

/

**CONFIDENTIAL SETTLEMENT AGREEMENT**  
**AND MUTUAL RELEASE OF CLAIMS**

This Confidential Settlement Agreement and Mutual Release of Claims (the "Settlement Agreement") is made effective this 14th day of November, 2008 (the "Effective Date"), by and between Mya Saray, LLC ("Mya Saray"), a Virginia limited liability company located at 43671 Trade Center Place, Unit 114; Sterling, VA. 20166, and Al-Amir, Inc. ("Al-Amir"), a Michigan corporation located at 15322 West Warren Avenue; Dearborn, Michigan 48126. Mya Saray and Al-Amir each are referred to herein separately as "Party" and are referred to herein collectively as the "Parties."

WHEREAS, a dispute has arisen between the Parties relating to Al-Amir's sale, marketing, and distribution of certain Hookah Products and certain packaging ("Disputed Packaging") uses by Al-Amir of certain trademarked Mya Saray products, packaging, and terms; and

WHEREAS, Mya Saray filed suit against Al-Amir in United States District Court for the Eastern District of Virginia, Case No. 1:08-cv479-GBL/TCB, and Al-Amir has brought counterclaims and other affirmative claims against Mya Saray in that case (hereinafter "Virginia Case"); and

WHEREAS, the parties wish to resolve the issues raised in the Virginia Case;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

**Section I. Mya Saray Trademarks**

1.1 **Product Sales Prohibition.** As of the Effective Date of this Settlement Agreement, Al-Amir, with particular reference to the entities of Subsection 7.5, shall be forbidden from distributing, selling, marketing, advertising, importing, vending, or purchasing Hookah Products having product configurations identical to the Hookah Products of Exhibit 5. Hookah Products shall be read to include the depicted hookah components individually such as hookah bottles/bases and hookah stems.

1.2 **Use of Packaging Prohibition.** As of the Effective Date of this Settlement Agreement, Al-Amir shall permanently cease all sales, distribution, purchasing, and marketing of any products within the Disputed Packaging. Products within the Disputed Packaging may be removed and sold without the Disputed Packaging subject to the prohibitions of Subsections 1.1 and 1.3. An explanation of Disputed Packaging is contained in Exhibit 2.

1.3 **Prohibition on Use of Trademark Terms.** Within thirty (30) days of the Effective Date of this Settlement Agreement, Al-Amir shall permanently cease all use of Mya Saray's trademark terms ("Trademark Terms") or any word, phrase, logo or design confusingly, misleadingly or deceptively similar thereto, including use on signage, web sites, brochures, product displays, and the like. The Trademark Terms are listed in Exhibit 3.

1.4 Marking. Al-Amir shall have an affirmative duty to ensure that every JAMILA hookah in its possession includes an appropriately legible reference to its JAMILA brand name or its source, KASSIR CO.

### Section II. Payment by Al-Amir.

2.1 Damages. Al-Amir shall pay within thirty (30) days of the Execution Date to Mya Saray the amount of \$60,000.00 to cover its fees and costs in the Virginia Case. The payment shall be by wire transfer pursuant to instructions to be provided by Mya Saray.

2.2 Liability. Al-Amir and its successors, assigns, relevant underwriters or insurers, purchasers of substantially all assets thereof, and stockholders shall be primarily liable for any payments according to Subsection 2.1.

### Section III. Releases and Covenants Regarding Past Damages

3.1 Covenant by Mya Saray. Mya Saray hereby irrevocably and perpetually covenants not to sue Al-Amir, its successors in interest, its past, present and future assigns, officers, directors, subsidiaries, affiliates, insurers and underwriters, or otherwise seek recovery from such parties, for "Past Damages." "Past Damages" means any and all damages that have accrued on account of any and all trademark infringement or unfair competition that has occurred before the Effective Date with respect to Hookah Product, Disputed Packaging, and Mya Saray Trademark Term.

