have established for this franchise program. The service marks and trademarks (the "Marks"), the methods we or our Affiliate's businesses have and continue to develop, and the various administrative and marketing procedures and standards we or our Affiliate's businesses have created, along with other information we will provide to you, all make up the manner in which you have agreed to conduct your Shaghf Franchised Cafe (the "System").

You have expressed a desire to purchase the rights to own and operate a Franchised Cafe. You have completed our franchise application, and provided us with a current and accurate financial statement. We have provided you with a current FDD. You have signed and dated a receipt for the FDD. We have reviewed your franchise application and have approved it, and have agreed to grant you a franchise under the terms and conditions stated below.

In consideration for the promises made by both parties, which include the payment by you to us of a franchise fee and continuing monthly royalty fee as described more fully in Sections 3.1. and 3.2 of this Agreement, and in acknowledgment and acceptance of the covenants and

commitments made in this Agreement, and the terms and conditions to which the parties agree to be bound, the parties agree as follows:

TERMS AND CONDITIONS OF THE AGREEMENT

1. FRANCHISE RIGHTS GRANT.

Under this Agreement, and during its entire term, we grant to you, individually, and only in the name in which you signed this Agreement, the non-exclusive right, license and franchise to own, operate and develop a Franchised Cafe in keeping with our methods, using our marketing and administrative procedures and various other trade secrets taught during training and conveyed to you throughout the term of this Agreement.

1.1 Non-exclusive Rights. Nothing in this Agreement limits our rights to offer or grant others a similar or the same type of franchised opportunity under the Marks licensed to you. The license to you, as part of the grant of the franchise to own and operate a Franchised Cafe is non-exclusive. We can offer and grant other franchises, anywhere we choose. As this Agreement provides for an exclusive territory, while your Agreement will be non-exclusive, we will not open or operate, and will not permit another franchisee to open or operate inside your exclusive territory. We describe exclusive territory below in Section 9 and place the address for the specific location into Exhibit B.

1.2 Relocation. If we grant you a franchise to own and operate a Franchised Cafe under this Agreement, you must locate suitable premises, with our approval. If you already operate a similar business, and intend to convert to our System, we may, if it meets our criteria, approve your current business location as a suitable location from which to operate your Franchised Cafe. If you must relocate from your initial location, we will not unreasonably withhold our approval. You must submit and we must approve the new location and your plans to build your relocated Franchised Cafe. The new site must be within your exclusive territory. We will not charge a relocation fee, but, reserve the right to charge you for our actual legal expenses to approve the move, including reviewing your new lease, or other necessary documentation and to prepare documentation to recognize your relocation. Your reimbursement to us will be due within thirty calendar days of your receipt of our invoice. We will grant you three months to relocate after we have approved your lease. If relocation results from fire or casualty that prevents your Franchised Cafe from conducting business under this Agreement, you will have 6 months to complete your relocation. Relocation does not require you to sign a new franchise agreement, nor will it extend the term of this Agreement. At our option, we may extend the term of this Agreement for that amount of time you were prevented from conducting business in your Franchised Cafe due to fire damage or other casualty. Otherwise, your rights under this Agreement will be unaffected by your decision, or relocation of your Franchised Cafe.

1.3 Guarantee of Obligations. You will have the ability to assign this Agreement to a business entity you create, and in which you control the majority of the voting interests, for the sole

purpose of operating your Franchised Cafe. The requirements for making the assignment are stated below in Section 16.3. After transfer, you will remain responsible for all obligations and upholding the covenants under this Agreement. Based on this anticipation, you must sign a personal guarantee at the same time you execute this Agreement. The standard form personal guarantee is attached to this Agreement as Exhibit A. There will be no fee assessed for this type of assignment.

2. TERM AND RENEWAL

This Agreement is for a specified term and includes limited renewal possibilities as stated below.

2.1 Initial Term. The term for this Agreement begins on the day we execute this Agreement and continues for a period of 10 years from the date you open the doors of your Franchised Cafe.

2.2 Consecutive Renewal Terms. Provided you have been in substantial compliance with the terms of this Agreement, and you have not been in default during the last year of the initial 10 year term, we will offer the right to continue to own and operate the Franchised Cafe, for up to two additional 10 year terms. We will notify you before each expiration date whether we have decided to grant each successive renewal term.

2.3 Renewal Requirements. We will send you a notice between 180 and 210 calendar days before this Agreement expires. The notice will either offer you the opportunity to renew the franchise, or will inform you that we have decided not to renew your franchise. If we decide not to renew your franchise, we will list the reasons for that decision. Renewal of your franchise will require you to do the following on or before 30 calendar days from the date of expiration of your initial term:

1) You must bring all your accounts current with us and our Affiliates. This means, you must pay to us any outstanding royalties, and any other monies owed to us or our Affiliates.

2) You must return your copy of the SHAGHF Confidential Operations Manual (the "Operations Manual"). We will provide you with a copy of a new Operations Manual, which is the same Operations Manual we give to new franchisees, unless the Operations Manual is only distributed electronically, when you renew your franchise. If distributed electronically, then you must be certain that you have the most up to date version. If you do have a paper copy of that Operations Manual that has not been returned, it must be returned before we can approve your renewal. If we are not using an electronic version of the Operations Manual, we will supply you with the latest version of the updated Operations Manual, and you will be required to sign a receipt acknowledging that you received the updated Operations Manual.

3) You have substantially complied with the terms and conditions of this Agreement and you have met the quality standards for properly conducting a Franchised Cafe.

4) You have arranged to renew your lease, or to secure an alternate location. If you move your location, your new location must be within the exclusive territory granted to you by this Agreement. We must approve your new location, and will not unreasonably withhold approval, as stated above in Section 1.2.

5) You have qualified under the then current training requirements. This means that you and one or more managers may require further training when you renew your Agreement and you agree to obtain that training before you sign the renewal form. We reserve the right to charge a reasonable fee not to exceed $3,000 for refresher training.

6) You must update the Franchised Cafe to conform to the current look, if we have changed the look. You must refresh the interior, paint and replace any fixtures, signage and menu board that does not match the current signage and menu board. If any part of the Franchised Cafe needs to be refurbished due to excessive wear and tear, you must also make those updates.

7) You must prove to us that you have all of the insurance you are required to have in force, and that the policies continue to name us, and our Affiliate.

2.4 Non-Renewal. If we have good cause to refuse you the right to renew or further extend the term of your Franchised Cafe under this Agreement, we will send you written notification approximately 180-210 calendar days before the expiration of the term. For purposes of this Agreement, good cause means good cause as defined by statute in the state in which your Franchised Cafe is located. If no statutory definition exists, good cause is defined as any of the following:

1) Failure to pay royalties or other monies owed to us or our Affiliate;

2) A non-monetary material breach of this Agreement for which a default notice was issued and sent on at least two occasions, for the same or two different types of non-monetary material breaches, whether or not they were cured during the term of the Agreement;

3) You engage in competition during the term of this Agreement;

4) The commission and conviction of a crime during the term of this Agreement;

5) The inability to conform to the standards and practices of our System.

6) We learn that you have included false or misrepresented information on your application.

3. **FEES**

In consideration for the right and license to own a Franchised Cafe and be granted a franchise under this Agreement, you agree to pay franchise and other fees described below on a timely basis. They are:

3.1. Initial Franchise Fee. You are required to pay directly to us a fee for the right and license to use the Marks, and the System. The Initial Franchise Fee for all franchisees is $50,000. The Initial Franchise Fee is uniform. The Initial Franchise Fee is due and payable in full when you execute this Agreement. The Initial Franchise Fee is not refundable, except, as otherwise stated in this Agreement.

3.2 Royalty Payment. You are required to pay to us without offset, credit or deduction on or before the end of the fifth day after the end of the month while this Agreement remains in effect, a monthly fee ("Royalty Fee") equal to five percent of Gross Receipts (as defined below in Section 3.5) for the month that has ended. A Gross Receipts Report must accompany each monthly Royalty Fee. If we require you to pay Royalty Fees through electronic transfer, you must send the reports to us via e-mail.

3.3 Late Payments. If there are insufficient funds when we draft your account, you will be responsible for the full Royalty Fee and a late payment of $100 per month, for each month the payment has not been made.

3.4 Bank Service Charges. If we are unable to collect good funds on any payment you make to us, we will assess to you and you must pay, any bank charges we incur. We will draft your business account for the charges assessed, in addition to the royalty and the late payment fee.

3.5 Gross Receipts. Gross receipts consist of all revenues, including those from the first day you open, which will be your Grand Opening, received from all sales of all menu items, regardless of any promotions you offer, and sale of all services you perform in, from or through your Franchised Cafe, regardless of how the funds are collected, including all sales made if you use a Shaghf Trolley to take to an event, and whether or not you have made an exchange or bartered with a customer. Gross Receipts do not include return of funds to customers for legitimate reasons, or any taxes that you collect for any reason that are paid to a government or municipality.

4. **EXCLUSIVE TERRITORY**

Under this Agreement, you will have the right to operate your Franchised Cafe in an exclusive territory. Due to the importance of this right, we state certain parameters here, to which we will adhere, and which will provide mutual benefit to you and us.

4.1 Right to Exclusive Territory. We grant you the right to operate your Franchised Cafe in an exclusive territory. It will consist of a radius from your Franchised Cafe location of 5 miles in

all directions. Neither we, our Affiliate, nor any other franchisee will be permitted to franchise, own or operate a Cafe using the mark Shaghf and logo within your Exclusive Territory. You will not be required to meet any quota to maintain the Exclusive Territory, nor can we modify the Exclusive Territory for any reasons, including influx of population.

4.1.1 Other Means of Marketing. You will also be able to promote your Franchise Cafe by using a non-permanent trolley from which you can sell coffee and other products at events, and for a limited period of time. Before taking a trolley to an event, you must send us the details of the event as stated below. The trolley cannot be left in any one location for more than three days, and when unattended must be securely locked and all product must be stored safely or removed. The trolley must be insured at all times. If you are required to get a separate license from a municipality to operate a trolley, apart from the license to operate your Franchised Cafe, you must arrange to secure that license before taking the trolley to an event. We must be notified before you service an event. The notification must be in writing and provide the address or location where the trolley will be operated, the type of event, and the length of time the trolley will be at the event. There must also be a computerized method to record and track sales if the sales from the trolley are being made individually, for example, one cup of coffee at a time. All sales from the trolley must be included in your monthly Gross Receipts. If you have arranged to perform the event for a set fee, for example, at a wedding, then the full amount of the contracted price must be made known to us and must be included in your monthly Gross Receipts. You must also pay royalties and also base your advertising expenditures by calculating any sales or contract fees from the operation of a trolley.

4.2 Marketing Outside Your Exclusive Territory. Without our advance written consent, which may be reasonably withheld, you are not permitted to market outside of your Exclusive Territory. You can, and are required to serve anyone that walks into your Franchised Cafe. If we give you permission to advertise, solicit or promote your Franchised Cafe outside your Exclusive Territory, that permission will be terminated, and you must cease all present or future advertising, soliciting and/or promotion if a prospective franchisee purchases a franchise within an area in which you have been marketing, and you will not receive any compensation or other benefit from us or that franchisee.

4.3 Rights We Reserve. Notwithstanding our Exclusive Territory grant in this Agreement, we reserve all the following rights:

4.3.1 own or operate, and license others to own or operate, Shaghf Cafes outside of your Exclusive Territory anywhere in the world, as we deem appropriate;

4.3.2 own or operate, and license others to own or operate other businesses under other systems using other trademarks at locations inside and outside of the Exclusive Territory without offering those other concepts to you;

4.3.4 be acquired by any business, even if the other business operates franchises and/or

licenses for competitive businesses* within your Exclusive Territory; and

4.3.5 provide the services and/or sell any of the products authorized for Shaghf Cafes using the Marks or other trademarks, service marks and commercial symbols through an alternate channel of distribution, or to other similar non-System Cafes, for which we do not compensate you.

*For purposes of this Agreement, a competitive business is another Coffee cafe that sells the types of products and offers the types of services that a Franchised Cafe sells and offers.

5. TRAINING

5.1 Initial Training. We will provide training before you open for business, and may offer additional training after you open for business. The training program, which is approximately 15 calendar days, but could take longer depending on the knowledge you already have in the industry when you begin, and your ability and experience, will be conducted in the United Arab Emirates ("UAE") and has been developed, and will be administered by a combination of our and our Affiliate's business staff and team there. No further fee will be charged for the initial training program you attend in the UAE. You must satisfactorily complete the initial training program before you open. You will be responsible for all your travel and living expenses for yourself and any managerial staff you bring with you to the UAE. If you request us to send trainers from the UAE to do further training in your Franchised Cafe either before you open, for your Grand Opening day or to remain with you and your staff after you open, and we are able to schedule that for you, you will be responsible for paying the expenses of the training person, including documented transportation, lodging and board for the time that training person is with you in your Franchised Cafe. We do not compensate you, or pay your managerial staff or employees' salaries during training, whether training takes place in your Franchised Cafe, in another franchisee's location or in our or our Affiliate's headquarters in the UAE.

5.2 Training Subjects. Before you open for business, we will train you in the UAE. We will provide you with our Operations Manual. We will instruct you in making various types of coffee and certain other drinks and desserts, the proper use of the coffee machines, ordering product, receiving shipments, promoting your Franchised Cafe, the use of our Operations Manual, proper treatment of customers, POS systems operation, inventory maintenance, working within our System, use of the Marks, the use of a trolley, advertising approval request, record keeping and general business practices. Depending on where you train, you may be trained Monday-Friday, or also on weekends.

5.3 Training at Grand Opening. You are required to hold a grand opening the first day you open for business. If you request one of our representatives to be there, we will schedule that for you, provided that you will be responsible for the expenses of that representative. This includes

documented transportation, lodging and board while our representative is with you in your Franchised Cafe.

5.4 Failure to Complete Training. The failure to satisfactorily complete training will give us the right to terminate this Agreement. Alternatively, you can repeat training, which will delay opening your Franchised Cafe. The fee for repeating training is $3,000, which must be paid before we begin the second session of training. The second session will also be conducted in the UAE. In addition to payment for repeating training, you will be responsible for your own expenses traveling to and while you are in the UAE, or whichever location where the repeat training takes place.

5.5 Training After Opening. After you have opened your Franchised Cafe, you may seek additional training, or, we may reasonably determine that you require additional training. If this occurs, we will send a representative to your location, discuss the issues with your employees, and provide suggestions on how to improve or remedy the situation. We will have the right to charge a per diem fee of $750, and you will also be responsible for paying our representative's documented transportation expenses, lodging and board. You will have 15 days from the date you receive a detailed invoice to make payment to us.

5.6 Informal Training. If our representative makes a visit to your location after you open, and while there engages in training, or shows you or your employees a new procedure, there will be no charge, and we will absorb all the costs, unless you requested the additional assistance. If you requested the additional training, the terms of Section 5.5 directly above apply. We could also choose to provide informal training through a video conference or by a telephone conference. There will be no charge for this type of informal training.

5.7 Master Franchise Training. If your franchise is located in a state in which there is a Master Franchisee, by virtue of and operating under a Master Franchise Agreement between us and the Master Franchisee, the Master Franchisee will be obligated to provide training and support to you. We will coordinate with the Master Franchisee who will also send a representative to your Grand Opening. There will be no cost for training. There will also not be a cost for a representative of the Master Franchisee to appear at your Grand Opening.

6. ADVERTISING CONTRIBUTION REQUIREMENT

During the term of this Agreement, we require you to make monthly advertising expenditures to promote your Franchised Cafe locally within your Exclusive Territory.

6.1 Advertising Your Franchised Cafe. You are required to spend a minimum of 2% of your Gross Receipts per month to advertise your Franchised Cafe.

6.2 Our Advertising Suggestions. We will periodically make suggestions related to where and the manner in which your advertising dollars may best be utilized, but will not place your

advertising for you, nor will we guarantee the effectiveness of any placement. We do not and have no plans to operate a separate advertising company. The obligation to advertise is an extremely important part of owning your Franchised Cafe and operating under this Agreement. You must send us, electronically, a statement on a form we will provide, signed by you, by the tenth of each month, that shows the Franchised Cafe's advertising expenditures for the previous month.

6.3 Grand Opening. After you have successfully completed your training and build-out, have notified us and sent us your design, and we have approved your opening date, you must have a grand opening the first day you open for business. We will try to have at least one of our representatives at your grand opening, whose expenses you will be responsible to pay and will work with you before that date to assist with the preparations for that event. The grand opening will be based on many factors, none of which by itself may be predictive of the level of success, if any in your location. We make no guarantees that you will realize an immediate return from the expenditure for the grand opening. If you are in a state in which there is a Master Franchisee, the Master Franchisee must send a representative to your grand opening, at no cost to you.

6.3.1 Grand Opening Expenditure. You must spend a minimum of $5,000 for your grand opening advertising. We must first approve the materials you plan to use unless you received them from us or our Affiliate's business. The grand opening required expenditure will fulfill the first month's local advertising requirement.

6.4 Telephone Directory. You are required to purchase a listing in at least one telephone directory in your immediate trade area. The expense for this listing does not count toward your monthly advertising contribution requirement. This listing must use the SHAGHF service mark and we must approve in writing in advance the listing you intend to place in the directory. The Mark currently appears as shown below in Section 8.2.

