

FRANCHISE DISCLOSURE DOCUMENT

Al Manakeesh Franchising, LLC

10303 Oxford Avenue

Chicago Ridge, IL 60415

(708) 741-7997

info@almanakeesh.com



The franchisor, Al Manakeesh Franchising, LLC (“Al Manakeesh,” “us” or “we”), is in the business of operating and franchising restaurants under the “Al Manakeesh” name that feature manakeesh, bagels, sandwiches, pizza, desserts, coffee, tea, and other beverages and other food products. The franchisee will operate an Al Manakeesh Restaurant.

The total investment necessary to begin operation of a Al Manakeesh franchise ranges from **\$261,430 to \$402,900**. This includes a total of \$350,500 that must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact us at Al Manakeesh Franchising, LLC, **10303 Oxford Avenue, Chicago Ridge, IL 60415**.

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 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, DC 20580. You can also visit your public library for other sources of information on franchising.

Item 5: Initial Fees

Initial Franchise Fees (“IFF”): The initial franchise fee for an Al Manakeesh Restaurant is Thirty Five Thousand Five Hundred Dollars (\$35,500), which consists of the Thirty Thousand Dollar initial franchise fee, plus a Five Thousand Five Hundred Dollar (\$5,500) expense for point of sale equipment that is payable to us.

If you do not open your Restaurant within twelve (12) months of the date you sign the franchise agreement, we, or you, may terminate the Franchise Agreement. If the Franchise Agreement is terminated, we will retain one half of the IFF, plus any expenses that we actually incurred on your behalf (including, but not limited to travel, marketing, etc.). We will return the remainder of the IFF to you after we deduct half of the IFF and the costs that we incurred on your behalf.

Notes:

We may offer other reduced or deferred IFFs in special circumstances, such as to franchisees who commit to and have the ability to develop a large number of territories. Additionally, we may have special incentive offers in certain markets, such as new and developing markets, which include reduced, waived or deferred IFFs. These special incentives may be offered to existing and/or new franchisees. These reduced fees only apply to those who are in compliance with all of our agreements and requirements. We reserve the right to cancel or modify any incentive program or discount at any time.

Deferral of Initial Franchise Fees in Minnesota and Illinois: In the states of Minnesota and Illinois, the payment of the Initial Franchise Fee from Franchisee to Franchisor shall be deferred until Franchisor has satisfied its pre-opening obligations to Franchisee and the Franchisee has commenced business operations. The Illinois Attorney General’s Office and the Minnesota Department of Commerce imposed this deferral requirement due to Franchisor’s financial condition.

Refunds:

Unless otherwise mandated by law, and, except as stated above, the IFF is not refundable to you under any circumstance and is paid in consideration of the costs incurred by us in connection with the execution of the Franchise Agreement and with our lost or deferred opportunity to enter into a Franchise Agreement with other prospects.

Initial Fees and Payments For Services or Goods Received From the Franchisor or its Affiliates Before the Business Opens:

Franchisee is responsible for paying franchisor the Initial Franchise Fee, which is Thirty Thousand Dollars (\$30,000), before the business opens. This fee is not refundable, except as stated above.

Up Print Package, Local Advertising, Insurance, Signs, Travel and Living Expenses During Training, Professional Support, and Additional Funds for 3 Months of Operating Expenses.

Notes:

Note 1. The franchise fee for your first franchise will be \$30,000. This amount will also be the initial franchise fee for each additional franchise. The Initial Franchise Fee is not refundable. The states of Minnesota and Illinois require that franchisor defers the acceptance of the initial franchise fee until after the restaurant is open for business and all contractually obligated services required to be provided by franchisor prior to franchisee's opening have been completed.

Note 2. You must secure suitable real estate for your Restaurant. Typical locations for traditional Al Manakeesh Restaurants are 1,500 to 2,200 square feet. Normally, the real estate is leased. The amounts indicated assume that real estate is leased and reflect a typical range of monthly rentals. The amount of your rent is dependent upon factors such as size, condition, market prices, and location. Neither Al Manakeesh Franchising, LLC, nor its affiliates if any, will lease real estate to you. The amount of rent, the time at which the rent is due and to whom the rent is paid is subject to negotiation by you and the landlord. Security deposits are payable to landlords and utility companies. We will review your lease to make sure that it is suitable for Al Manakeesh Franchising, LLC. We will not review your lease on your behalf. You are encouraged to retain a real estate attorney to represent your interests for lease review and negotiation.