3.2 Release by Mya Saray. Mya Saray specifically releases, waives, and forever discharges Al-Amir, its successors in interest, its past, present and future assigns, officers, directors, subsidiaries, affiliates, insurers and underwriters, from any and all past claims, demands, actions, liabilities and causes of actions, of every kind and character, whether asserted or unasserted, whether known or unknown, suspected or unsuspected, in law or in equity, for or by reason of any matter, cause or thing whatsoever, arising out of the claims asserted by Mya Saray in the Virginia Case, and from past claims arising out of Al-Amir's distribution of Hookah Products, products in Disputed Packaging, and use of Mya Saray's Trademark Terms prior to the Effective Date of this Settlement.

3.3 Covenant by Al-Amir. Al-Amir hereby irrevocably and perpetually covenants not to sue Mya Saray, its successors in interest, its past, present and future assigns, officers, directors, subsidiaries, affiliates, insurers and underwriters, or otherwise seek recovery from such parties, for "Past Damages." "Past Damages" means any and all damages that have accrued on account of any and all trademark infringement or unfair competition that has occurred before the Effective Date with respect to any Hookah Product, Disputed Packaging, and Mya Saray Trademark Term. This Subsection 3.3 shall extend to any claim levied against Mya Saray in the Virginia Case.

3.4 Release by Al-Amir. Al-Amir specifically releases, waives, and forever discharges Mya Saray, its successors in interest, its past, present and future assigns, officers, directors, subsidiaries, affiliates, insurers and underwriters, from any and all past claims, demands, actions, liabilities and causes of actions, of every kind and character, whether asserted or unasserted, whether known or unknown, suspected or unsuspected, in law or in equity, for or by reason of any matter, cause or thing whatsoever, arising out of the claims asserted by Al-Amir in the Virginia Case, and from past claims arising out of Mya Saray's policing of its Hookah Product

product configuration trade dress, products in Disputed Packaging, and use of Mya Saray's Trademark Terms prior to the Effective Date of this Settlement.

**3.5 Dismissal of Virginia Case.** Upon execution of this Agreement the Parties shall dismiss their respective claims in the Virginia Case with prejudice with the form of agreed order attached hereto as Exhibit 4. Immediately following the execution of this Agreement, the Parties shall file with the United States District Court for the Eastern District of Virginia (the "Court") the fully executed version of Exhibit 4.

**3.6 Personal Liability.** The Covenants and Releases of this Section III shall also apply to the officers and managers of the respective Parties.

#### Section IV. Disclosure

Except for the filing of this Settlement Agreement as may be required by the Securities and Exchange Commission (along with a description of the terms of this Settlement Agreement in such filings), where such disclosures are required by law, the Parties agree to keep confidential and not disclose to any third party the terms and conditions of this Settlement Agreement, the existence of this Settlement Agreement, or any of the negotiations and discussions that preceded its making, except as follows in which cases the Parties will nevertheless use their best efforts to seek confidential treatment by any receiving party: (i) as is necessary to dismiss the Virginia Case; (ii) as is necessary to effectuate any term or provision of the Settlement Agreement, including any subsequent litigation to enforce the Settlement Agreement, except that both Parties shall take all reasonable steps to maintain the confidentiality of this information including filing documents under seal and entry of appropriate protective orders; (iii) to either Party's insurers, as necessary to pursue insurance claims; (iv) to a Party's accountants or lawyers; (v) as is reasonably necessary to comply with the Securities and Exchange Commission's disclosure requirements; (vi) to the extent deemed necessary by Mya Saray in the course of its normal enforcement efforts with respect to its trademarks; and (vii) as required by law or court order upon notice to the other Party sufficiently in advance of such disclosure to permit it to seek a protective order. Nothing in this Section 4 shall be construed to preclude or prohibit the Parties from being able to publicly acknowledge that they have entered into a settlement of the Virginia Case or other proceedings related to the Mya Saray's Trademarks, so long as the terms of this Settlement Agreement are not disclosed other than as specifically and expressly permitted herein.