6.5 Additional Advertising. Nothing in this Agreement limits the maximum amount you can spend to advertise. Provided you comply with the minimum requirements as stated in Section 6.1 above, you may, and are encouraged to spend the amount of advertising dollars which you, in your own discretion, determine will best promote your Franchised Cafe, in billboard signage, newsprint, magazines, television, radio, movie theaters, or any other medium you can think of which will provide the greatest return for your investment dollars and creative efforts. We make no guarantees that you will receive a comparable return for advertising dollars spent.

6.6 Prior Approval. Whenever you advertise your Franchised Cafe, you place our well-developed name and reputation into the public. Since our Affiliate and his business has spent years developing that reputation, and under this Agreement we have granted you rights to own and operate a Franchised Cafe which requires you to use our Marks and System which include our trade name, we reserve the right to approve all advertisements you place in any medium. Before you advertise, you must submit to us the ad copy, or any other type of proposed

advertising material for our review and approval. Our response will either be positive or negative, and if it is negative, we may, if possible suggest how you can alter the ad copy to meet our approval. You are not permitted to use the proposed advertising until it is revised and we approve it. You are permitted to use the Marks, as long as you use them in their entirety, and correctly. We must receive your proposed advertising 15 calendar days before you use it. Our decision is binding. If you have not received our decision by the fifteenth day after we acknowledged in writing received it, this indicates that we have not approved, and you will not be able to use it.

6.7 Advertising Assistance and Recommendations. We will review, and to a reasonable extent, make suggestions with regard to your advertising. Unless developed through a marketing fund we reserve the right to establish, we will not prepare advertising specifically for you.

6.8 Cooperative Advertising. We reserve the right to require you to become part of and make payments to a marketing fund or an advertising cooperative. This right will be exercised if there are a sufficient number of franchisees in a given geographic area or market to justify the joint effort of time, talent and expense. If we direct you to a cooperative advertising arrangement, the monies spent will count toward your monthly requirement. If we establish a separate marketing fund, your contributions will not count toward your local advertising requirement, which will be in addition to the marketing fund contribution.

7. **OUR OBLIGATIONS TO YOU**

In order to assist you in developing and operating your Franchised Cafe, we have agreed to perform certain obligations for you, in return for your franchise fee, continuing royalty contributions and compliance with this Agreement. Our obligations are stated in this section. They are divided into those that we are obligated to do for you before and after you begin operations. Although, we may also do other things to assist you during the term of this Agreement, we are not obligated to do them. Our obligations to you are as follows:

7.1 Our Obligations Before You Open Your Franchised Cafe.

7.1.1 Grant of Rights. We provide you with the right to own and operate a Franchised Cafe operating under this Agreement, using our and our Affiliate's Marks, methods, systems, administrative procedures, proprietary and confidential information, knowledge and know-how all within an Exclusive Territory. We will also provide standards and specifications which cover details of management and operation for your Franchised Cafe.

7.1.2 Site Selection and Lease of Premises. Before executing this Agreement, we will work with you to identify a territory. Within that territory we will review location selections you have made for Franchised Cafe sites. If you are in a state where we have sold a Master Franchise Agreement, the Master Franchisee will serve this purpose, and undertake this obligation. The typical size for the interior of the premises on a site ranges from 1,500-2,000 square feet. We

will base our decision to approve a site on many factors that include, but are not limited to demographics, traffic, parking, curb appeal, general condition of the premises and the surrounding area, ingress and egress, size, and location of competition. Once we have approved a site, you will need to lease the space where the Franchised Cafe will be located. This franchise does not contemplate purchasing property, nor do we suggest it, but if you own property or plan to purchase a site on which you will operate the Franchised Cafe, we will review that site using the same criteria. You must enter into a lease agreement. We may, but are not obligated, to visit your proposed location before you sign a lease.

We do not negotiate your lease agreement or make recommendations, nor will we sign or co-sign as a guarantor or co-lessee. We must approve the lease agreement, and will require that certain language as stated here be included before we grant approval:

1) We have the right to be assigned the lease for no fee, and no increase in rent if you default on the lease and do not cure the default, or this Agreement is terminated before the term of the lease has expired;

2) Our right to assume the lease does not relieve you of your obligations to the lessor up to the date we take over possession;

3) We have the right to lease the space to another franchisee, without first obtaining lessor's consent, and without our guarantee of the lease;

4) We have the right to enter into the lease premises and make changes without being liable for trespass, or any other crime if you leave the premises without de-identifying;

5) We have the right to require that the premises have a single use purpose, the operation of a Shaghf Cafe;

6) We have the right to request any sales information that you report to the lessor be forwarded to us;

7) We have the right to require the lease state that it will not be amended to remove any of these provisions without our advance written consent; and

8) We have the right to receive any default notices and to timely cure the default, if you do not.

7.1.3 Architectural Plans and Construction; Signage. Unless you currently operate a similar cafe type business in the same space, you will need to construct the space into a Franchised Cafe. We will provide you with architectural plans suitable for your locale, but you will be required to seek local governmental approval before proceeding. We will also review your contractor's plans. If requested, and if there is a Master Franchisee in the state in which you are located, the Master Franchisee may be able to provide names of approved contractors to perform the construction work and build-out payment of which will be your expense. The layout of the Franchised Cafe, must also be done according to our specifications, in order to create uniformity within the franchise network.

We will also provide you with signage requirements. Unless the lessor or municipality prohibits the sign we require, you must strictly conform to our sign guidelines, which will prominently feature the mark SHAGHF and logo in the colors we use. We must approve both the complete Franchised Cafe build-out and the signage before you can open. If you are not working with a Master Franchisee, you must send all designs to us. This includes the interior design before you begin to construct it.

7.1.4 Operations Manual. After you have executed this Agreement, paid the entire franchise fee and we have approved and executed your Agreement, we will provide to you, on loan, and for the duration of your term under this Agreement and any renewals or extensions, one copy of the SHAGHF Operations Manual. This will be given to you when you begin your training, if not sooner, and will be used and referred to during the training program. The Operations Manual is further discussed in Section 10 of this Agreement. The Operations Manual may be transmitted electronically, through one or more portable document format files, or, if in hard copy, at any time during the term of this Agreement, we may convert the Operations Manual to an electronic file, which will be conveyed to you through a secure website. The Operations Manual is confidential, and may only be shown to qualified persons. A qualified person is an individual who must have access to it to do their job or operate the Franchised Cafe under this Agreement. It may not be misused or conveyed or given to any person without a reason to have it, see it, copy it or obtain information from it, for any purpose. Unauthorized transfer will be a basis for terminating this Agreement, which may also lead to fines discussed in Section 19.4 below, or other damages we may claim.

7.1.5 Equipment Sourcing. We will provide you with names of companies, websites (if applicable), addresses and telephone numbers for sources and suppliers for the various equipment and supplies you must purchase to operate the Franchised Cafe. Those sources could include us or our Affiliate's business. You must purchase all your coffee beans from our Affiliate True Roastery and you must purchase all pistachio sauce and toffee coffee from our Affiliate Shaghf Cafe LLC. Our Affiliates reserve the right to receive a manufacturers or distributors rebate based on your purchases with respect to equipment and products you are required to purchase from approved sources. If possible we will attempt to negotiate for volume pricing, to benefit the franchisee purchasing the item. We, however, may receive a direct monetary benefit from the approved source, which we reserve the right to maintain in our

general revenues account. At our option, and if we decide not to retain these payments in our general revenue account, we can either use the funds, for general advertising, for target advertising, or for other expenses we incur. We will disclose, as required in full any funds received in this manner.

7.1.6 Development and Consultation. In addition to formal training, before you begin operating your Franchised Cafe, we will provide you with assistance in establishing your business which includes general consultation on issues which may arise in preparing to begin your Franchised Cafe operations.

7.2 Our Obligations After You Open.

1) Update Operations Manual. As administrative procedures are further developed, and System standards and guidelines are updated or changed, we will provide you with new pages for your Operations Manual, which loaned copy you must maintain and update throughout the term of this Agreement. If the Operations Manual is on or converted to an electronic file, we will forward the updates via a secure website.

2) Stay in Contact. We will remain in contact with you, and make ourselves available for consultation to assist you with any aspect of owning and operating a Franchised Cafe.

3) Provide Guidance. We will also provide guidance based on our review of your progress which we will monitor through our interpretation of the reports you submit, and our or our Master Franchisee's inspections. This will enable us to determine the level of guidance you require, and we endeavor to provide that guidance to you. Any guidance we are able to offer over the telephone, or through written, or other verbal communication, or email or through a video conference service, will be provided to you free of charge.

We may, but are not obligated to send a representative to your Franchised Cafe without notice to observe your operation. Our purpose for doing this would be to identify areas of your operation that may need additional support, or just for general observation. If we generate a report from such a visit, we will send a copy to you.

7.3 Annual Conference. At our discretion, and when the number of franchisees warrants it, we may hold annual conferences for all franchisees. If we institute this practice, the conferences will last two days, and you or a manager will be required to attend. We do not expect to charge a fee for an annual conference, but, you will be responsible for the travel costs, hotel and food, other than meals we may provide for you and anyone you choose to bring. Annual conferences may be held at any location we choose in the United States.

7.4 Additional Assistance. Under this Agreement, we do not recognize an obligation to contractually do anything further for you. Any assistance in addition to the items listed in this Section 7 will be provided at our sole discretion, may be offered once and not repeated,

infrequently conducted, or may become a practice we institute.

8. YOUR OBLIGATIONS TO US

Before and during the term of this Agreement, you will be obligated to comply with the terms and conditions of this Agreement, as follows:

8.1 Truthful Franchise Application. You must submit an honest franchise application which contains no misrepresentations. Included in the franchise application is a form financial statement. The information provided to us must be accurate and current, to within thirty days of when you apply, unless your financial picture has sustained material negative changes within the thirty day period. In that case, we must be made aware of those changes. If, at any time during the term of this Agreement, we learn that you misrepresented the facts on your franchise application, or that your financial statement was fraudulently submitted or misleading, or that your funds to purchase the Franchised Cafe were not legally obtained, we may terminate this Agreement. Your franchise application must include a notarized statement that all information you have provided is truthful and accurate.

After we receive your application, we may conduct a background investigation. No persons with felony convictions will be considered for a franchise.

8.2 Use of Marks. During the term of this Agreement, you are obligated to use those Marks and any other trademarks or service marks we authorize, or periodically approve for use by our franchisees. Provided there are no legal restrictions in the state in which your Franchised Cafe is located, the name of your Franchised Cafe must be SHAGHF, and you must use the following to identify your business, our Affiliate's federally registered service mark and our Affiliate's applied for service mark, both of which has been licensed to us. Use must be with a gold lettering with a black background only.



and



You must also make it clear by appropriate signage in your Franchised Cafe that you are operating as a SHAGHF franchisee. The Mark SHAGHF and design as it appears above, must appear on your stationery, business cards, and in all your advertising and promotion. Your signage, stationery and business cards must use the colors and logo as we have depicted them, unless, at some point during the time this Agreement is in effect, we change our name, our logo, or our color scheme.

8.2 Trademark Infringement. During the term of this Agreement, you agree to report to us immediately if you learn of a use of the Mark by a third party which may infringe your use.

8.3 Payment of Fees; Reporting. You must pay directly to us as stated in this Agreement in Section 3.2 certain monthly fees and to complete and send to us certain reporting forms we provide to you. Those fees and reports include the continuing monthly royalty fee, and the forms which state your monthly gross receipts and the amount that you spent on advertising for the month.

8.4 Confidentiality of Proprietary Information. As further discussed in Section 18 of this Agreement, proprietary information such as our Operations Manual may only be shared with those persons in your employ or management who absolutely must have access to it in order to do their job properly. You agree that any attempt to divert, transfer or copy in any manner, and through whatever means possible or imaginable, whether currently known or yet to be devised or discovered; or give away proprietary information we provide to you will be considered a material breach of this Agreement, which could place you in default and/or lead to termination of this Agreement and possible fines as detailed in Section 19.4 below.

8.5 Transfer Fee. If you transfer the ownership of your Franchised Cafe to an unrelated third party, pursuant to Section 16, you must pay us a transfer fee equal to $7,500. If the transferee does not require training we will reduce the transfer fee to $5,000. Section 16 below details the requirements for a transfer.

8.6 Remain Current. You must remain current with:

1) your royalty payment to us and advertising expenditure reporting;

2) your business licenses;

3) inserting updates to the Operations Manual;

4) Internet website postings for our website;

5) your internal payroll and tax reporting;

6) the insurance you must have under this Agreement and pursuant to applicable state law;

7) your Franchised Cafe rent inclusive of the items that it covers;

8) your payments to utility companies to whom you are obligated, and to your vendors including us or our Affiliate's business.

8.7 Insurance. You are required to purchase and maintain throughout the term of this Agreement certain types of insurance, discussed in detail below in Section 11.

8.8 Construction. You will need to construct a new Franchised Cafe in your leased space, or conform the space, if already built out to resemble a Franchised Cafe. You must follow the guidelines we will furnish you, follow the color scheme, and you must use approved vendors. Before you open, we must approve the build-out.

During the construction period, you must have sufficient insurance, separate from the insurance we require after you open, to protect against losses during the build-out phase. We must be named as an additional insured during the construction period.

8.9 Business Office Equipment. You must purchase and maintain one Clover POS system, both a portable device (Flex) and a stationary system (Station Duo), one Apple MacBook Air laptop dedicated to the Franchised Cafe's operations, one printer, one scanner, one copy machine (the printer, scanner and copy machine can be in one unit), one land-line telephone system, purchase or arrange for use of a credit card processing machine, and one camera system as we prescribe.

8.10 Employee Training. You are required to train all of your employees, and to periodically continue training in your Franchised Cafe, when necessary, or if we suggest additional training after a visit or inspection.

8.11 Signage. You must erect the signage we provide in our sign guidelines, unless not legally possible or the lessor will not permit it. You must maintain the required internal signage, as well as a plaque or a sign that states that you are a SHAGHF franchisee, using the federally registered service mark in gold and black as that image is shown above in this Section 8.2.

8.12 Opening. Once you have completed your build-out, and, provided you and/or your managers have been successfully trained, you must open for business within 10 business days of our written approval permitting the opening of your Franchised Cafe. You are required to open the Franchised Cafe and begin operating the business within the shorter of 270 days from the date you sign this Agreement, or 180 days from the date we approve your Franchised Cafe location. If you have diligently searched for a site, and have not found a suitable location; we have not approved of one or more sites you presented, or you are in the process of negotiating your lease for an approved site, we will not unreasonably withhold consent to extend the time for opening. No extension will be granted past 365 days, at which time you will forfeit whatever fees you have paid us.

8.13 Franchised Cafe Remodeling and Refurbishing. If we determine that the best interests of the franchise program are served by making changes to the design, signage, layout, or look of the Franchised Cafe, we will require you and all franchisees to make these changes. We may only require you to remodel or refurbish your Franchised Cafe twice during your initial term.

8.14 Uniformity and Franchised Cafe Image. You are required to maintain a clean, welcoming and attractive environment, keeping in mind that you are offering food to the public. Customers must always feel welcome and comfortable. Because your Franchise Cafe is in the United States, all information, menu board, individual menus, other paper products, receipts, must be in English, and understandable, other than the Mark itself. Subject to your lease, you must minimally keep your Franchised Cafe open Monday through Sunday from 8:00 a.m. to midnight.

If you lease premises which requires other hours, we will make a determination as to the suitability of this requirement before you sign the lease. Business hours can be tailored to a specific location, with our advance approval. Other than as stated in this Section 8.14, you can keep your Franchised Cafe open longer hours if you determine you will be more competitive, can staff it, and you be able to comply with this Agreement and your obligations.

8.14.1 Music. If you broadcast music in the Franchised Cafe, it must be in conformity with our image, must not be loud or disturbing, and must be pursuant to a contract with a music source. It is your obligation to obtain any necessary licenses, and to not violate any copyright laws. You have agreed to indemnify us, and our Affiliate, and our shareholders, officers, and directors against any infringement.

8.15 Franchised Cafe Maintenance, Menu Board. You must maintain all areas of the Franchised Cafe in a clean and usable manner. Bathrooms on the premises should always be clean, stocked with supplies, in good working order and repairs should be made as soon as anything begins to malfunction. The menu board must always be legible, in English, have a light source that makes it easy to read, and it must be kept up to date. Menus must only include food and beverages that you currently serve. No food should be left out on counters after customers leave. All baked goods must be fresh when shown for sale in glass covered display cases. Nothing should be left in those cases that is not saleable.

8.16 Sale of Approved Product and Services; Payment. You must only offer and sell approved foods and menu items and offer approved services. You must pay for all products or materials you purchase from us or our Affiliate's Business by bank transfer to our or their account. You must send a transfer notice to the relevant department (Finance Department, Purchasing Department) and to us, if we are not the sales source. We or our Affiliate's Business will not initiate an order until you make payment.

8.16.1 Additional product. If you would like to add any products you must send us the details with full recipe, picture, cost, selling price and outsource supplier. We will review your submission, and have the right to contact the source of the product. If necessary, we will conduct an investigation. We have the right to charge you for our expenses, up to $1,500 per product. Once we have made a decision, we will convey it to you. If we decide that you cannot use the product, its use will be a breach of this Agreement. If we decide that you can use the product, we will have the right to revoke that approval. We also reserve the right to make the product available system-wide if we believe it will benefit the franchise network. Any decision we make in this regard will be made in our sole discretion.

