

This document represents part of an agreement between two fictitious parties, and makes part of the exercise for assessing basic knowledge in Franchising terms.

Kindly fill in the blanks below with one of the following terms:

Franchise - Franchisor - Master Franchisee -Franchisee

A

B

C

D

1----- AGREEMENT

for the

Region of the Kingdom of Jordan

This 2----- Agreement (“Agreement”) is entered into on this 25th day of August 2004, between

(1) **General Foods Company**, a limited liability company, organized and established in the State of Kuwait, Gulf Street, Beta Bldg. (**“Master Franchisee”**), and

(2) **AHMAD BU AHMAD**, a Jordanian National, residing in Abdoon, Main Street, Villa Number 4000(**Franchisee**)

RECITALS

- A. **MC-DOLLARS Inc., USA** (3-----) has developed and owns a unique and distinctive system for establishing and operating **FAST FOOD outlets**, which include certain proprietary Marks to identify the source of services and products marketed under the system and to represent the system's high standards
- B. Pursuant to the Master Franchise Agreement, 4----- has licensed Master Franchisee to sub-license and Franchise the System for use in connection with the establishment and operation of Stores in an area that includes the Region.
- C. Pursuant to the Master Franchise Agreement, 5 ----- wishes to sub-license and Franchise the System for use in connection with the establishment and operation of Stores in the Region to Franchisee, and Franchisee wishes to obtain certain rights to use the System in connection with the operation of the Stores in the Region.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments set forth herein, agree as follows:

1. Definitions

As used in this Agreement the following capitalized terms shall have the meaning attributed to them in this Clause:

“Account” means an account designated by Master Franchisee to receive Payments.

“Advertising Fee” means the monthly fee **6-----** must pay to Master Franchisee or Master Franchisee's designee for certain local, regional, and national advertising as set forth in Clause X.

“Agreement” means this Franchise Agreement, dated as of the date first stated above, and all written amendments thereto..

“Business Days” means each calendar day except Fridays and national legal holidays under the laws in effect in the Region.

“Store” means the initial training Store located at the Designated Location, licensed by Master Franchisee to **7-----** pursuant to this Agreement, and other agreements ancillary to either, and the plural, “Stores” shall mean the initial Store and any Stores that are opened subsequent to the initial Store pursuant to the provisions of this Agreement. “Store” shall also mean one (and only one) “outlet” which may be opened by the **8-----** and which will count as a “Store” for the purposes of this Agreement, but which may have certain mutually agreed characteristics that are unique to the “outlet.” Notwithstanding the foregoing, the design, layout and other characteristics of the “outlet” are subject to approval by **9-----** .

“Designated Location” means the approved site of the initial Store, more specifically described in Attachment A hereto.

“Franchisee”	means Mr Ahmad Bu Ahmad
“Master Franchisee”	means <i>FAST FOOD co.</i> or any Affiliate thereof.
“Franchisor”	means <i>MC-Dollars Inc., USA (the “Franchisor”)</i>
“Gross Sales”	means all revenues received or receivable from the sale of all services and products, whether sold in the Stores or elsewhere, whether for cash or credit or payment in kind, and all revenues or value from any source derived directly or indirectly from the operation of the Stores, and all other income and compensation of every kind and nature generated from the Stores.
“Initial Term”	means a period commencing as of the date hereof and continuing (-----)
“Initial Franchise Fee”	means the amount described in Clause Y hereof paid by Franchisee to 10----- reflecting, in part, certain expenses incurred or to be incurred by Master Franchisee in providing services under this Agreement and in consideration of, in part, the right to operate the Stores under the System.
“Manual”	means the confidential operating manual developed and prepared by MASTER FRANCHISEE and 11----- containing operational standards (including the Standards), policies, procedures, quality control standards (including the Standards), and other proprietary confidential information, as amended by Master Franchisee from time to time at its sole discretion.
“Master Franchise Agreement”	means the Master Franchise Agreement between Master Franchisee and Franchisor, dated pursuant to which Franchisor has certain rights to sub-license and 12----- the System to Master Franchisee for use in connection with the establishment and operation of the Stores.
“Payments”	means all payments of funds or monies owned from 13----- to Master Franchisee pursuant to or arising from this Agreement, including, without limitation, the Advertising Fee and the Royalties (if any).