#### Section V. Admissions of Liability

Except as otherwise provided, each Party acknowledges and agrees that this Settlement Agreement is a compromise of disputed claims and neither this Settlement Agreement, nor any consideration provided pursuant to this Settlement Agreement, shall be taken or construed to be an admission or concession by either Mya Saray or Al-Amir of any kind with respect to any fact, liability, or fault.

#### Section VI. Entire Agreement

This Settlement Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, and there are no inducements, representations, warranties, or

understandings that do not appear within the terms and provisions of this Settlement Agreement. This Settlement Agreement may be modified only by a writing signed by both Parties.

#### Section VII. Enforcement

7.1 Attorney's Fees. In the event of litigation between the Parties arising out of or related to the performance or non-performance of any obligation of any Party to this Settlement Agreement, the prevailing Party shall be entitled to recover its attorney's fees and costs incurred.

7.2 Choice of Law. The provisions of this Settlement Agreement shall be governed by the laws of the Commonwealth of Virginia, including any action arising out of this Settlement Agreement. A Virginia Court shall have exclusive, original jurisdiction over any controversy related to this Agreement. All parties waive objections to personal jurisdiction and venue.

7.3 Severability and Construction. If any provision of this Settlement Agreement shall be held by a court of competent jurisdiction to be illegal, invalid or unenforceable, the remaining provisions shall remain in full force and effect. This Settlement Agreement has been negotiated by the Parties and their respective counsel and shall be interpreted fairly in accordance with its terms and without any strict construction in favor of or against either Party.

7.4 Binding Effect. This Settlement Agreement shall be binding on the Parties, their successors in interest, and present and future subsidiaries, assignees or acquirers, including any acquirer of substantially all of the assets of a Party.

7.5 Scope. Other than the duties of Subsection 2.1, all prohibitions and duties of this Agreement that apply to Al-Amir shall apply to Al-Amir, its successors and assigns, Hammoud personally, and any company in which Ali Hammoud maintains substantial control of day-to-day company affairs.

#### Section VIII. Counterparts

This Settlement Agreement will be executed by the parties on the Effective Date and may be executed in one or more counterparts, each of which when so executed and delivered shall be deemed to be an original, but all of which taken together form but one and the same instrument.

#### Section IX. Authority

Each individual signing this Settlement Agreement warrants and represents that he has the full authority and is duly authorized and empowered to execute this Settlement Agreement on behalf of the Party for which he signs.

IN WITNESS HEREOF, Mya Saray and Al-Amir have caused their duly authorized representatives to execute this Settlement Agreement to be effective as of the Effective Date.

MYA SARAY, LLC

Al-AMIR, INC.

\_\_\_\_\_  
Mahmoud Badawi  
President, Mya Saray, LLC

\_\_\_\_\_  
Ali Hammoud  
Personally and as  
President of Al-Amir, Inc.

who resides at:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Exhibit List

1. Removed
2. Disputed Packaging Explanation
3. Trademark Terms Explanation
4. Stipulated Dismissal with Prejudice
5. Authorized Hookah Product(s)