8.17 Email Registration. You are required to register the email we propose for your Franchised Cafe.

8.18 Vending or Other Machines. You understand and agree that vending, gaming/lottery, ATM and other machines, or other similar mechanical or electrical devices are never permitted in the Franchised Cafe, nor can they be located anywhere on the premises.

8.19 Trolley Service. We permit, and you can purchase a trolley to use for off premises sales at events to which you take the trolley. It must only be used for non-permanent locations, and cannot be at any venue or site for more than three days at a time. All sales from the trolley must be reported in your Gross Receipts amount, and you must pay royalties and calculate advertising expenditure with those sales included.

8.20 Co-Branding. You understand and agree that you are not permitted to co-brand with any other business. If we decide to co-brand, you will be offered another franchise agreement for the co-branded product or service. At this time, there is no expectation or plan to co-brand.

8.21 Business Conduct. You must conduct your Franchised Cafe and your interactions with the public, vendors, other franchisees, and us in an honest, safe and respectable manner that will at all times reflect favorably upon you, us, the SHAGHF brand, other franchisees and the System. This includes always remaining in good standing with the Better Business Bureau, and responding to all complaints lodged by customers, if any, with that agency, made to you directly, or to us. The requirement to deal with complaints against you, your employees or your Franchised Cafe, and procedures to follow if you are unable to satisfactorily resolve them, is addressed in the Operations Manual.

8.22 Security Breach. Today's commercial environment presents challenges that were, before now, not concerns for the small business owner. Much has changed. You are required to protect customer's information when entrusted to you, in, for example, the form of a credit card purchase. You must always be alert for encroachment into your POS system or other devices that use an Internet connection. If this occurs, and you are made aware, or suspect there has been a security breach, you must immediately report it to us, and take all necessary steps to alert proper authorities, and report the breach to those who have or may have been affected. Different states

have statutes with time periods in which you must contact those that have been or may have been affected. You should also consult with your attorney and Internet security consultant to determine the best way to respond to this type of an event. We have required that you purchase cyber-liability insurance to protect your franchise business, should this occur. You agree that you have provided indemnification to us, our Affiliate and our shareholders, directors, officers, members, interest holders and others, and their successors and assigns, under the indemnification provision in this Agreement in Section 18.2, and you further agree that indemnification protection applies to a security breach as described in this Section 8.22.

9. USE OF TRADEMARKS, SERVICE MARKS AND LOGOS

9.1 Identifying Ownership. You acknowledge that you had no part in the creation or development of any the Mark or any other image or name by which we are known. Should the ownership of the Mark be contested, we will have the sole right to determine how to defend those challenges.

9.2 Use. You are given the right to use the Marks for your Franchised Cafe only. This includes use of the Marks on your pre-approved advertising, stationery, business cards, name pins, on other printed matter and on uniforms relating to your Franchised Cafe. Your rights to use the Marks are derived from this Agreement only. Any unauthorized use will constitute an infringement of our and/or our Affiliate's rights and could constitute a default leading to the termination of this Agreement.

9.3 Misuse. You agree that the Marks will not be misused in any way, and will not be used to cause us to incur any obligation or debt. The Marks must not be used as a part of the legal name of your business, or as collateral for any financing. For example, you cannot form a corporation called TRES SHAGHF, Inc., or a limited liability company called SHAGHF of St. Louis, LLC.

9.4 Name Registration. You agree to comply with any instructions received from us with respect to filing and maintaining a requisite trade name and fictitious name registration, and to execute the necessary documents to obtain protection for the Marks or to maintain its continued validity and enforceability.

9.5 Infringement. You agree to promptly notify us when you become aware of possible or actual allegations of infringement made against us related to the Marks, and to take no action without our advance written approval. If we determine that action should be taken, you agree to cooperate fully in the prosecution or defense of the action.

9.5.1 Your Use of the Marks. If your use of the Marks are challenged for any reason, and you have used the Marks as prescribed in this Agreement and the Operations Manual, we will defend your use, and indemnify you, however, we will control any litigation.

9.6 Integrity of the Marks. You agree that the Marks will not be used in connection with any statement or materials which may be in poor taste, defamatory or are inconsistent with our public image, and may only be used under the terms of this Agreement. We agree not to adopt, use, display or register other marks, names or logos which are confusingly similar to the Marks, unless those other mark(s) are used in this System. We agree to protect your right to use the Marks in all respects as your use relates directly to this Agreement.

9.7 Changes. We reserve the right to make additions, deletions or changes to the Marks. You will receive notice of and agree to make changes accordingly within 90 days, or sooner, if we or our Affiliate is ordered by a court of competent jurisdiction to make changes or discontinue use. We will seek to keep related direct expenses of changing the signage or other materials within a reasonable range. We will not be obligated to reimburse you for any loss of revenue attributable to any modified or discontinued Mark or for any expenditure you make to promote a modified or substitute trademark or service mark.

9.8 Your Acknowledgements:

1) You will not contest the validity of the Marks.

2) You hereby acknowledge that you have no ownership interest or other proprietary interest in the Marks, with the exception that you have a revocable, non- exclusive right and license to operate one Franchised Cafe, and use the Marks, as granted by this Agreement.

3) You acknowledge that you will not file applications for trademark, trade name, or service mark registrations for the same or confusingly similar marks, or any other mark to identify any part of your Franchised Cafe for which you were granted the right to operate under this Agreement.

4) You fully understand and acknowledge that all goodwill arising from your use of the Marks will inure solely and exclusively to our benefit. On expiration or termination of this Agreement, no monetary amount will be assigned as attributable to any goodwill associated with your use of the Marks.

5) If we implement the use of other marks, you will treat them with the same understanding as the Marks we grant you the non-exclusive right to use under this Agreement.

9.9 SHAGHF Website. Under the terms of this Agreement, you are not permitted to establish your own website; nor can you use the Marks for any Internet-related purpose such as to reserve a top level domain listing, except that you can establish an Instagram account where you can show your address, menu and other details of your own location. We must be able to monitor that account, and we must be informed before you establish that account. It is our intention to maintain a website. The website will list your Franchised Cafe location, telephone number, hours, directions and a map. If you establish an Instagram account, you must ensure that

your social media posts includes a clear indication to show you are located in the United States. All content should focus solely on Shaghf Coffee and your Franchised Cafe. You are prohibited from posting anything related to political content of any form, suggestive pictures or videos, or other sensitive issues. We have the right to demand that you take-down the site and forfeit your account if you violate these terms. We do not give Instagram the right to use our content, or yours in any way it chooses, and you must make sure that if you establish an Instagram account, your content is not subject to Instagram's ability to use or give another third party Instagram user the right to use your content for any reason. If we determine that Instagram or any third party has used your content, we will require you to take down the site.

We and our Affiliate's business operate in association with the Mark and have developed and maintained the website whose domain name is https://shaghfcoffee.com. It will link to the franchise program, and provide a directory of franchised Cafe locations as they are added through the franchise program.

10. CONFIDENTIAL OPERATIONS MANUAL

During the term of this Agreement, we will loan to you one copy of the Operations Manual.

10.1 Contents. The Operations Manual is and must remain confidential. It will contain mandatory and suggested specifications, standards and administrative operating procedures we periodically prescribe for the Franchised Cafe and information relating to other obligations under this Agreement. It will also include a list, subject to modification at any time, of approved suppliers for items you may need in your Franchised Cafe. All parts, all items and all entries in the Operations Manual are considered confidential information, proprietary to us and constitute trade secrets.

10.2 Maintenance Requirement. You must keep the loaned copy of the Operations Manual available in your Franchised Cafe location at all times, and must keep it current. When we send you an update, you agree to destroy the replaced page(s), and insert the updated replacement pages promptly. If there is a dispute relating to the contents of the Operations Manual, the master copy we maintain will control. No part of the Operations Manual may be copied, transferred or shown to anyone other than your employees and/or management who require the information to properly do their job. No part may be otherwise reproduced without our advance written approval, which, we can deny for any reason.

10.3 Modification. We may periodically modify the Operations Manual to reflect changes in our image, specifications, standards and administrative procedures. No addition or modification will detrimentally alter or reduce your rights under this Agreement.

10.4 Surrender of Operations Manual. When this Agreement expires, or otherwise terminates before execution, you are required to return the Operations Manual to us or our

designated representative within 5 days.

10.5 Renewal. At renewal, we will exchange the current Operations Manual for the copy you have had during the term of this Agreement.

10.6 Electronic File. Notwithstanding the above to the contrary, if at any time we convert the physical Operations Manual to an electronic file, suitable for sending via a secure Internet file, we will notify you of this change in procedure. Thereafter, the entire Operations Manual will be contained in an electronic file. All modifications will be made on-line and you will be required to download the changes when appropriate. You are still under the obligation to return the physical Operations Manual to us at the end of the Agreement term, or sooner if you no longer have use for it. You are not permitted to make individual changes in the Operations Manual, other than to update materials we send or email to you. When this Agreement expires, terminates or is terminated, you are required to delete all files related to the electronic version of the Operations Manual. The failure to delete all files constitutes a trade secret violation.

11. **INSURANCE**

During the term of this Agreement, you are required to purchase from reputable insurance companies, having an A.M. Best rating of A or higher, acceptable to us and licensed in the state in which you will operate your Franchised Cafe, and keep in force at your own expense various types of insurance coverage as set forth in Section 11.6 below.

11.1 When Required. You are required to have purchased and paid one annual premium for the various types of insurance coverage listed below at the time you take possession of your leased premises.

11.2 Provide Policies To Us. Before you begin operations at your Franchised Cafe, you must submit to us for our records, certificates of insurance, or if available, actual copies of the insurance you have purchased. If only certificates are available when you begin the Franchised Cafe operations, you must furnish the actual policy not later than 30 days after opening or taking over. The failure to provide this to us, and to maintain insurance in force throughout the term of this Agreement, and any renewals and/or extensions is a material breach of this Agreement.

11.3 Additional Insureds. The insurance policies, except Worker's Compensation must also name as additional insureds us, our shareholders, officers, directors and employees and our Affiliate against any claims for loss, liability or any expense from fire, personal injury, death, theft, property damage, defamation or other losses or damages which result from your Franchised Cafe's operation. The additional insured endorsement for all liability policies must state that the coverage provided the additional insureds is primary and non-contributory with respect to any other insurance available to the additional insureds.

11.4 Cancellation Without Notice. The insurance policies cannot be canceled or reduced in coverage without providing you and us, 30 days prior written notice, which states the reason(s) for cancellation. Cancellation does not excuse you from obtaining substitute insurance to become effective on or before the date of cancellation.

11.5 Update Coverage; Increase Coverage. During the term of this Agreement, we encourage you to assess your insurance needs on an annual basis, and to purchase further coverage above the minimum limits set forth below, if the operation of your Franchised Cafe warrants it.

11.6 Required Coverage Amounts. If, through experience, we determine that higher minimum limits or certain additional specific types of insurance are necessary, we reserve the right to direct you to purchase larger amounts or other types of insurance.

The required insurance coverage is as follows:

1) Commercial General Liability coverage in the form of an umbrella policy with combined single limits of not less than $2,000,000 per occurrence and $3,000,000 in the aggregate. This insurance will provide coverage for all operations and include independent contractors, products liability, completed operations and contractual liability coverage;

2) Property Damage coverage written on a "special" property form for the full replacement costs of your contents of your Franchised Cafe, plus any storage or office space you may own or lease, which is used for your Franchised Cafe operations. Property coverage will apply to both the real and personal property you own including improvements and betterments, machinery, equipment, furniture, cabinetry, fixtures, and inventory;

3) Worker's Compensation with statutory limits in the amounts required by state law for all your covered employees, and Employers Liability limits of not less than $1,000,000 for each accident, $1,000,000 policy limit and $1,000,000 for each employee;

4) disease/foodborne illness insurance with a single occurrence limit of $1,000,000 and a policy limit of $2,000,000.00;

5) cyber-liability insurance with limits of $100,000 per occurrence, $250,000 policy limits;

6) business interruption insurance to protect you against the need to shut down for a myriad of reasons.

11.7 Recommended Coverage.

1) Disability and life insurance coverage to protect against disability, in the event you become injured or sick, or die, may be appropriate, but are not required.

2) Employer Liability Protection Insurance is suggested to protect against wrongful acts arising from the employment practice that include wrongful termination, discrimination, sexual harassment, retaliation, and a variety of other types of inappropriate workplace conduct that general liability insurance may not cover.

12. BOOKS AND RECORDS

You agree to keep and maintain accounting records for your Franchised Cafe for a period of 3 years after the close of the fiscal year in which the record is made, according to generally accepted accounting principles. We will have electronic access to your records at your Franchised Cafe, at all times, through your interactive POS system.

12.1 Required Reporting. You agree to provide to us monthly, on pre-printed forms that we will provide, or through electronic means, an accounting of the amount of Gross Receipts you received in the preceding month and an accounting of the amount you spent to advertise. These items must be electronically submitted by 5 p.m. Central Standard Time, on the fifth calendar day after the end of the previous month for the previous month. If we decide to conduct an audit and determine that you have under- reported by three percent or higher, you will be responsible for all our costs of the audit, all of which must be paid to us within 30 days after you have received our bill.

12.2 Quarterly Statements. You are required to submit to us an unaudited quarterly financial statement within 30 calendar days after the end of each calendar quarter, with a current and year to date balance sheet and income statement.

12.3 Annual Statements. You are required to submit to us an unaudited annual financial statement within 90 calendar days after the end of each calendar year. We reserve the right to request you to submit an audited annual financial statement, which right will only be exercised if we believe there is good cause to question the unaudited statement. If during the previous twelve months, you have submitted three late royalty payments, or we have drafted your account and there were nonsufficient funds to collect the royalty payment we reserve the right to require you to present to us an audited financial statement for each of the next 2 years at your expense.

13. COVENANT NOT TO COMPETE

13.1 In term. During the term of this Agreement or any approved renewals or extensions, you agree that, to the extent this provision does not conflict with state law where you operate your Franchised Cafe, you cannot and will not open, consult, work for, own, franchise or act as franchisor for, license or be in any way involved as a director, officer or shareholder, partner, member and/or member/manager with or in any business that offers the same or similar type of Cafe services and products offered by a Shaghf Cafe, anywhere in the United States, unless you have entered into another franchise agreement for one or more Shaghf Cafes. Neither will you, during the term of this Agreement, knowingly divert any business to another Cafe which is not

part of the franchise network.

13.1.1 Management Agreement. Attached to this Agreement as Exhibit C is a Confidential Information and Non-Disclosure Agreement that must be executed at the time you employ managers and other employees, who will have access to our Confidential and Proprietary Information, and otherwise whom we may train. All executed Confidential Information and Non-Disclosure Agreements must be maintained by you in your Franchised Cafe, and made available to us during inspection, or at our request.

13.2 Post-Term. For a period of 2 years after the expiration or termination of this Agreement for any reason, except for working in another Franchised Cafe operated under a separate franchise agreement with us, or for another Franchised Cafe franchisee, neither you nor any of the business entity owners who execute this Agreement will (1) have any direct or indirect ownership interest in a type of Cafe with similar services and products offered by a Shaghf Cafe, within a radius of 10 miles from the perimeter of your Exclusive Territory, or within 10 miles of any other SHAGHF Cafe or franchisee owned Shaghf Cafe; (2) use, transfer, convey, implement, or in any other manner possible or imaginable provide to another any part of our System or trade secrets, or (3) for an eighteen month period, solicit or hire our, our or our Affiliate's or any other franchisee's employees without our or their previous written approval.

13.3 Unenforceable Restrictions. To the extent that any of the foregoing restrictive covenants are deemed unenforceable by virtue of their scope in terms of area covered, business activity prohibited and/or length of time, but, could become enforceable by reducing any or all of their elements, the parties to this Agreement agree that a reduction in scope will be made and that as reduced those elements will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought.

13.4 Enforcement Not Dependent on Franchisor Obligations. There are no obligations we must meet as a condition to the enforcement of any covenant not to compete. They exist for our benefit, and those to whom we sell franchises, and to maintain the integrity and confidentiality of our System.

14. TERMINATION OF FRANCHISE AGREEMENT

14.1 By You.

Our Material Breach. If, during the term of this Agreement, we commit a breach of a material provision of the Agreement, and you give us written notice of the breach, according to the notice procedure in Section 21 of this Agreement, you may terminate this Agreement if within 60 calendar days from the date we receive your written notice, we do not cure or take steps to cure the breach. In order to terminate this Agreement, you must be in substantial compliance. Termination will be effective 10 calendar days after we receive notice of our failure to cure, or begin to take steps to cure the breach.

Other than as stated in this section, and in Sections 3.1 (1) and (2), you will have no other right to terminate this Agreement. Once you terminate, you will be obligated to perform all post-termination obligations. The obligations after termination are found below in Section 15. We may impose a fine on you if you terminate early without cause, as more fully detailed in Section 19.4 below.

14.2 By Us.

We have the right, and can terminate this Agreement for the following valid reasons, with or without notice, and with or without offering you the right to cure, as follows:

14.2.1 Immediate Termination

1) Subject to the United States Bankruptcy Code 11 U.S.C. 365, this Agreement may be terminated immediately, with or without notice if you declare bankruptcy, are adjudged bankrupt or become insolvent.

This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

2) We have the right to terminate this Agreement immediately, and at any time, if we learn that you misrepresented facts on your initial franchise application, and/or submitted fraudulent or misleading financial statements.

3) You violate Anti-Terrorism Laws of the United States.