Note 3. The amount shown is for the purchase of equipment and fixtures for a traditional restaurant.

Note 5. You must spend a minimum of One Thousand Five Hundred Dollars (\$1,500) on local advertising at the time your Restaurant opens.

Note 6. You must maintain the following insurance coverage: workers' compensation and occupational disease; and general liability, including products liability; with a limit of not less than \$1,000,000 per occurrence. Al Manakeesh Franchising, LLC must be listed as an additional insured on all policies. If you fail to obtain the required insurance, Al Manakeesh Franchising, LLC may purchase the insurance on your behalf and charge you for it. Al Manakeesh Franchising, LLC may increase the minimum required amounts of insurance in the future upon thirty (30) days written notice.

Note 7. You will participate in at least seven (7), but up to seventeen (17) days of hands-on training at an Al Manakeesh restaurant that will be approved by Al Manakeesh Franchising, LLC. You are responsible for paying for your own living and travel expenses. You will not be charged any additional fee to be trained. You will not be paid during your training. You may be required to pass a written or electronic test at the conclusion of your training to be permitted to open your Restaurant. The remainder of your training will be

<u>TOTAL</u>	<u>0</u>	<u>108</u>	
--------------	----------	------------	--

You are responsible for personal expenses in connection with the training program, including costs and expenses of transportation, lodging, meals, and employee benefits. There is no additional cost for the initial training program. You will attend the first training program after you sign the franchise agreement and have paid the initial franchise fee. Upon completion of the training program, you will be required to pass an examination administered by us which tests you on the subjects covered during the training program.

We may require you to attend seminars and additional training programs during the term of your franchise agreement. The fees for such seminars are unknown at this time, but will not exceed the amount of one thousand dollars (\$1,000) in any calendar year.

Operating Manual

We will provide you with a copy of (or access to) the Operating Manual within seven (7) days of your execution of the Franchise Agreement. The Operating Manual contains mandatory standards, operating procedures and specifications for the System. We can change the terms of, and add to, the Operating Manual whenever we believe it is appropriate (Franchise Agreement, Section 2). A copy of the table of contents of the Operations Manual, which contains 70 pages, as of the date of this Disclosure Document is attached as Exhibit C. The Operating Manual is also available online through the Al Manakeesh Intranet.

REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

Manakeesh Restaurant was open is \$179,564. The median Gross Sales for the same period was \$170,839.

This is a representation for a single unit, which is the only one that was in operation in 2024.

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

Written substantiation of the historic financial performance representation will be made available to you upon reasonable request.

Other than the preceding financial performance representation, [name of franchisor] does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing 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 the franchisor's management by contacting [name, address, and telephone number], the Federal Trade Commission, and the appropriate state regulatory agencies.

**Item 20:
Outlets And Franchise Information**

**Table No. 1
Systemwide Outlet Summary for 2022-2024**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	0	No Change
	2023	0	0	No Change
	2024	0	0	No Change
Company Owned	2022	0	0	No Change
	2023	0	0	No Change
	2024	0	1	+1
Total Outlets	2022	0	0	No Change
	2023	0	0	No Change
	2024	0	1	+1

**Table No. 2
Transfers of Outlets from Franchisees to New Owners
(Other than the Franchisor) for years 2022-2024**

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of a 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.

VIRGINIA ADDENDUM

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.

MINNESOTA ADDENDUM

1. With respect to franchisees governed by Minnesota law, the following shall apply:

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.
- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.
- Franchisee has a financial condition imposed upon it by the State of Minnesota due to the audited financial statements of Franchisor. Franchisor shall defer the receipt of all Initial Franchise Fees until after Franchisor has fulfilled all of its pre-opening obligations under the Franchise Agreement.

Exhibit B
State Franchise Administrators/Agents for Service of Process

Listed here are the names, addresses, and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states.

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 franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process.

Illinois: (State agency and service of process)

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

Maryland:

State Agency

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

Service of Process

Maryland Securities Commissioner
At the Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202

State Effective Dates

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
Illinois	October 27, 2025
Michigan	July 16, 2025
Wisconsin	September 3, 2026
Virginia	Pending
<u>Minnesota</u>	<u>Pending</u>

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.