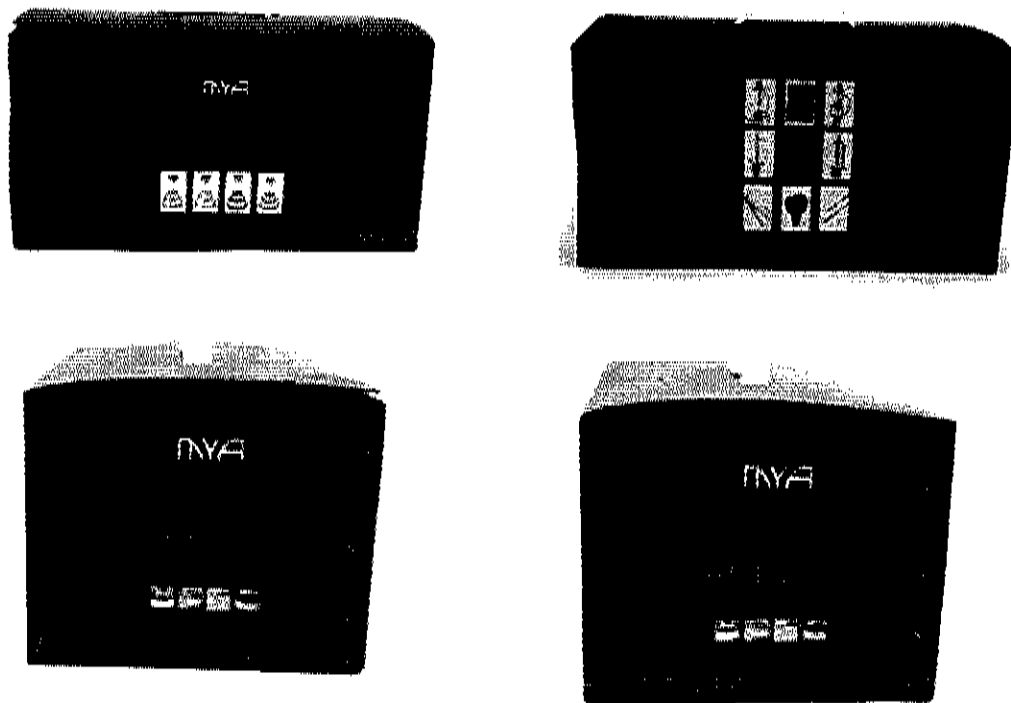
**Exhibit 1. Removed**

Exhibit 2. An Explanation of Disputed Packaging

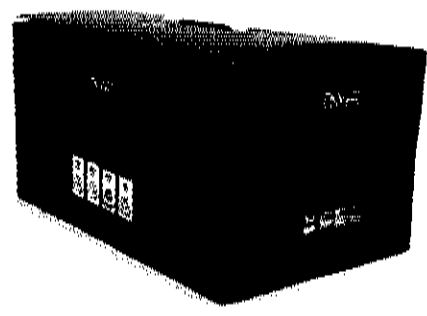
Disputed Packaging includes the packaging depicted below and specifically includes, the stylized flourish often accompanying the MYA word mark (as depicted below in 1), the chained, stylized flourish often seen on the MYA packaging (as depicted below in 1), selection and arrangements of pictures on packaging (as depicted below in 1), a blue oval bearing a product identifier (as depicted below in 2), the composite of one or more of the preceding, and or packaging that is confusingly, misleadingly or deceptively similar thereto.