14.2.2 Termination for Good Cause after Notice. We have the right to terminate this Agreement effective upon delivery of notice to you, which notice will state the date of termination, if you breach this Agreement as follows, and termination for the below-stated reasons will be considered termination for good cause:

1) You fail to actively operate your Franchised Cafe constructively abandoning this Agreement. Constructive abandonment means that you do not operate the Franchised Cafe for a period of 7 calendar days without any extenuating circumstances to prevent your continued operations.

2) You assign or transfer this Agreement or any interest in it or in the franchise without compliance with the provisions of Section 16 of this Agreement.

3) You are convicted of or you plead no contest to a felony, or you are convicted or plead no contest to any crime or offense that is likely to adversely affect the reputation of our franchise program and the goodwill associated with the Mark.

4) You fail to maintain sufficient funds in your business account to be able to transfer electronically the amount due for royalty payments for three consecutive months in any 12 consecutive month period, or fail three times in a 12 consecutive month period to submit when due, any financial statements, reports or other data, information or supporting records and these failures to comply are not followed by a minimum of 12 months of consecutive, on-time monthly payments or report submissions.

5) You fail to comply with the in-term covenants, including the covenant not to compete in this Agreement.

6) You disclose or divulge the contents of the Operations Manual, trade secrets or other confidential information provided to you by us, contrary to this Agreement, instructions in the Operations Manual, and/or training you received.

7) You provide unapproved services or products, and do not discontinue your use, sale or offering within 10 days of when we provide written notice.

8) You use unapproved advertising.

9) You improperly use the mark SHAGHF, or any other service mark or trademark we approve for use in operating the Franchised Cafe, or challenge our rights or our Affiliate's right to the ownership or right to use the Mark.

10) The premises where you conduct your Franchised Cafe business is dirty, in disrepair or gives the impression of neglect, and/or presents a health hazard to its customers and you fail to cure the problems brought to your attention within two days after we serve you with written notice.

11) You, or your legal representative are unable to effect an approved transfer to a qualified transferee within the time limits allowed by Section 16 of this Agreement, if you die; or you become permanently incapacitated, and can no longer operate your Franchised Cafe.

12) You commit any other material breach of the Franchise Agreement.

13) You fail to uphold our food standards by improper use of ingredients to prepare our drink recipes and baked goods and/or use methods or unapproved recipes. You misuse products or use expired products.

14) You serve diluted coffee and/or use diluted coffee to make other coffee drinks by failing to follow our prescribed amount by increasing the number of cups of coffee that can be brewed from each bag of our coffee beans.

15) You offer poor service and do not make changes within 3 days of receipt of our written notice.

16) You leave a trolley in a location for more than three days, unless you obtained advance written approval from us.

14.3 Notice of Termination with Right to Cure. In addition, we have the right to terminate this Agreement, effective upon the delivery of notice of termination to you, if you fail to comply with any other provision of this Agreement or any standard or administrative procedure prescribed by us and you do not correct that failure or make a good faith effort to correct it within 30 calendar days after we give you written notice of your non-compliance. That non-compliance may take the form of unpaid royalties, failure to submit a financial report, improper use of the service Mark, roved advertising, advertising in another franchisee's exclusive territory, and any other breach of the Agreement which we deem serious enough to cause us to place you on notice that curative action is necessary.

14.4 Potential Liability Resulting from Termination. If you do not comply with a written notice of termination we send and/or deliver and can prove you received, and, a court or arbitrator later upholds the notice as having been properly issued, operation of your business after the date of termination will constitute willful service mark infringement and unfair competition. You will be liable to us for monetary damages to the fullest extent provided by law. We also may impose a fine as further stated in detail below in Section 19.4 of this Agreement

15. YOUR OBLIGATIONS AT TERMINATION OR EXPIRATION

You agree that when this Agreement is terminated or expires, for any reason, you will no longer be eligible to operate the Franchised Cafe under this Agreement, nor will you be permitted to continue to operate the Franchised Cafe, regardless of the name to which you change it, if you continue to offer the same or similar services. As a result, you will be obligated and you hereby agree to undertake to disassociate yourself from our franchise program by performing all the tasks which are set forth below:

15.1 De-Identify. You must immediately discontinue use of all our Marks or logo or any mark or name confusingly similar, or any reproduction, counterfeit, copy or imitation of the Marks which are likely to cause confusion, mistake or deception, or which will dilute our exclusive rights to the Marks; or any designation indicating affiliation between you and us or in association with the operation of the Franchised Cafe under this Agreement and permanently remove from your principal place of business or destroy all signage, stationery, cards, menus, napkins, packaging, other advertising material and other business related items which bear or refer to the Marks.

15.2 Cease and Cancel Use of Marks In Telephone Listings and Advertising. You must take

immediate steps to cancel or otherwise discontinue further display or reference to the Marks in any telephone or trade directory and in any advertising, and assign to us all business telephone numbers you used that are associated with your Franchised Cafe.

15.3 Return Loaned Operations Manual and other Indicia which Display Marks. You must return to us your loaned copy of the Operations Manual including additions or amendments to it. You are required to destroy or return to us, immediately, all other items containing or displaying our Marks.

15.4 Bring All Debt to Us Current. Within 30 calendar days of termination or expiration of this Agreement, or at a later date when the amounts due to us are determined by a final accounting, a copy of which will be provided to you at its completion, or, at our option, by an audit conducted by us, you must pay all accrued monthly royalty fees, plus any late payments due, and all other amounts owed, which you have not yet paid.

15.5 Discontinue All Forms of Promotion as a Franchised Cafe. You must discontinue all advertising, promotion and all forms of marketing in which you hold yourself out to the public as a Franchised Cafe and cease all similar advertising to your customers.

15.6 Compliance with Confidentiality and Non-Compete Covenants. You agree to abide by all obligations of confidentiality and by all provisions of the covenant not to compete as described in Section 13 of this Agreement.

15.7 Compliance with Non-Hiring and Customer Servicing Covenant. For a one year period which follows the termination or expiration of this Agreement, for any reason, you agree that you will not offer employment to any of our or our Affiliate's employees, or the employees of another franchisee, to work in a competitive business without our knowledge and prior written approval, or the knowledge and prior written approval of the other SHAGHF franchisee.

15.8 No Further Use of Confidential Information. You must end the use of any of our confidential and proprietary information.

15.9. Our Re-Market Rights. Depending on the circumstances of the expiration, or termination, we will have the right to immediately re-market either the Franchised Cafe or another franchised Cafe in the exclusive territory previously franchised to you.

15.10 Our Right To Purchase At Expiration. When either this Agreement expires, or you are offered the right to renew and decline, or you terminate the Agreement without cause, we will have the option, but not the obligation to purchase the business being conducted at your Franchised Cafe location, including, but not limited to, all fixtures, merchandise, supplies and equipment (the "Assets") at a price equal to the fair market value of all equipment, supplies and fixtures, plus the wholesale costs of all usable merchandise. We will not purchase supplies, if any, with your business entity name we cannot use. There will be no independent appraisal of the Assets, unless we cannot in good faith, agree on a fair price. If we reach an impasse, one appraiser will be

retained to make an appraisal, the cost of which will be split between you and us. There will be no recognition of goodwill in the re-purchase price or the appraisal. We can exercise this option by sending written notice to you within 30 calendar days after termination or expiration of this Agreement. At the closing, you must execute and deliver all documents necessary to transfer good title from your business to us or our nominee and upon delivery of those documents we will pay to you the agreed price, plus or minus all prorations, less all monies that you owe us at the date of closing of the transaction. If you cannot deliver clear title to the Assets, we will have the option to either purchase the Assets from the party that holds the legitimate lien or mortgage, or not purchase them, at our discretion.

Except as otherwise provided above in this Section 15, at the termination or expiration of this Agreement, all rights and privileges granted to you under this Agreement will end.

16. ASSIGNMENT OF THE FRANCHISE AGREEMENT; LEASE ASSIGNMENT

I. Assignment of the Franchise Agreement

16.1 By Us. This Agreement is fully transferable by us and inures to the benefit of any transferee or other legal successor to our interests.

16.2 By You. The rights and duties created in this Agreement are personal to you. We have granted the franchise to you in reliance upon your experience, character, skill, aptitude, attitude, perceived business ability, financial capability and the interest you have expressed in owning and operating a Franchised Cafe. You may not sell, assign, transfer, pledge or mortgage the Franchised Cafe(nor any interest in it), this Agreement, or any part or all of the ownership (including by will or intestate succession) without our advanced written consent, which we will not unreasonably withhold if you are in substantial compliance with this Agreement. We may condition the assignment on the character, business experience, financial capability and credit rating of the proposed assignee (and his, her or their partners, officers, controlling stockholders and/or members/managers, if the transferee is a partnership, corporation, or limited liability company). Any transfer made without our approval constitutes a material breach of this Agreement, which can result in termination, and conveys no rights whatsoever. In addition, consent to the transfer will be conditioned on the following:

1) We must approve the purchaser for financial responsibility, and suitability as an owner and operator of a Franchised Cafe;

2) The assignee, transferee or purchaser must not continue to be engaged as a licensor, franchisor, independent operator or current licensee of another business that is similar in nature or competes with a Shaghf Cafe. Before entering into an agreement with us, the assignee, transferee or purchaser must terminate all previous licensing or franchise relationships.

3) You have paid all outstanding debts and obligations under this Agreement to us, except

those, if any assumed by the purchaser, and agree to enter into a mutual general release to date of transfer, attached as Exhibit D, which, will continue to obligate you to the covenants that survive this Agreement.

4) Before operating on his or her own, the transferee will have completed, at the transferee's expense and upon the terms and conditions as we may reasonably require, any training programs then in effect for franchisees.

5) The party who will acquire your interest must execute an assumption agreement with us in the form we approve for a term equal to the remainder of your term, unless we agree to offer a new term under the then current franchise agreement being offered to new franchisees.

6) If the purchaser is new to the SHAGHF franchise network, and requires training, a transfer fee of $7,500 must be paid to us within 3 business days of the date before the closing of the sale, which we will hold until the sale has closed. If the purchaser does require training, the transfer fee will be $5,000. If the sale does not close, we will return 75% of the transfer fee, maintaining 25% for the due diligence we conducted and legal fees we incurred. If the sale closes we will retain the full amount of the transfer fee we collected, which will be non-refundable.

16.3 Transfer to a Partnership, Corporation or Limited Liability Company. You are required and you commit to form a business entity to assign this Agreement to, after you sign the Agreement. You agree to send to us your articles or partnership, incorporation or for a limited liability company within four months of the date we accept this Agreement. The failure to comply with this requirement will be considered a material breach for which we can terminate you, unless you have obtained written approval from us to waive or extend the time to provide us with those documents.

a. If you are in full compliance with this Agreement, you will not be charged a transfer fee nor will approval of a transfer be unreasonably withheld for transfer of your individually held franchise interest, or more than one individually held interest, to a partnership, corporation or limited liability company that conducts no business other than one or more Franchised Cafes. You must actually manage the Franchised Cafe on a full time basis, and must maintain at least 51% control in the business entity you form. Additionally, all owners with interests of 25% percent or greater agree to jointly and severally guarantee the obligations of this Agreement and to be bound by its provisions. If no owner holds 25%, then the three individuals with the greatest interest must execute a personal guarantee. You will notify us in writing of the name and address of each and every partner, shareholder, member and/or manager, officer, director and supervisory employee of your business entity and any changes made. Before the transfer is approved, we require you to submit a copy of your Partnership Agreement, Articles of Incorporation or Articles of Organization.

16.4 Right of First Refusal. If, at any time, you decide to sell an interest in this Agreement, or the Franchised Cafe, if separable, or your business entity, unless the proposed sale results from the

need to sell due to a permanent incapacity or death, you must obtain a bona-fide, executed written offer from a responsible and fully disclosed purchaser and immediately submit an exact copy of the offer to us. In order for the offer to be bona-fide, it must be accompanied by a 10% down payment, in cash, a cashier's check or certified funds. We will have the right, exercisable by written notice delivered to you within 30 calendar days from the date we receive the offer, to purchase the interest for the price and on the terms and conditions in the bona fide offer. We may substitute cash for any form of payment proposed in the offer. Our credit will be deemed equal to the credit of any proposed purchaser and we will be given not less than 60 calendar days to close. If we do not exercise our right of first refusal, the sale may be completed to the purchaser on the exact terms of the offer, subject to your compliance with Section 16.2 and our reasonable approval of the transfer. If the sale to that purchaser is not completed within 90 calendar days after delivery of that offer to us, or if there is a material change in the terms of the sale, we will have an additional right of first refusal for 30 calendar days on the same terms and conditions as were applicable to the initial right of first refusal.

16.5 Death or Permanent Incapacity.

16.5.1 Appointment of Successor Franchisee. If you die or become permanently incapacitated, your executor, administrator, conservator or other personal representative will have a period of 180 calendar days to transfer your Franchised Cafe to a qualified transferee. Provided a qualified transfer candidate is found, that individual must successfully complete our training program before assuming this Agreement. The death or incapacity of one owner will not cause a termination when more than one owner has signed this Agreement, however, this will depend on the division of ownership interest at the time of death, and the willingness of the surviving owner, if a minority owner, to become the majority owner. If a suitable transferee is not located and the transaction is not completed in 180 days, this Agreement will be terminated.

16.5.2 Transfer of the Franchised Business. Any transfer of this Agreement by devise or inheritance, will be subject to all the terms and conditions for assignments and transfers contained in this Agreement. Failure to dispose of those interests within 180 calendar days constitutes grounds, at our option to terminate this Agreement.

II. Lease Assignment

16.6. Collateral Assignment of Lease. If this Agreement terminates, or expires and you either cannot continue to operate your Franchised Cafe in the location due to loss of that right, or choose not to operate the Franchised Cafe, in the case of an expiration, we have the option to assume the lease for your location, within thirty calendar days of termination or expiration, by giving the lessor notice of the exercise of this option.

16.7 Payment of Lease Debt. If we exercise our option to assume your Franchised Cafe lease, we will not be obligated to bring any debt you have under the lease current. Lease debt remains your obligation. If we are unable to assume the lease without bringing the debt current, we may

choose to make that payment, but you will then be required to reimburse us within thirty calendar days of the date our payment was made.

16.8 Assign to Our Nominee. If we exercise the option to assume your lease, we will have the right to assign it to our nominee (another franchisee), or operate it as a company SHAGHF Cafe, without further consent of the lessor. You will have no ability to control this assignment election, nor do we need to inform you of our decision after we assume the lease.

16.9 No Other Effect. Other than our option to assume your lease, and the required language for your lease stated above in Section 7.1.2, we cannot otherwise impact your relationship with your lessor, or the terms of your lease.

17. CONFIDENTIALITY

You agree that you and your officers, directors, partners, members, management employees, and all owners of any interest in you and/or the Franchised Cafe, and your affiliates: (a) will only use our Proprietary Information in the operation of one Franchised Cafe; (b) will maintain the absolute confidentiality of the Proprietary Information during and after the term of this Agreement; (c) will not make unauthorized copies of any portion of the Proprietary Information disclosed in written, visual, auditory or other tangible form; and (d) will adopt and implement all reasonable procedures we periodically prescribe to prevent unauthorized use or disclosure of the Proprietary Information, including, without limitation, restrictions on disclosure to employees and the use of non-disclosure and non-competition clauses in employment agreements with management level employees and agents in the form we prescribe. Proprietary Information includes, but is not limited to the contents of the Operations Manual and any other training materials and our recipes and trade secrets. Any information which was in the public domain, or Proprietary Information that becomes a part of the public domain, or you learn from a third party independent of the franchise, and out of the franchise system will not be covered by this provision. Your obligations under this section survive the termination of this Agreement.

18. RELATIONSHIP OF PARTIES; INDEMNIFICATION

18.1 Independent Contractors. The parties to this Agreement are independent contractors. The grant of the franchise is not to be construed to create a relationship of employer-employee, joint venture, agency or partnership between you and any other franchisee, or between you and us or our Affiliate. Neither of us will be obligated by any agreement, or representation made by the other, (except representations contained in this Agreement). Nor will we be obligated for any damage to any person or property directly or indirectly arising out of the operation by you of your Franchised Cafe, whether caused by your negligence, willful action, failure to act or otherwise.

For federal, state and municipal tax purposes, you are treated as an independent contractor and not as an employee.

18.2 Indemnification. You agree to indemnify and hold harmless us, our officers, shareholders, directors, employees, agents, representatives, attorneys, successors and assigns and our Affiliates, and their officers, shareholders, directors, employees, agents, representatives, attorneys, successors and assigns with respect to any damages, claims, judgments or settlements. This includes, but is not limited to the aggregate amount of any loss, liability, damage, cost or expense (including reasonable expert witness, accountants' and attorneys' fees) sustained by us or them as a result of any breach or default by you of any provision of this Agreement required to be performed by you, in the operation of your Franchised Cafe, and encompasses any claims made for food related diseases, personal injury or death sustained by a third party or employee within your Shaghf Café, and any and all litigation, arbitration, mediation or other costs of dispute resolution that result. We have the right to defend any claim or claims with respect to which we may be entitled to defend under this Agreement and to seek indemnity from you.

The indemnities, assumptions of liabilities and obligations will continue in full force and effect subsequent to and notwithstanding the termination or expiration of this Agreement**.**

19. REMEDIES AND JURISDICTION; FINES

19.1. Remedies are Non-exclusive. Except as specified in particular provisions of this Agreement, no right or remedy conferred on or reserved to you or us by this Agreement is intended to be, nor will be deemed to be exclusive of any other right or remedy provided under this Agreement or permitted by law or equity. On the contrary, each right or remedy will be in addition to every other right or remedy.