“Proprietary Marks”	means certain trademarks, trade names, service marks, emblems and indicia of origin owned by 14 ----- and designated by Franchisor from time to time to be used in connection with the operation of the Store pursuant to the System. Franchisee will obtain certain rights to use the Proprietary Marks pursuant to the Trademark License Agreement to be executed by 15 ----- and 16 -----, upon approval of the initial Store.
“Region”	means the store in Amman Region in Jordan
“Regional Marketing fund”	means a fund established by Master Franchisee for advertising and other promotional events for the benefit of Master Franchisee Stores in the Region.
“Renewal Term”	means a period commencing upon expiration of the Initial term and continuing for () years.
“Site Approval package”	means a package delivered to 17 ----- --- containing the following: <ul style="list-style-type: none"> (i) the financial statements for Franchisee, its Principals and the financial statements of all Stores that Franchisee operates, all prepared under generally accepted accounting principles used in the Region; (ii) a business plan, in reasonable detail, including the estimated start-up and construction costs for the first year of operations of the proposed Stores; (iii) the proposed design of the Stores as designed by Franchisee within the specifications provided by 18 ----- -----, including the proposed use of the Master Franchisee trade dress (where applicable) and proposed display of the Proprietary Marks, architectural and construction plans, including floor plans, store front elevation plans, reflective ceiling plans, and the lease for the premises of the Stores. The lease must be complete as to all terms that will be applied, and just specify the exact location of the Stores; (iv) then current organization documents which shall comply with and conform to all laws and requirements in effect in the

Region for businesses conducting franchising operations. If Franchisee is a corporation, limited liability company, partnership, or other entity, these must include a copy of all of the documents or public deeds through which the entity was incorporated, organized, registered, and/or brought into legal existence, and all amendments to these documents, along with registration data from the applicable public or official registry in the applicable jurisdiction for the Store, and proof that the entity is qualified to do business and is in good standing in the applicable jurisdiction for the Stores; and

- (v) such other information as Master Franchisee reasonably requests.

“Standards”

means the standards and specifications, including standards for design, layout, and colour schemes as amended from time to time by ~~19~~, contained in, and being apart of, the Confidential Information pursuant to which the Stores shall be established and operated.

“Store”

means the initial FAST FOOD outlet located at the Designated Location, licensed by Master Franchisee to ~~20~~ pursuant to this Agreement, and other agreements ancillary to either, and the plural, “Stores” shall mean the initial Store and any Stores that are opened subsequent to the initial Store pursuant to the provisions of this Agreement. The design, layout and other characteristics of the “outlet” are subject to approval by ~~21~~.

“System”

means a unique, proprietary system developed and owned by ~~22~~ and licensed to Master Franchisee for use in the Region (including the right to sub-license) for the establishment and operation of a store specialised FAST FOOD which includes, without limitation, design, decor, and color schemes; uniform standards, products, services and specifications; procedures with respect to operations and inventory and management control (including accounting procedures and policies); training and assistance; and advertising and promotional programs (as further developed by Master Franchisee from time to time).

“Term” means the period constituting the Initial Term and, if properly and effectively exercised, the Renewal term.

“Trademark License Agreement” means an agreement between Master Franchisee and Franchisee, pursuant to which Franchisee obtains rights to use the Proprietary Marks in connection with the Stores which is in substantially the same as **Attachment B hereto**.

“Transfer” means the sale, assignment, conveyance, pledge, mortgage or other encumbrance, whether direct or indirect, of (i) this Agreement or any Franchise Agreement; (ii) any or all rights or obligations of Franchisee herein; or (iii) any interest in any Security, including the issuance of any new Securities.

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