Mya Saray Trademarked Packaging

1. Product Packaging, part I.







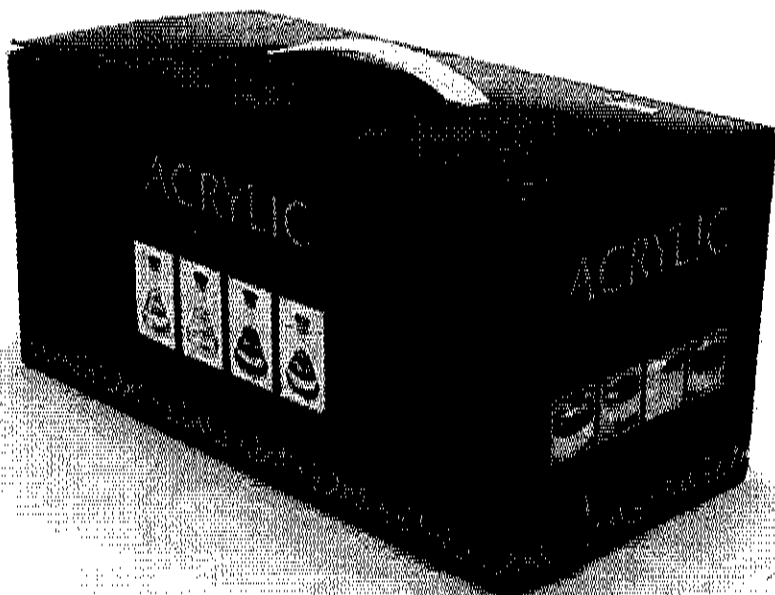
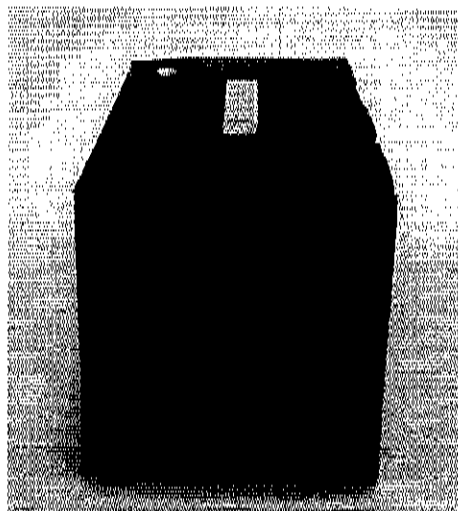
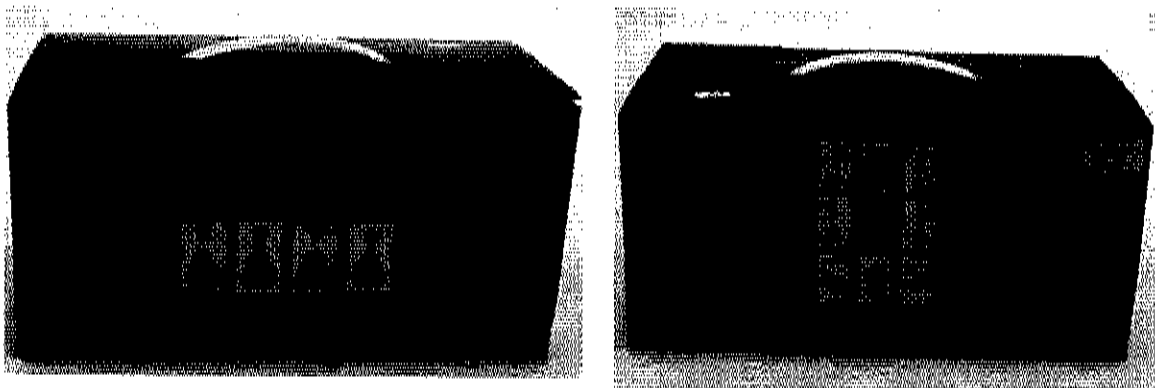
2. Product Packaging, part II.



Al-Amir, Inc. Packaging

Examples of Al-Amir packaging that is prohibited under Subsection 1.2 is depicted below.

### 3. Al-Amir Product Packaging



#### 4. Al-Amir Accessory Packaging



Exhibit 3. Trademark Terms

1. MYA
2. MYA SARAY
3. QT
4. GELATO
5. PIMP
6. DECO
7. CHIC
8. NOU NOU
9. RAZO
10. BAMBINO
11. NILE
12. OCTAGON
13. TANK
14. ACRYLIC (as stylized below):

**ACRYLIC**

Exhibit 4. Order

(On subsequent page)

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
ALEXANDRIA DIVISION

MYA SARAY, LLC,  
  
Plaintiff,  
  
v.  
  
AL-AMIR, INC.,  
  
Defendant.

Case No. 1:08-cv479-GBL/TCB

Hon. Anthony J. Trenga

**ORDER FOR DISMISSAL**

It appearing to the court that this action has been fully settled, adjusted, and compromised, and based on stipulation; therefore,

IT IS ORDERED that this action be, and it is, dismissed, without cost to either party and with prejudice to the claims of all parties.

DATED: November 21, 2008

\_\_\_\_\_  
Attorney for Plaintiff

\_\_\_\_\_  
Attorney for Defendant

PURSUANT TO STIPULATION, IT IS SO ORDERED.

DATED: \_\_\_\_\_

\_\_\_\_\_  
Hon. Anthony J. Trenga