19.2 Illinois Courts. The parties agree that any claim, controversy or dispute arising out of or relating to this Agreement or its performance which cannot be amicably settled or resolved through mediation, and is not encompassed below, in the arbitration provision, in Section 20, will be resolved by a proceeding in a court in Illinois, and you agree to irrevocably accept the jurisdiction of the federal and state courts in Cook County, Illinois over those claims, controversies or disputes. No litigation arising out of or relating to this Agreement or the performance of it will ever be initiated in any court other than a court in Cook County, Illinois, unless no court in Cook County, Illinois will accept jurisdiction over the case, or the state in which your Franchised Cafe is located has laws which render this section inapplicable.

The parties agree that service of process in any proceeding may be made by serving a person of suitable age and discretion. Service on us may be made at our office or on our registered agent. Service on you may be made at the address given for you at the beginning of this Agreement. Service on you may also be made on your registered agent if you have transferred this Agreement to a corporation or limited liability company. Service on your corporation or limited liability company will also be considered the same as personal service on you. Service on you may also be made by personal delivery to any responsible employee above the age of 18 years old, at your Franchised Cafe location when service is made.

19.3 Prevailing Party. If either you or we bring any legal action to construe or enforce the terms of this Agreement, including its termination or post-termination provisions, or to obtain damages or other relief, injunctive or otherwise, to which either party may be entitled under this Agreement, with the exception of the right to request an arbitration proceeding (pursuant to Section 20 below), the non-prevailing party agrees that an award will include and agrees to pay the reasonable attorney fees, accountant's fees and all associated costs, expenses, and expert witness fees of the prevailing party. For avoidance of doubt, and notwithstanding anything in this Agreement to the contrary, nothing in this Section of the Agreement relates or applies to any action you have brought, or may bring for any other franchise agreement or master franchise agreement you executed with us before we provided the Franchise Disclosure Document to you of which this Agreement is Exhibit B. This Section 19.3 is prospective only and will be applicable only to this Agreement.

19.4 Fines. Fines will be imposed on you if you commit certain defaults during the term of the Agreement based on the following conduct and for the following amounts:

1) Opening a Shaghf Cafe before informing Franchisor and receiving Franchisor's approval. Fine imposed: $50,000 and Franchisor will have the right to terminate the Agreement.

2) Premature termination of the Agreement. Fine imposed: payment of 12 months of royalties. If less than 12 months royalties have been paid, 12 months prorated based on the amount of months the Franchised Cafe has been opened.

3) Failure to provide Franchisor with information and documents to enable Franchisor to calculate or verify accuracy of monthly service fee. Fine imposed: $1,000.00 each time this occurs.

4) Failure to keep confidential information confidential, improper use of trade secret or service mark or trademark. Fine imposed $50,000.00

5) Errors detected in the Franchised Cafe intentionally committed by Franchisee. Fine: (material value Franchisor deems appropriate, not to exceed $2,500.00)

6) Misuse of products or use of expired products. Fine: $1,350.00

7) Poor service or complaint from municipality or governmental entity that harms the Franchisor's reputation. Fine: $1,350.00

8) Non-compliance with operating conditions. Fine: $1,350.00

9) Manipulating point of sale system or closed circuit camera system or providing false information. Fine: $50,000.00

20. NEGOTIATION; MEDIATION; ARBITRATION

20.1 Attempt to Resolve Differences by Informal Discussions. In the spirit of working together to achieve a mutual benefit, and pursuant to the accommodations made in this Agreement, it is our desire to prevent disputes with franchisees, which, if escalated will divert resources better spent elsewhere. In an attempt to avoid litigation and arbitration, we request that if issues arise that you believe are not being properly handled, you first send us a letter, and copy our counsel whose address appears below in Section 21, stating the facts and the reasons you believe we have not been attentive, or have taken action adverse to your interests. We will review your letter, and attempt to resolve the dispute as quickly as possible, and will contact you to arrange a discussion within 30 days of receipt of the letter, unless time is a factor, as made evident in your letter. By honest and good faith negotiation, we may both be able to avoid unnecessary further steps, which would enable both of us to conserve resources. Before filing suit or demanding arbitration, unless immediate injunctive relief is sought, the parties must spend a minimum of four hours working out their differences, preferably face to face, but if not possible, through other means of communication like video conference. After the investment of four hours or longer if the parties have not resolved the issues, one or both parties can propose mediation.

20.2 Dispute Resolution by Mediation. If either party proposes mediation, the parties will choose one mediator to hear the dispute. The mediator must hear the dispute within 30 calendar days. The hearing can be in person in or near Chicago, IL, or by Zoom or Teams video conference. The parties agree to devote a minimum of six hours to the mediation. Any and all discussions, negotiations, findings, or other statements by the mediator or the parties made in connection with the mediation are privileged and confidential and will not be admissible in any litigation, arbitration, or other dispute proceeding. If mediation does not resolve the dispute either party can proceed to request arbitration.

Any and all discussions, negotiations, findings, or other statements by the mediator or the parties made in connection with the mediation are privileged and confidential and cannot be admissible in any litigation, arbitration, or other dispute proceeding.

20.3 Dispute Resolution by Arbitration. Disputes between you and us that have not been otherwise resolved, related to any issue arising out of or relating to this Agreement (only) or the rights created by it, its offer, sale and disclosure, and any claimed breach, or the relationship between you and us as a result of this Agreement (only), and the parties have complied with Sections 20.1 and 20.2, must be submitted to arbitration, and heard by one arbitrator. The arbitration proceedings will be conducted in the Chicago, Illinois metropolitan area, or, at our option, where our headquarters are located, at the time the claim is filed, or by a video conference service if in person arbitration is not possible or practical. The rules of the American Arbitration Association ("AAA"), any successor organization, or any similar organization, if the AAA is no longer in operation will be followed. Judgment on the decision of the arbitrator, including any grant of specific performance, may be entered in any court having jurisdiction.

The arbitration costs will be split between you and us. An award will include and the prevailing party (if there is a prevailing party) will be entitled to recover from the other party or parties, reasonable attorneys' fees, accountant's fees and all associated costs (including filing fees and the arbitrator fees), expenses, and expert witness fees.

We both agree that the arbitrator will be limited to awarding actual, and not consequential, punitive, speculative or exemplary damages to the prevailing party. We also agree that arbitration can only take place between one franchisee and us, and not on a group, or class-wide basis. Where there are multiple franchisees with the same facts and legal issues, we may decide for economic and practical purposes to permit one or more claims to be submitted to one arbitrator for the purpose of analyzing and determining whether the facts and legal issues are the same. If they are, we will agree to proceed with the arbitration with more than one franchisee; however, if the arbitrator determines either the facts are different enough, or the legal issues are not the same, or will result in the need to consult multiple state laws, the arbitration will be required to be refiled, with each franchisee filing a separate demand.

21. **MISCELLANEOUS**

21.1 Notice

21.1.1 Method for Giving Notice.

1) To You. All notices to you must be in writing, personally delivered or sent to you at the address stated at the beginning of this Agreement by certified mail, return receipt requested, by overnight courier service or express mail. Notices personally delivered will be deemed received on the date of delivery. Notices sent by certified mail will be deemed delivered 3 business days after placing them in the United States mail, postage prepaid. Notices sent by overnight courier service or express mail will be deemed delivered 2 business days after they are sent, unless receipts show otherwise, or Saturday delivery is specified and accomplished. We can also send a notice by email to your last known email address, which after you confirm receipt will be considered valid written, and delivered notice.

2) To Us. All notices to us will be in writing personally delivered, or sent to the address stated at the beginning of the Agreement or to Niaz Ahmed at hkalgroup@gmail.com. The method for sending is the same as in Section 1) above titled "To You." If the notice is related to default, termination or mediation, arbitration or litigation, a copy should also be sent to:

Loftus & Eisenberg LTD, 8950 Lincolnwood Drive, Evanston, IL 60203 and emailed to marc@loftusandeisenberg.com

21.2 Non-Waiver. If either party waives a right or remedy under this Agreement, or in any other manner fails to enforce such right or remedy, that action will not preclude either party from

enforcing the same right or remedy in accordance with this Agreement at a later date.

21.3 Modification. This Agreement may only be modified by an instrument in writing, executed by both parties, dated after the date of this Agreement. This Agreement may, however, be modified or amended by us, within 10 calendar days written notice to you in order to comply with any ordinance, statute or regulation applicable to the Agreement, or the franchise relationship. We intend, however, to periodically modify our Operations Manual as we, in the exercise of our sole discretion, deem necessary to meet competition, protect our Marks and improve the quality of products and services provided. No modification will alter or reduce your rights under this Agreement.

21.4 Severability and Construction.

21.4.1 Independent Provisions. The provisions of this Agreement are deemed to be severable and the parties agree that each provision of this Agreement will be construed as independent of any other provision of this Agreement.

21.4.2 Invalid Provisions. If any provision is deemed invalid or unenforceable as written, it will not affect the legality or validity of the remaining provisions, but, will be deemed modified or limited to the extent or manner necessary to make that particular provision valid and enforceable to the greatest extent possible in light of the intent of the parties expressed in that provision.

21.4.3 No Other Beneficiaries. Nothing in this Agreement will be deemed to give any person or legal entity other than you or us, and our respective successors and assigns any rights or remedies under or because of this Agreement, except for the rights ascribed above under Section 16, to a personal or legal representative. If this Agreement results through a sale by, or is placed under a Master Franchise, that party will receive part of the initial franchise fee and part of the royalties paid per its own Master Franchise Agreement. That party will also have to provide its own Franchise Disclosure Document to you before you enter into this Agreement.

21.4.4 Captions. All captions in the Agreement are intended solely for the convenience of the parties and do not affect the meaning or construction of any provision of this Agreement.

21.5 Multiple Originals. This Agreement may be signed in triplicate, and each copy signed will be considered an original.

21.6 Binding Agreement. This is a legally binding Agreement, which binds us and you to its terms and conditions, and will inure to the benefit of the successors and assigns of each party.

21.7 Introduction. The introductory remarks included on pages 1 and 2 of this Agreement are incorporated into this Agreement, as if written directly into the terms of this Agreement.

22. COMPLIANCE WITH LEGAL REQUIREMENTS

At your own expense, you must make, execute, and file any and all reports required by any law or public authority with respect to the operation of your Franchised Cafe. You must at all times abide by any and all federal, state, county and/or municipal laws and regulations which are applicable to your Franchised Cafe, and maintain a current business and food license. You must comply with all applicable tax laws which require you to pay taxes on your income, and remit taxes for your employees, and you must timely remit all taxes due. If applicable, you must comply with the American Disabilities Act, and any other statute that prevents discrimination.

23. GOVERNING LAW

Except to the extent governed by the United States Trademark Act of 1946 as amended (Lanham Act, 15 U.S.C. Sec. 1051 et seq.), and the Federal Arbitration Act, (9 U.S.C. Subsection 1 et seq.), this Agreement will be governed by the laws of the State of Illinois, except with respect to its conflicts of laws rules.

24. NOTIFICATION OF LAWSUITS AGAINST FRANCHISEE

You will notify us in writing within five days of notice of the commencement of any action, suit, or proceeding against you, and of the issuance of any inquiry, subpoena, order, writ, injunction, judgment, award, settlement or decree of any court, agency, or other governmental instrumentality, which arises out of, concerns, or may affect the operation or financial condition of your Franchised Cafe, or your interests in this franchise, including, without limitation, any criminal action or proceedings brought by you against your employees, clients, or other persons.

25. GOOD FAITH AND FAIR DEALING

Each party to this Agreement agrees to treat the other in a fair and equitable manner, and in all transactions, interactions and disputes to negotiate and to deal in good faith; it being further understood, that the general industry that this type of business is a part, is highly competitive, and well-developed, that customers have many choices, and, that working together can accomplish more than working at odds with each other.

26. FORCE MAJEURE

Neither party will be liable for any delay or failure to comply with the terms of this Agreement due to any cause, condition or force beyond the control of that party, whether or not foreseeable, including, but not limited to work stoppage, labor strikes, transportation strikes (trucking, rail, ship or air), postal strikes, pandemic, acts of God or severe weather conditions, acts of war or civil disobedience, or emergency orders issued.

27. TIME IS OF THE ESSENCE

Wherever this Agreement requires performance on the part of a party by a specific date, for payments of sums, giving of notice or furnishing of documents or reports, the party required to take the action understands and agrees that it is important to use best efforts to comply with the dates and times set forth in the Agreement, as time is of the essence.

28. COMPLIANCE WITH ANTI-TERRORISM LAWS

You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your owners certify, represent, and warrant that none of your property or interests are subject to being blocked under, and that you and your owners otherwise are not in violation of, any of the Anti-Terrorism Laws. "Anti- Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your owners, or any blocking of your or your owners' assets under the Anti-Terrorism Laws, will constitute good cause for immediate termination of this Agreement, as provided above in Section 14.

29. NONWAIVER, NON-DISCLAIMER

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.

30. ACKNOWLEDGMENTS

30.1 Business Risks. This business venture involves certain business risks. Your success will be largely dependent upon your own, your owners, management and employees efforts and abilities. You also understand that we do not choose, but will help you select a site for your business and must approve that site, unless you are in the Coffee Cafe business and will convert your own existing business to a Franchised Cafe.

YOU HAVE ENTERED INTO THIS AGREEMENT AS A RESULT OF YOUR OWN INDEPENDENT INVESTIGATION OF US AND THE BUSINESS OFFERED, AFTER CONSULTATION WITH YOUR OWN ATTORNEY OR ADVISOR.

IN THE FRANCHISE DISCLOSURE DOCUMENT WE PROVIDED, WE HAVE MADE NO WRITTEN FINANCIAL PERFORMANCE REPRESENTATIONS TO YOU.

WE HAVE NOT AND WILL NOT MAKE ANY WARRANTY OR GUARANTEE, EXPRESSED OR IMPLIED, AS TO THE SUCCESS OF THE BUSINESS YOU HAVE PURCHASED.

30.2 Independent Investigation. You acknowledge that you received, read, and understand this Agreement, including the attached exhibits. We have fully and adequately explained the provisions to your satisfaction; and that we have strongly suggested that you discuss this Agreement with a franchise lawyer, and have accorded you ample time and opportunity (1) to consult with advisers of your own choosing about the potential benefits and risks of entering into this Agreement, (2) to contact existing franchisees, if any and (3) to investigate all the statements we have made relating to the Franchised Cafe.

30.3 Compliance with Federal Trade Commission Rule. We have provided this Agreement, and the attached exhibits, all in final form and suitable for execution, at least 7 calendar days before the date on which you executed this Agreement. We have provided you with our Franchise Disclosure Document at least 14 calendar days before the date on which any consideration was paid or this or any other Agreement between you or us was executed.

31. **ENTIRE AGREEMENT**

Each party agrees that the foregoing Agreement, including the Introduction, incorporated by reference and made a part of this Agreement in Section 21.7, and attached Exhibits A, B, C and D, represent the entire Agreement, and is the only Agreement between the parties, governing the relationship between the parties and supersedes all previous and contemporary verbal or written understandings, agreements, promises, negotiations and/or representations made by the parties or understood to be in effect at the time this Agreement is executed. Nothing in this or any related agreement is intended to disclaim the representations we made in the latest franchise disclosure document we furnished to you.

SIGNATURES

The parties to this Agreement now execute and deliver this Agreement in triplicate all of which will be considered originals as of the Agreement Date. Done and executed on the date stated at the beginning of this Agreement in _____, ____.

SHAGHF CAFE FRANCHISE LLC	FRANCHISEE
By:_____	By:_____
Hamad Khalfan Ali Al-Shareif Aal AlShareif	
CEO	
Attest: _____	Attest: _____

EXHIBIT A

GUARANTEE OF PERFORMANCE

In consideration for $10.00 and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned Guarantor(s) guarantee(s) the prompt payment of all franchise fees, royalties, advertising contributions if a Marketing Fund is established, and all other fees, contributions, and expenses to be paid by the Franchisee and the full performance by the Franchisee, Franchisee's heirs, executors, administrators, successors or assigns of all the covenants, and agreements stated in the SHAGHF CAFE FRANCHISE LLC ("Franchisor") Franchise Agreement and its attached Exhibits of which this Guarantee of Performance is Exhibit A, and agree(s) to be personally bound to the "non-competition" restrictions as set forth in Paragraph 13 of the Franchise Agreement, just as if the Guarantor(s) were signatory(ies) to the Franchise Agreement.

Each of the undersigned consents and agrees that: (a) its direct and immediate liability under this Guaranty shall be joint and several; (b) it will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (c) that liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person or entity; and (d) will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grants to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which modify or amend this Guaranty, which is continuing and irrevocable during the term of the Agreement, and any renewals. However, any partial payment Franchisee has made will lower the amount Guarantor owes Franchisor by that amount.

If Franchisor is required to enforce this Guarantee against any of the undersigned guarantors, it shall have the right to proceed against any one, a group of, or all named guarantors to satisfy the franchisee's debt or other obligations. If Franchisor brings an action to enforce this Guarantee, it will be entitled to its reasonable attorneys' fees, costs and expenses. This Guarantee is to be governed under the laws of the State of Illinois. All proceedings under this Guarantee are to be conducted in state or federal court located in or nearest to Chicago, Illinois located in Cook County, Illinois. The undersigned submits to the jurisdiction of and the venue in Cook County, Illinois and agrees not to bring legal proceedings anywhere else for purposes of this Guarantee.

Dated this __ day of _____, 202_____.

PERSONAL GUARANTOR

_____

Personally and Individually (Printed Name)

_____

Personally and Individually (Signature)

Home Address:_____ Telephone No.:_____

Email Address:_____

Percentage of Ownership in Franchisee: _____%

PERSONAL GUARANTOR

_____

Personally and Individually (Printed Name)

_____

Personally and Individually (Signature)

Home Address:_____ Telephone No.:_____

Email Address:_____

Percentage of Ownership in Franchisee: _____%

PERSONAL GUARANTOR

_____

Personally and Individually (Printed Name)

_____

Personally and Individually (Signature)

Home Address:_____ Telephone No.:_____

Email Address:_____

Percentage of Ownership in Franchisee: _____%

EXHIBIT B

EXCLUSIVE TERRITORY

Section 4 of the Shaghf Cafe Franchise LLC_ Franchise Agreement provides for an Exclusive Territory in which you will operate your Franchised Cafe and franchise business.

Location Address:

_____

Your Exclusive Territory is comprised of a five mile radius from the location of your Franchised Cafe.

The grant of an exclusive territory is not a guarantee that you will be successful, or that you will achieve a certain amount of business. You understand that this Exhibit B to the Franchise Agreement clarifies your Shaghf Franchised Cafe location and exclusive territory only.

Dated on the _____ day of _____, 202__.

SHAGHF CAFE FRANCHISE LLC

_____

By: Hamad Khalfan Ali Al-Shareif Aal AlShareif

CEO

FRANCHISEE(S)

_____

_____

_____

EXHIBIT C

EMPLOYEE CONFIDENTIALITY AND NON-COMPETE AGREEMENT

THIS AGREEMENT made this _____ day of _____, 202_ by and between _____ _____, Employer, a franchisee of SHAGHF CAFE FRANCHISE LLC, a Pennsylvania Limited Liability Company ("Franchisor") and _____ whose address is _____, an individual ("Employee").

This is an Employee Confidentiality and Non-Compete Agreement. It is an essential part of your employment relationship with your Employer. Please review this Agreement before accepting employment or receiving special training and instruction. Ask your Employer to explain anything you may not understand. It is very important that you fully understand the obligations under this Agreement.

RECITALS

a. Franchisor, and its Affiliate are the owners of all rights in and to a unique system for the preparation and sale of coffee, coffee drinks and other beverages Franchisor Affiliate's businesses' proprietary recipes, baked goods, and other related food products served in a cafe setting designed by Franchisor, and its Affiliate. Included are the Mark(s), the Confidential Information and trade secrets (the "System"), and a Confidential Operations Manual (the "Operations Manual").

b. Under a written agreement (the "Franchise Agreement") with Franchisor, we, as your Employer have been granted a franchise to operate our Franchised Cafe which is the right and license to operate for an initial term of ten years, and we, as your employer have an obligation under that Franchise Agreement to enter into this Agreement with you, as one of our managerial or supervisory employees, or as an individual receiving special training and instruction in the operation of the franchised business.

c. The purpose of this Agreement is twofold, (1) to protect Franchisor, its Affiliate and its Affiliate principal's intellectual property which includes the mark SHAGHF; their trade secrets and confidential information, and (2) to prohibit you from using Franchisor and its Affiliate's information to directly or indirectly compete with Franchisor during the term of this Agreement, and for twelve months thereafter.

TERMS

In consideration for the mutual promises and covenants included in this Agreement, you, as our Employee, and we, as your Employer, agree as follows:

A. PRESERVATION OF CONFIDENTIALITY

1. The Recitals made above are hereby incorporated and made a part of this Agreement.
2. We both acknowledge and agree that by being employed in a supervisory or managerial

capacity and/or having received special training, you have access to information and materials which constitute trade secrets and confidential and proprietary information, which are not in the public domain. We further acknowledge and agree that any actual or potential direct or indirect competitor of Franchisor or any of its franchisees will not have access to such trade secrets and confidential information.

3. We both acknowledge and agree that the System includes trade secrets and confidential information which Franchisor has revealed to us in confidence, and that the protection of those trade secrets and confidential information, and the protection of Franchisor against unfair competition from others who have or who have had access to the trade secrets and confidential information, are essential for the maintenance of goodwill and special value of the System.

4. You agree that you will not (a) appropriate, use, or duplicate the System, or any portion of it, for use in any business which is not within the System; (b) acquire any right to use, or to license or franchise the use of any name, Marks or other intellectual property right which is or may be granted by a Franchise Agreement between us and Franchisor unless you become a SHAGHF franchisee ; or (c) communicate, divulge, or use for the benefit of any other person, partnership, association, or corporation any confidential information, knowledge, or know-how concerning the methods of operation of a Franchised Cafe which may be communicated to you as a result of your employment with us. You agree to divulge Franchisor or its Affiliate's confidential information only to those of our other employees who must have access to that information in order to operate that business. Any and all information, knowledge, and know-how, including, without limitation, materials, techniques, and other data, which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which you can demonstrate came to your attention before we disclosed it to you, or which after the time we disclosed it, had become a part of the public domain through publication or communication by others.

5. You further acknowledge and agree that the Operations Manual, loaned to us for the duration of the term of our Franchise Agreement, is loaned by Franchisor for limited purposes only, and must remain at the Store at all times, and remains the property of Franchisor. Your Employer, as a franchisee is not permitted to reproduce it, in whole or in part, without the advanced written consent of Franchisor which may be withheld. If the Operations Manual is conveyed to us through electronic means, then you unconditionally agree that you will not otherwise access it, copy it, place it on any form of storage device, or transfer it or a copy of it to the Cloud in a file that is personal to you or any other third party and/or not related to the Franchised Cafe; or to remove it from our premises; or send it by any means whatsoever, to any third party for any reason.

6. If, for some reason, you come into possession of an Operations Manual, either physically or by means of a computer generated version and you are terminated, or leave our employment, you agree to surrender to us or to an authorized Franchisor representative, and/or delete from your computer, that Operations Manual and any other written confidential information or trade secrets you may have been given, or with which you were entrusted during the time of your

employment.

B. ASSURANCES THAT EMPLOYEE WILL NOT COMPETE

You agree that during the time we employ you, and for twelve months following your separation of employment from us, or any other SHAGHF Franchised Cafe, without Franchisor's advanced written, you may not directly or indirectly, for yourself, or through, on behalf of or in conjunction with any person, partnership, corporation or other business entity, engage in or acquire a financial or beneficial interest (including interests in corporations, partnerships, limited liability companies, trusts, unincorporated associations, joint ventures, or other business entities with the exception of making an investment of five 5% percent or less in the voting shares of a publicly held and publicly traded company) or make loans to any business which is the same as a SHAGHF Franchised Cafe(other than a SHAGHF Franchised Cafe franchised to us or to you by Franchisor, after you leave our employ, within a distance of 5 miles outside the perimeter of our exclusive territory, which is 10 miles from our Franchised Cafe.

The obligations of this Section B, where applicable, survive this Agreement.

C. BREACH; REMEDY

We both agree that if there is a breach of either the Confidentiality Section A, or the Non-Compete Section B of this Agreement, Franchisor, its Affiliate and its principal and the System, would be "irreparably injured" and would be without an adequate remedy at law. If there is a breach or a threatened or attempted breach of any of the provisions of this Agreement, Franchisor will be entitled to enforce the provisions of this Agreement as a third party beneficiary and will be entitled, in addition to any other remedies which it may have under this Agreement or at law, or in equity, to a temporary restraining order or to a temporary and/or permanent injunction and a decree for specific performance of this Agreement without the necessity of showing actual damage, and without being required to furnish a bond or other security.

D. GOVERNING LAW; SEVERABILITY AND CONSTRUCTION; ATTORNEYS' FEES

This Agreement will be governed under the laws of the State of Illinois or (State where our SHAGHF Franchised Cafe is located). All provisions of this Agreement are severable and no other provision will be affected by the invalidity of any provision to the extent that its or their invalidity does not also render the other provision invalid. This Agreement will be interpreted and enforced as if all provisions thereby rendered invalid were not contained in this Agreement. If you violate the provisions of this Agreement and a court or arbitrator agrees that our claims are valid, you will be responsible for our costs and reasonable attorneys' fees, or the reasonable attorneys' fees Franchisor and/or its Affiliate incurs if Franchisor and/or its Affiliate enforces this Agreement against you.

SIGNATURES

We both now sign this Agreement in _____,___ effective as of the date stated on the first page of the Agreement.

EMPLOYER

By:_____ **Witness** _____

EMPLOYEE

By:

_____ **Witness** _____

EXHIBIT D

MUTUAL GENERAL RELEASE

This Mutual General Release ("Release") entered into this ____ day of _____, 202_ by and between SHAGHF CAFE FRANCHISE LLC ("Franchisor,") ("we" or "us") and _____("Franchisee" or "you") for the following purpose:

Recitals:

a. Franchisor and Franchisee are parties to that particular Franchise Agreement dated the __ day of __, 202__ (the "Agreement").

b. Franchisor and Franchisee agreed in the Agreement that if and when Franchisee chose to transfer the Agreement, the parties would enter into a Release of claims against the other.

c. This Release does not have any effect on monies currently owed to the Franchisor, or its Affiliate, as that party is identified in the Agreement, nor does this Release excuse Franchisee from the covenants that survive the Agreement.

d. This is the current format for the Release. This or another format for a mutual general release may be in use if and when you are required to sign one.

Now therefore, for valuable consideration the Parties acknowledge as sufficient and received, the Parties agree as follows:

Terms:

1. Date of Effectiveness. This Release will take effect when and if, and only at the time that Franchisee has transferred all of its interest in the franchised business to an unrelated third party; and not to a business entity you organize to operate the Shaghf Franchise Cafe ("Franchised Cafe"), or you have transferred all of your interest in the Franchised Cafe to us.

2. Current Debt. This Release does not forgive any current debt, and it must not be interpreted to reduce or eliminate any monies owed to the Franchisor or its Affiliate, for any reason, at the effective transfer date. Unless otherwise agreed to in writing between the Parties to the Agreement, all amounts you owe us and our Affiliate as of the transfer date will be due and payable in their full amount(s), and we can either withhold our approval of the transfer if you do not satisfy this debt, or we can agree to be paid in full from the closing proceeds, provided the proceeds exceed the amount of debt, if any.

3. Covenants That Survive This Release.

a. This Release does not excuse you from any of the covenants that survive the Agreement. This Release does not excuse adherence to the post-term covenant not to compete. You must not become part of a competitive business in the geographic area and for the time period set forth in the Agreement for post transfer.

b. This Release does not apply to covenants to not use confidential information and trade secrets after you have transferred your interest in the Franchised Cafe. There is no time frame with regard to this prohibition.

c. This Release does not apply to any form of a violation of the Agreement by continued use of our Affiliate's mark SHAGHF or any form of that mark, whether or not the mark is accompanied, super-imposed, or straddles a logo, in effect on the date of the Agreement, or implemented after that date; nor does this Release exclude any form of disparagement.

d. This Release will not exclude any finding of intentional deceit or fraud committed to induce this Release.

4. Mutual Release. Notwithstanding the above to the contrary, and, barring any exclusions set forth above, the parties, their officers, directors, shareholders, members, interest holders, agents, attorneys and representatives by this Release, mutually, now and forever release each other and the above-named releasees from any and all disputes and claims now known or discovered after the effective date of this Release, and from any amounts due to judgment, compromise or settlement of any claims that are pursued.

5. Indemnification. If either party brings any type of legal action or institutes any other proceeding, not otherwise specifically permitted under this Release, that party agrees to indemnify and hold the other party harmless, and to pay any and all costs, expenses and all attorneys' fees that party incurs.

6. Governing Law; Jurisdiction; Venue.

This Release is to be governed under the laws of the State of Illinois. If there is a dispute related to this Release, either party may enforce it by filing an arbitration demand according to the procedure, and in the location stated in the Agreement.

7. Miscellaneous.

a. This Release may only be amended by a writing signed by the parties to whom it applies.

b. Notices under this Release can only be sent in the manner provided for in the Agreement. The address for the Notices are the last known address for each party.

c. If any provision of this Release is found to be unenforceable, and it cannot be limited to the extent that it is enforceable, it will be severed, leaving intact the remainder of the Release.

d. This Release, is the entire agreement stating all applicable terms and conditions. There were no previous negotiations, understandings or agreements on which the parties can rely.

e. No waivers of any provisions of this Release can be inferred or assumed. If either party is requested to waive one or more provisions, that waiver request must be stated in writing and can be reasonably withheld.

f. 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.

Done and executed at ____, __ on the date stated at the beginning of the Agreement.

SHAGHF CAFE FRANCHISE LLC	FRANCHISEE
By:_____	By:_____
Title _____	Title_____
Witness_____	Witness _____

EXHIBIT D

OPERATIONS MANUAL

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EXHIBIT E

SHAGHF CAFE FRANCHISE LLC
FINANCIAL STATEMENTS

The Audited Financial Statements are for the period from January 10, 2025 to March 11, 2025.

SHAGHF CAFE FRANCHISE LLC

Audited Financial Statements as of March 11, 2025

MARCH 11, 2025

PENN ACCOUNTING CPA INC

2000 Valley Forge Cir, Suite 127, King Of Prussia PA 19406
Office: 610-340-4040 / Fax: 484-961-1189

Emad Elkhadrawy, CPA, M. Fin.

Independent Auditor's Report

To the Directors of Shaghf Cafe Franchise LLC
3 Korfakkan Rd, Ground Floor
Fujairah, UAE

Report on the Financial Statements

We have audited the accompanying financial statements of Shaghf Cafe Franchise LLC, which comprise the balance sheet as of March 11, 2025, and the related statements of income and cash flows for the period from the date of organization on January 10, 2025 to March 11, 2025, and the note to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America (US GAAP), and for the design, implementation, and maintenance of internal control over financial reporting that is designed to prevent or detect material misstatements, whether due to error or fraud.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we express no such opinion.

Opinion on the Financial Statements

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Shaghf Cafe Franchise LLC, and the results of its operations and its cash flows for the period from the date of organization on January 10, 2025 to March 11, 2025, and the note to the financial statements.

Internal Control Over Financial Reporting

In accordance with Government Auditing Standards, we have also issued a report on our consideration of Shaghf Cafe Franchise LLC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in conjunction with this opinion.



Emad Elkhadrawy, CPA, M. Fin.
Penn Accounting CPA. Inc
2000 Valley Forge Cir, Suite 127
King Of Prussia PA 19406

STATEMENT OF FINANCIAL POSITION
Shaghf Cafe Franchise LLC

Assets

Current assets:	3/11/2025
Cash	50,402.78
Inventories	
Accounts receivable	
Pre-paid expenses	
Other - Operating Lease	
Total current assets	**50,402.78**

Fixed assets:	Current Year
Property and equipment	-
Equity and other investments	-
Less accumulated depreciation	-
Total fixed assets	**-**

Other assets:	Current Year
Goodwill	-
Total other assets	**-**

Total assets	**50,402.78**

Liabilities and owner's equity

Current liabilities:	Current Year
Accounts payable	
Accrued wages	
Lease Liability	1,750.00
Unearned revenue	
Other	
Total current liabilities	**1,750.00**

Total long-term liabilities	**-**

Owner's equity:	Current Year
Investment capital	50,402.78
Accumulated retained earnings	(1,750.00)
Total owner's equity	**48,652.78**

Total liabilities and owner's equity	**50,402.78**

Balance **-**

Income Statement

Shaghf Cafe Franchise LLC

As of 03/11/2025

Financial Statements in U.S. Dollars

Revenue		
Grants & Donations	$ -	
Other Income		
Total Revenue		**0**
Cost of Goods Sold		
Total Purchases		
Less: Ending Inventory	$ -	
Cost of Goods Sold		0
Gross Profit (Loss)		**0**
Expenses		
Advertising	$ -	
Auto and Truck Expense	$ -	
Bank Charges	$ -	
Contract Labor	$ -	
Depreciation	$ -	
Dues and Subscriptions	$ -	
Employee Benefit Programs	$ -	
Employees Reimbursable Expenses	$ -	
Insurance	$ -	
Interest Other	$ -	
Interest SBA Loan	$ -	
Legal and Professional Fees	$ -	
Organizational Start up Expenditure	$ 1,000	
Office Expense	$ -	
Officer Compensation	$ -	
PayPal Expense	$ -	
Payroll Service Fees	$ -	
Payroll Taxes	$ -	
Postage	$ -	
Rent	$ 750	
Repairs and Maintenance	$ -	
Supplies	$ -	
Telephone	$ -	
Utilities	$ -	
Total Expenses		(1,750)
Net Operating Income		**(1,750)**

Statement of Cash Flows
Shaghf Cafe Franchise LLC
As Of 03/11/2025

	Total
OPERATING ACTIVITIES	
Net Income	-
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Uncategorized Asset	-
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	-
Net cash provided by operating activities	-
INVESTING ACTIVITIES	
Investment by Owner	50,402.78
FINANCING ACTIVITIES	
Owner's Pay & Personal Expenses	-
Net cash provided by financing activities	-
Net cash increase for period	50,402.78
Cash at beginning of period	-
Cash at end of period	50,402.78

Shaghf Cafe Franchise LLC
Notes to the Financial Statements

NOTE 1 – COMPANY BACKGROUND AND NATURE OF ACTIVITIES

Shaghf Cafe Franchise LLC, a Pennsylvania Limited Liability Company (the "Company") was organized on January 10, 2025. The business is privately held. The Company's principal business is the sale and service of franchises that are given the non-exclusive right to use the service mark Shaghf. The service mark is owned by Hamad Khalfan Ali Al-Shareif Aal AlShareif ("Licensor") who entered into a Trade Name and Service Mark License Agreement ("Agreement") with the Company on January 14, 2025. Pursuant to this Agreement, the Company has been granted a non-exclusive license to use the federally registered service mark SHAGHF (as it is written in Arabic) and SHAGHF CAFE in English ("Mark(s)") and any other future marks developed by the Licensor to offer franchises under the Mark(s) and to sign franchise agreements that grant the non-exclusive use of the Mark(s). The Agreement has been entered into for a term of thirty years with an option to extend the use of the Mark(s) for two ten-year periods. The Licensor is obligated to make all continuing filings necessary to maintain the use of the Mark(s). The primary purpose of the Company is to offer for sale, train, and service franchisees that offer coffee, coffee drinks and desserts along with other menu items. As of the date of these Financial Statements, the Company had not begun to offer franchises yet.

End of Report and Notes

EXHIBIT F

STATE ADDENDA FOR FRANCHISE DISCLOSURE DOCUMENT

STATE OF 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 FRANCHISE DISCLOSURE DOCUMENT.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF OUR WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT

http://www.dfpi.ca.gov

The State Cover Page has been amended to include the following risk factors:

1. Item 3 is amended to state that no person named in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

2. Item 6 (Note Section) is amended to state:

The highest interest rate allowed by law in California is 10% annually.

3. Items 17 (b), (c), (d), (e), (f), (g), (h), (i) and (w) are amended to state that California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of a franchise. If the Master Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

4. Items 17 (c) and (m) are amended to state that for the mutual general release of claims you sign, related to the transfer your franchise, California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

5. Item 17 (h) is further amended to state that the Master Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Section 101 et seq.).

6. Item 17 (s) is amended to state that California Corporations Code, Section 31125 requires us to give you a disclosure document, approved by the Department of Financial Protection & Innovation before we ask you to consider a material modification of your Master Franchise Agreement.

7. Item 17 (v) is amended to state that the Master Franchise Agreement requires venue to be limited to Cook County, IL. This provision may not be enforceable under California law.

8. Item 17 (w) is further amended to state that the Master Franchise Agreement contains a provision requiring application of the laws of Illinois. This provision may not be enforceable under California law.

STATE OF HAWAII

THE MUTUAL GENERAL RELEASE LANGUAGE CONTAINED IN THE MASTER FRANCHISE AGREEMENT SHALL NOT RELIEVE US OR OUR AFFILIATES FROM LIABILITY IMPOSED BY THE LAWS CONCERNING FRANCHISING OF THE STATE OF HAWAII.

THESE MASTER FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OF ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED IN THIS DISCLOSURE DOCUMENT 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 7 DAYS BEFORE THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING AGREEMENT, OR AT LEAST 7 DAYS BEFORE 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 MASTER 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 MASTER FRANCHISEE.

STATE OF ILLINOIS

1. Notice Required by Law:

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

2. Item 17
17 (m). To the extent the General Release required to be executed to complete a transfer requires a waiver of compliance with the Illinois Franchise Disclosure Act, that requirement is void.

Item 17 (t). Representations made in this Disclosure Document cannot be excluded by a merger and integration section in the Master Franchise Agreement.

Item 17 (u) and (v). The Illinois Franchise Disclosure Act provides that any provision in the Master Franchise Agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any action that is otherwise enforceable in Illinois, except that arbitration may be held outside Illinois.

Items 17 (v) and (w) are amended to state that the provisions of the Master Franchise Agreement and all other agreements concerning governing law, jurisdiction, venue, choice of law and waiver of jury trials will not constitute a waiver of any right conferred upon you by the Illinois Franchise Disclosure Act. The Illinois Franchise Disclosure Act and Illinois law will govern the Master Franchise Agreement with respect to Illinois licensees and any other person under the jurisdiction of the Illinois Franchise Disclosure Act.

Item 17 (w). The Illinois Franchise Disclosure Act requires that Illinois law apply to any claim arising under that Act.

3. 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. Notwithstanding, the Master Franchise Agreement requires that Illinois law applies, and that venue in Cook County, Illinois is proper.

4. By reading this Disclosure Document, you are not agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.

5. Hamad Khalfan Ali Al-Shareif Aal AlShareif, as Respondent, and the representative for the Shaghf Company an unincorporated business entity entered into an Assurance of Voluntary Compliance with the State of Illinois on August 9, 2024, which was filed in Sangamon County, Illinois, Docket No. 24-AVC-F003.

STATE OF INDIANA

1. Item 8 of the Disclosure Document is amended to add the following:

Under Indiana Code Section 23-2-2.7-1(4), the franchisor will not obtain money, goods, services, or any other benefit from any other person with whom the master franchisee does business, on account of, or in relation to, the transaction between the master franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the master franchisee.

2. Items 6 and 9 of the Disclosure Document are amended to add the following:

The master franchisee will not be required to indemnify franchisor for any liability imposed upon franchisor as a result of master franchisee's reliance upon or use of procedures or products that were required by franchisor, if the procedures or products were utilized by master franchisee in the manner required by franchisor.

3. The "Summary" column in Item 17(r) of the Franchise Disclosure Document is deleted and the following is inserted in its place:

No competing business for two (2) years within the Territory.

The "Summary" column in Item 17(t) of the Franchise Disclosure Document is deleted and the following is inserted in its place:

Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes with regard to prior representations made by us.

The "Summary" column in Item 17(v) of the Franchise Disclosure Document is deleted and the following is inserted in its place:

Litigation regarding Franchise Agreement in Indiana; other litigation in Illinois.

This language has been included in this Franchise Disclosure Document as a condition to registration.

The Franchisor does not agree with the above language and believes that each of the provisions of the Franchise Agreement, including all venue provisions, are fully enforceable.

The Franchisor intends to fully enforce all of the provisions of the Master Franchise Agreement and all other documents signed by it, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

The "Summary" column in Item 17(w) of the Franchise Disclosure Document is deleted and the following is inserted in its place:

Indiana law applies to disputes covered by Indiana franchise laws; otherwise Illinois law applies.

STATE OF MARYLAND

The following provisions will supersede anything to the contrary in the Franchise Disclosure Document and will apply to all master franchises offered and sold under the laws of the State of Maryland:

1. Items 17 (b), (c), (d), (e), (f), (g), (h) and (i) are amended to state that the laws of the State of Maryland may supersede the Master Franchise Agreement, in the areas of termination and renewal of the Master Franchise.

2. Items 17 (c) and (m) are amended to conform to COMAR 02.02.08.16L to state we cannot require you to agree to a general release or mutual general release as a condition of renewal, sale and/or assignment/transfer that applies to or relieves any liability under the Maryland Franchise Registration and Disclosure Law.

3. Item 17 (h) is amended to state that the provision of the Master Franchise Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

4. Item 17 (u) is amended to state:
The Master Franchise Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

5. Item 17 (v) is amended to state that you may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within 3 years after the grant of the Franchise.

6. Item 17 (w) is amended to state that the mutual general release language contained in Section 15 of the Master Franchise Agreement shall not relieve us or our Affiliate from liability under the Maryland Franchise Registration and Disclosure Law.

STATE OF MINNESOTA

1. Minnesota law provides that we must indemnify you against liability to third parties resulting from claims by third parties that your use of our trademarks infringes trademark rights of the third party. We do not indemnify you against the consequences of your use of our trademarks except in accordance with the requirements of the Master Franchise Agreement, and, as a condition to indemnification, you must provide notice to us of any such claim and tender the defense of the claim to us after the claim is asserted. If we accept the tender of defense, we have the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

2. Items 17 (b), (c), (d), (e), (f), (g), (h) and (i) are amended to state that Minnesota law provides you with

certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Master Franchise Agreement.

3. Items 17 (b) and (m) are amended to state that the mutual general release language contained in the Master Franchise Agreement shall not relieve us or our affiliates, from liability imposed by the Minnesota Franchise Investment Law.

4. Items 17 (i), (v) and (w) are amended to state that Minnesota Statutes, Sections 80C.21 and Minnesota Rule 2860.4400J prohibits us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial or termination penalties. Nothing in the Franchise Disclosure Document or Master Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of Minnesota.

STATE OF 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 ADMINISTRATOR LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR RESOURCES OR INFORMATION. REGISTRATION OF THIS MASTER FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN 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 WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS DISCLOSURE DOCUMENT.

1. The following is to be added at the end of Item 3:

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 material civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of master 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 ten years immediately preceding the application for registration, has been convicted 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, except as disclosed above in the Illinois Addendum Hamad Khalfan Ali Al-Shareif Aal AlShareif, as Respondent, and the representative for the Shaghf Company an unincorporated business entity entered into an Assurance of Voluntary Compliance with the State of Illinois on August 9, 2024, which was filed in Sangamon County, Illinois, Docket No. 24-AVC-F003.

2. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirement for franchisee to renew or extend,"** and Item 17 (m), entitled "**Conditions for franchisor approval of transfer"**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

3. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**": You may terminate the agreement on any grounds available by law.

4. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum," and Item 17(w), titled "Choice of law": The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York.

5. 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 Rev. April 2, 2024 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, 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.

STATE OF NORTH DAKOTA

1. Items 17 (c) and (m) are amended to state that no release language set forth in the Master Franchise Agreement shall relieve us or our affiliates from liability imposed by the North Dakota Franchise Disclosure Act.

2. Item 17 (v) is amended to state that any provision in the Master Franchise Agreement which designates jurisdiction or venue or requires the Master Franchisee to agree to jurisdiction or venue, in a forum outside of North Dakota, is deleted.

3. Item 17 (w) is amended to state that the laws of the State of North Dakota supersede any provisions of the Master Franchise Agreement, the other agreements or Illinois law if such provisions are in conflict with North Dakota law. The Master Franchise Agreement will be governed by North Dakota law.

4. Item 17 (w) is amended to state that any provision in the Master Franchise Agreement which requires you to waive your right to a trial by jury is deleted.

STATE OF RHODE ISLAND

In recognition of the requirements of the State of Rhode Island Franchise Investment Act §19-28.1 et seq. (the "Act"), the Franchise Disclosure Document for use in the State of Rhode Island is amended as follows:

Item 17 (h) is amended to state that termination of a Master Franchise Agreement as a result of insolvency or bankruptcy may not be enforceable under federal bankruptcy law.

Items 17 (c) and (m) are amended to state that any release signed as a condition of transfer or renewal will not apply to any claims you may have under the Rhode Island Franchise Investment Act.

Items 17 (u), (v) and (w) are amended to state that any provision in the Master Franchise Agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of laws of a state other than Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

COMMONWEALTH OF VIRGINIA

Item 17(h) is amended to state that, 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 Master Franchise Agreement do not constitute "reasonable cause" as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

STATE OF WASHINGTON

1. The State of Washington has a statute, RCW 19.100.180, which may supersede the Master Franchise Agreement in your relationship with us, including areas of termination and renewal of your master franchise. There may also be court decisions which may supersede the Master Franchise Agreement in your relationship with us, including the areas of termination and renewal of your franchise.

2. A release or waiver of rights you sign will not include rights under the Washington Franchise Investment Protection Act, or any rule or order thereunder except when executed pursuant to a negotiated settlement after the Master Franchise Agreement is in effect and where the parties are represented by independent counsel.

Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

4. Transfer fees are collectable to the extent that they reflect our reasonable estimated or actual costs to approve and complete the transfer.

5. 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 master franchise agreement, a master franchisee may bring an action or proceeding arising out of or in connection with the sale of master franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a master 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 master 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 provisions contained in the master franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

7. 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 master franchise agreement or elsewhere are void and unenforceable in Washington.

STATE OF WISCONSIN

This Addendum to the Franchise Disclosure Document amends Item 17 of the Franchise Disclosure Document as follows:

Item 17 of the Disclosure Document is amended to add the following:

The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07 may affect the termination provision of the Master Franchise Agreement.

STATE ADDENDA FOR FRANCHISE AGREEMENT

STATE OF CALIFORNIA

This Addendum to the Master Franchise Agreement is agreed to by and between SHAGHF CAFE FRANCHISE LLC and _____ to amend and revise the Master Franchise Agreement.

In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code §§31000-3516 and the California Franchise Relations Act, Cal. Bus. and Prof. Code §§20000-20043, the Master Franchise Agreement for SHAGHF CAFE FRANCHISE LLC is amended as follows:

1. The California Franchise Relations Act provides rights to Master Franchisee concerning termination, transfer or non-renewal of the Master Franchise Agreement, which may supersede provisions in the Master Franchise Agreement, specifically Sections 2, 13 and 15.

2. Section 12 contains a covenant not to compete that extends beyond the expiration or termination of the Agreement; this covenant may not be enforceable under California Law.

3. Section 13 which terminates the Master Franchise Agreement upon the bankruptcy of Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

4. Section 19 of the Master Franchise Agreement requires litigation to be conducted in a court located outside of the State of California. This provision might not be enforceable for any cause of action arising under California law.

5. Section 24 of the Master Franchise Agreement requires application of the laws of Illinois. This provision might not be enforceable under California law.

6. Section 21 requires binding arbitration. The arbitration will occur at the forum indicated in Section 21, with the costs being borne by the non-prevailing party. Prospective master franchisees are encouraged to consult legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Master Franchise Agreement restricting venue to a forum outside of the State of California.

Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the California Franchise Investment Law, Cal. Corp. Code §§31000-3516 and the California Franchise Relations Act, Cal. Bus. and Prof. Code §§20000-20043, are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Master Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

Each of the undersigned acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

SHAGHF CAFE FRANCHISE LLC	Master Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____
Date:_____	Date:_____

STATE OF HAWAII

This Addendum to the Master Franchise Agreement is agreed to by and between SHAGHF CAFE FRANCHISE LLC and _____ to amend and revise the Master Franchise Agreement.

In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Revised Statutes, Title 26, Chapter 482E *et seq.*, the Master Franchise Agreement for SHAGHF CAFE FRANCHISE LLC is amended as follows:

1. The Hawaii Franchise Investment Law provides rights to Master Franchisee concerning non-renewal, termination and transfer of the Master Franchise Agreement. If the Master Franchise Agreement, and more specifically Sections 2, 13, and 15 contain a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.

2. Section 13, which terminates the Master Franchise Agreement upon the bankruptcy of Master Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

3. Section 15 requires Master Franchisee to sign a mutual general release as a condition for transfer of the franchise; such release shall exclude claims arising under the Hawaii Franchise Investment Law.

Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Master Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

SHAGHF CAFE FRANCHISE LLC	Master Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____
Date:_____	Date:_____

STATE OF ILLINOIS

This Addendum to the Master Franchise Agreement is agreed to by and between SHAGHF CAFE FRANCHISE LLC and _____ to amend and revise the Master Franchise Agreement.

In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS 705, the Franchise Agreement for SHAGHF CAFE FRANCHISE LLC is amended as follows:

1. Sections 2 and 15 are amended to add:

No release shall be required as a condition of renewal or transfer or as a condition to receiving a refund of a portion of the Master Franchise Fee following a termination of the Franchise that is intended to require Master Franchisee to waive compliance with the Illinois Franchise Disclosure Act, 815 ILCS 705.

2. Sections 2 and 13 are amended to add:

The conditions under which the Master Franchise Agreement can be terminated and Master Franchisee's rights upon termination or non-renewal, as well as the application by which Master Franchisee must bring any claims, may be governed by the Illinois Franchise Disclosure Act, 815 ILCS 705/19 and 705/20.

3. No action for liability under the Illinois Franchise Disclosure Act shall be maintained unless brought before the expiration of 3 years after the act or transaction constituting the violation upon which it is based, the expiration of 1 year after the master franchisee becomes aware of facts or circumstances reasonably indicating that he may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to the master franchisee of a written notice disclosing the violation, whichever shall first expire.

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

5. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Master Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern. Notwithstanding, the Master Franchise Agreement requires that Illinois law applies and the venue is proper in Illinois.

To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of the Master Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

SHAGHF CAFE FRANCHISE LLC	Master Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____
Date:_____	Date:_____

STATE OF INDIANA

This Addendum to the Master Franchise Agreement is agreed to by and between SHAGHF CAFE FRANCHISE LLC and _____ to amend and revise the Master Franchise Agreement.

In recognition of the requirement of the Indiana Deceptive Franchise Practices Law, IC 23-2-2-2.7 and Indiana Franchise Disclosure Law, IC 23-2-2-2.5, the Master Franchise Agreement for SHAGHF CAFE FRANCHISE LLC has been amended as follows:

1. Sections 12 and 14 are amended subject to Indiana Code 23-2-2.7-1(9) to provide that post-term non-competitor covenants shall have a geographical limitation of the territory granted to Master Franchisee.

2. Section 13 is amended to prohibit unlawful unilateral termination of a Master Franchise unless there is a material violation of the Master Franchise Agreement and termination is not in bad faith.

3. Section 15 is amended to state that the prospective mutual general release of claims against Franchisor provided for may be subject to and cannot release claims under the Indiana Deceptive Franchise Practices Law or the Indiana Franchise Disclosure Law.

4. Section 17 is amended to provide that Master Franchisee will not be required to indemnify Franchisor for any liability imposed upon Franchisor as a result of Master Franchisee's reliance upon or use of procedures or products which were required by Franchisor, if such procedures or products were utilized by Master Franchisee in the manner required by Franchisor.

5. Section 19 is amended to provide that Master Franchisee may commence litigation in Indiana for any cause of action under Indiana law.

6. Section 21 is amended to provide that arbitration between Franchisor and Master Franchisee, shall be conducted at a mutually agreed upon location.

7. Section 24 is also amended to provide that, in the event of a conflict of law, the Indiana Franchise Disclosure Law, IC 23-2-2.5, and the Indiana Deceptive Franchise Practices Law will prevail.

Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Indiana Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Master Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

Other than as stated in this Addendum, the Master Franchise Agreement remains unchanged and in full force and effect.

The parties have signed this Addendum below and agree to be bound by the changes it makes to the Master Franchise Agreement.

SHAGHF CAFE FRANCHISE LLC
By: _____

Title: _____

Date: _____

Master Franchisee: _____
By: _____

Title: _____

Date: _____

STATE OF MARYLAND

This Addendum to the Master Franchise Agreement is agreed to by and between SHAGHF CAFE FRANCHISE LLC and _____ to amend and revise the Franchise Agreement.

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. §§14-201-14-233, the Master Franchise Agreement for SHAGHF CAFE FRANCHISE LLC is amended as follows:

1. The laws of the State of Maryland may supersede the Master Franchise Agreement, including Section 13, concerning termination and Section 2, concerning renewal of the Master Franchise Agreement.

2. The Introduction and Section 31 of the Master Franchise Agreement are amended as follows:

Any portion of the Master Franchise Agreement which requires prospective franchisees to disclaim the occurrence and/or acknowledge the non-occurrence of acts would constitute a violation of the Maryland Franchise Registration and Disclosure Law. Any such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

3. Sections 15 of the Master Franchise Agreement is amended to conform to COMAR 02.02.08.16L. Accordingly, under Maryland Franchise Registration and Disclosure Law we cannot require you to agree to a mutual general release as a condition sale, and/or assignment /transfer that applies to or relieves any liability under that law.

4. Sections 19 and 21 of the Master Franchise Agreement are amended to provide that a Maryland franchise regulation states that is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within 3 years after the grant of the Master Franchise Agreement.

5. Section 24 of the Master Franchise Agreement requires that the Master Franchise be governed by the laws of the State of Illinois; however, in the event of a conflict of laws to the extent required by the Maryland Franchise Registration and Disclosure Law, the laws of the State of Maryland shall prevail.

Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Master Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

SHAGHF CAFE FRANCHISE LLC	Master Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____
Date:_____	Date:_____

STATE OF MINNESOTA

This Addendum to the Master Franchise Agreement is agreed to this ___ day of _____, 20__, by and between SHAGHF CAFE FRANCHISE LLC and _____, to amend and revise said Master Franchise Agreement.

1. Sections 2, and 13 of the Master Franchise Agreement are amended to provide that Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement.

2. Under Minnesota law, Franchisor must indemnify Master Franchisee against liability to third parties resulting from claims by third parties that Master Franchisee's use of Franchisor's trademarks infringes trademark rights of the third party.

Section 8.2 of the Master Franchise Agreement is amended to require that Franchisor indemnifies Master Franchisee against liability to third parties resulting from claims by third parties that Franchisee's use of Franchisor's trademarks infringes trademark rights of the third party.

3. Section 24 of the Master Franchise Agreement is amended to read as follows:

"Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. ¶ 1050 et seq.), as amended, this Agreement will be governed by the laws of the State of Illinois, without recourse to Minnesota choice of law or conflicts of law principles, provided, however, that this Section shall not in any way abrogate or reduce any rights of Master Franchisee as provided for in Minnesota Statutes 1984, Chapter 80C, including the right to submit matters to the jurisdiction of the courts of Minnesota."

4. The following language will appear at the end of Section 19 of the Master Franchise Agreement:

"Minnesota Statutes, Sections 80C.21 and Minnesota Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or Master Franchise Agreement can abrogate or reduce any of Master Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Master Franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction."

5. Minn. Rule 2860-4400J prohibits waiver of a jury trial. To the extent Section 21 of the Master Franchise Agreement states that trial by jury is waived, that language is deleted.

6. Section 15 provides for a mutual general release of any claims against Franchisor that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D which prohibits a franchisor from requiring a franchisee to assent to a general release.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this

Addendum, and understands and consents to be bound by all of its terms.

SHAGHF CAFE FRANCHISE LLC	Master Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____
Date:_____	Date:_____

STATE OF NEW YORK

This Addendum to the Master Franchise Agreement is agreed to by and between SHAGHF CAFE FRANCHISE LLC and _____ to amend and revise the Master Franchise Agreement.

In recognition of the requirements of the General Business Laws of the State of New York, Section 33, §§ 680 through 695, the Master Franchise Agreement for SHAGHF CAFE FRANCHISE LLC is amended as follows:

1. Section 15 of the Master Franchise Agreement is amended to provide that no release language set forth in the Master Franchise Agreement will relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws of the State of New York concerning franchising.

2. Under Section 15 of the Master Franchise Agreement, Franchisor shall not transfer and assign its rights and obligations under the Master Franchise Agreement unless the transferee will be able to perform Franchisor's obligations under the Master Franchise Agreement, in Franchisor's good faith judgment, so long as it remains subject to the General Business Laws of the State of New York.

3. Section 24 of the Master Franchise Agreement requires that the Master Franchise be governed by the laws of Illinois. This requirement will not be considered a waiver of any right conferred upon Master Franchisee by Section 33 of the General Business Laws.

Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the New York Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Master Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

SHAGHF CAFE FRANCHISE LLC	Master Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____
Date:_____	Date:_____

STATE OF NORTH DAKOTA

This Addendum to the Master Franchise Agreement is agreed to by and between SHAGHF CAFE FRANCHISE LLC and _____to amend and revise the Master Franchise Agreement.

The North Dakota Securities Commission requires that certain provisions contained in the Agreement be amended to be consistent with North Dakota Law, including the North Dakota Franchise Investment Law, North Dakota Century Code Addendum, Chapter 51-19, Sections 51-19-01 *et seq.* The Master Franchise Agreement for SHAGHF CAFE FRANCHISE LLC is amended as follows:

1. Section 12 and 14 are amended to add that covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.

2. Section 15 is amended to provide that no release language set forth in the Master Franchise Agreement will relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws of the State of North Dakota concerning franchising.

3. Section 19 is amended to provide that any provision in the Franchise Agreement that designates jurisdiction or venue or requires the Master Franchisee to agree to jurisdiction or venue, in a forum outside of North Dakota, and any provision that purports to waive trial by jury is deleted.

4. Sections 19 is amended to add that any action may be brought in the appropriate state or federal court in North Dakota with respect to claims under North Dakota Law.

5. Sections 19 and 24 is amended to state that the statute of limitations under North Dakota Law shall apply.

6. Section 21 is amended to the extent that the laws of the State of North Dakota are not pre-empted by the Federal Arbitration Act, to state that arbitration involving a Master Franchise purchased in North Dakota must be held either in a location mutually agreed upon prior to the arbitration, or if the parties cannot agree on a location, the arbitrator will determine the location.

7. Section 24 is amended to state that in the event of a conflict of laws, North Dakota Law shall prevail.

8. Section 24 is amended to provide that the laws of the State of North Dakota supersede any provisions of the Master Franchise Agreement, or Illinois law. If such provisions are in conflict with North Dakota law, the Master Franchise Agreement will be governed by North Dakota law.

Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the North Dakota Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Master Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

SHAGHF CAFE FRANCHISE LLC	Master Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____
Date:_____	Date:_____

STATE OF RHODE ISLAND

This Addendum to the Master Franchise Agreement is agreed to by and between SHAGHF CAFE FRANCHISE LLC and _____to amend and revise the Master Franchise Agreement.

In recognition of the requirements of The Rhode Island Franchise Investment Act §19-28.1-14, for all Franchise Agreements offered and sold in the State of Rhode Island, the Master Franchise Agreement for SHAGHF CAFE FRANCHISE LLC is amended as follows:

1. Section 15 requires Master Franchisee to sign a mutual general release as a condition for transfer, such release shall exclude claims arising under The Rhode Island Franchise Investment Act.

2. Subsection 19 is amended to provide that Section 19-28.1.-14 of the Rhode Island Franchise Investment Act, as amended by laws of 1993, provides that "a provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

3. Section 24 is amended to provide that any provision in the Master Franchise Agreement which designates the governing law as that of any state other than the State of Rhode Island is deleted.

Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Rhode Island Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Master Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

SHAGHF CAFE FRANCHISE LLC	Master Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____
Date:_____	Date:_____

COMMONWEALTH OF VIRGINIA

This Addendum to the Master Franchise Agreement is agreed to by and between SHAGHF CAFE FRANCHISE LLC and _____ to amend and revise the Master Franchise Agreement.

Section 13 of the Master Franchise Agreement which terminates the Master Franchise Agreement upon the bankruptcy of Master Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

SHAGHF CAFE FRANCHISE LLC	Master Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____
Date:_____	Date:_____

STATE OF WASHINGTON

This Addendum to the Master Franchise Agreement is agreed to by and between SHAGHF CAFE FRANCHISE LLC and _____to amend and revise the Master Franchise Agreement.

In recognition of the requirements of the Washington Franchise Investment Protection Act, Washington Rev. Code §§19.100.010 – 19.100.940, the Master Franchise Agreement for SHAGHF CAFE FRANCHISE LLC is amended as follows:

1. Sections 2 and 13 are amended to provide that if any of the provisions in the Franchise Disclosure Document or Franchise Agreement are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act (the "Act") (including areas of termination and renewal of your franchise), the provisions of the Act will prevail over the inconsistent provisions of the Franchise Disclosure Document or Master Franchise Agreement with regard to any franchise sold in Washington. There may also be court decisions which may supersede the Master Franchise Agreement in your relationship with the franchisor including the areas of renewal and termination in your master franchise.

2. Section 15 is amended to provide that transfer fees are collectable to the extent that they reflect Franchisor's reasonable estimated or actual costs in effecting a transfer, and to provide that a release or waiver of rights executed by a Master Franchisee will not include rights under the Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the Master Franchise Agreement is in effect and where the parties are represented by independent counsel.

3. Sections 19 and 21 require litigation or arbitration to be conducted in the State of Illinois; the requirement shall not limit any rights Master Franchisee may have under the Washington Franchise Investment Protection Act to bring suit in the State of Washington.

4. Sections 19 and 24 is amended to provide that provisions that unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

5. Section 24 requires that the Master Franchise be governed by the laws of the State of Illinois; such a requirement may be unenforceable in the event of a conflict with the Washington Franchise Investment Protection Act. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

6. Provisions such as those that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or restrict or limit rights or remedies available to a master franchisee under the Washington Franchise Investment Protection Act, such as a waiver of the right to a jury trial, may not be enforceable.

7. In any arbitration or mediation involving a master 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 master franchise agreement, a master franchisee may bring an action or proceeding arising out of or in connection with the sale of master franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

8. Sections 12 and 14 of the Master Franchise Agreement are amended to the extent they conflict with RCW 49.62.020, which states that 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). Sections 12 and 14 and any other contained in the Master Franchise Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

10. 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 Master Franchise Agreement or elsewhere are void and unenforceable in Washington.

Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Washington Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Master Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

SHAGHF CAFE FRANCHISE LLC	Master Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____
Date:_____	Date:_____

STATE OF WISCONSIN

This Addendum to the Master Franchise Agreement is agreed to by and between SHAGHF CAFE FRANCHISE LLC and _____ to amend and revise the Master Franchise Agreement.

1. The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07 shall supersede any conflicting terms of the Master Franchise Agreement.

2. This provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Wisconsin Fair Dealership Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Master Franchise Agreement, or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

SHAGHF CAFE FRANCHISE LLC	Master Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____
Date:_____	Date:_____

EXHIBIT G

LIST OF AFFILIATE'S MASTER FRANCHISEES

The following are names, addresses and telephone numbers of all Shaghf Cafe Master Franchisees who have signed our Affiliate's agreement which provided master franchise rights which have some similarity but are much different than the Master Franchise Agreement included in this Disclosure Document. They are arranged alphabetically by state. The address and phone number for Omair Hasan Farooq, Afzal Ullah Syed and Ayesha Sana which apply to California, Florida, Georgia, New Jersey and Ohio have only been inserted once. Although all individuals designated below signed the agreement in question, certain of them have made arrangements between themselves to exit those agreements on or about September 20, 2024 and notified the party that made the sales. The individual whose name is underlined is the one individual that remained with the rights. With regard to New Jersey, Mr. Omair Hasan Farooq made an arrangement for another individual to own those rights with him. Mr. Omair Hasan Farooq then notified the party that made the initial sale to him of the internal arrangement. Mr. Omair Hasan Farooq notified the party that made the sale to him that he and Mr. Syed Saifullah Hussaini were equal partners. No sale was made to that individual by the party that sold the rights to Mr. Omair Hasan Farooq. This was an internal arrangement. The last sale for these rights was made on March 3, 2024, and that program was ended:

	Name	Address	Territory	Phone
1	Omair Hasan Farooq Afzal Ullah Syed Ayesha Sana	748 Dalton Lane, Bolingbrook, IL 60490 2552 Weatherbee Lane, Naperville, IL 60563 285 Finstown Street, Hutto, TX 78634	California (except for one unit in San Diego)	408-480-0161 469-478-5663 703-677-5224
2	Omair Hasan Farooq, Afzal Ullah Syed, Ayesha Sana	Same as California	State of Florida	
3	Omair Hasan Farooq, Afzal Ullah Syed, Ayesha Sana	Same as California	State of Georgia	
4	Tariq Khan Muddassir Kamran Mohammed	1157 Michael Road South Elgin, IL 60177 1889 Somerset Drive, Unit 1A Glendale Heights, IL 60139	Illinois (except for one unit in Willowbrook)	773-747-0229 313-377-6490
5	Omair Hasan Farooq,	Same as California	State of New	

	Afzal Ullah Syed, Ayesha Sana, Syed Saifullah Hussaini	3100 River Birch Pl., Amarillo, TX 79124	Jersey	469-922-0660
6	Omair Hasan Farooq, Afzal Ullah Syed, Ayesha Sana	Same as California	State of Ohio	
7	Monsoor Alam Khan, Mohammed Maaz Ahmed Shereef, Umar Farooq Mohammed	9351 Royal Way, Houston, TX 77083 489 Nolan Hill Blvd NW, Calgary, Alberta, T3R 0S8 Canada 68 Harvest Hills Way NE, Calgary, Alberta, T3K 2N6, Canada	State of Texas	385-549-2517 289-688-1235 306- 999-0006

EXHIBIT H

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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:

California	Effective Date:	
Hawaii	Effective Date:	
Illinois	Effective Date:	
Indiana	Effective Date:	
Maryland	Effective Date:	
Michigan	Effective Date:	March 17, 2025
Minnesota	Effective Date:	
New York	Effective Date:	
North Dakota	Effective Date:	
Rhode Island	Effective Date:	
South Dakota	Effective Date:	
Virginia	Effective Date:	
Washington	Effective Date:	
Wisconsin	Effective Date:	

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.

EXHIBIT I

Receipt

This Disclosure Document summarizes certain provisions of the Master Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If SHAGHF CAFE FRANCHISE LLC offers you a master franchise, SHAGHF CAFE FRANCHISE LLC must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed master franchise sale unless otherwise stated in your state's addendum.

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.

New York law requires us to provide 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.

If SHAGHF CAFE FRANCHISE LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the State Administrator listed in Exhibit A.

The Franchisor is SHAGHF CAFE FRANCHISE LLC, located in Fujairah, UAE. Its telephone number is 971 55 530 8222.

The franchise seller for this offering is Niaz Ahmed. His telephone number is 971 50 493 3936.

SHAGHF CAFE FRANCHISE LLC authorizes the respective state agencies identified on Exhibit A to receive service of process for it in the particular state.

Issuance Date: March 18, 2025

I have received a Franchise Disclosure Document dated March 18, 2025, including the following exhibits on the date listed below:

A. List of State Administrators and Agents for Service of Process
B. Master Franchise Agreement and Exhibits
C. Copy of Unit Franchise Agreement
D. Operations Manual Table of Contents
E. Financial Statements
F. Franchise Disclosure Document State Addenda and State Addenda for Franchise

Agreement
G. List of Affiliate's Master Franchisees
H. State Effective Page
I. Receipts

Please sign and date this copy and retain for your records.

FDD received: Date: _____

Prospective Franchise Signature: _____

Prospective Franchisee Name: _____

Return to:
SHAGHF CAFE FRANCHISE LLC
by email to: hkalgroup@gmail.com one signed and dated Receipt
(Copy # 1)

Receipt

This Disclosure Document summarizes certain provisions of the Master Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If SHAGHF CAFE FRANCHISE LLC offers you a master franchise, SHAGHF CAFE FRANCHISE LLC must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed master franchise sale unless otherwise stated in your state's addendum.

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.

New York law requires us to provide 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.

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G. List of Affiliate's Master Franchisees
H. State Effective Page

I. Receipts

Please sign and date this copy and retain for your records.

FDD received: Date: _____

Prospective Franchise Signature: _____

Prospective Franchisee Name: _____

(Copy # 2)