FRANCHISE DISCLOSURE DOCUMENT

NTG Franchising, LLC,
A California limited liability company
5765 Winfield Blvd., Suite 1
San Jose, California 95123
Telephone: (408) 293-6425
Email: franchise@nickthegreek.com
Website: www.nickthegreek.com

The franchisee will operate a restaurant under the name Nick the Greek featuring high quality Greek street food, including gyro and souvlaki dishes made with different meats (beef, lamb, pork, chicken), falafel gyro, Grecian "beefteki" burgers (beef with feta cheese, served with lettuce, tomato, onions and a spicy yogurt), soups, salads, sides, desserts, and a homemade tzatziki sauce, in a fun and friendly family-oriented setting. The total investment necessary to begin operations ranges from $414,750 to $597,000 if you sign a Franchise Agreement for a single unit. This includes $35,000 that must be paid to the franchisor or an affiliate. The total investment necessary to begin operations ranges from $442,750 to $653,000 if you sign an Area Development Agreement. This assumes a development schedule of three to five restaurants and includes a development fee of $63,000 to $91,000 that must be paid to the franchisor or an affiliate. If you sign an Area Development Agreement, the minimum development obligation will be three restaurants.

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 Robert Crider at 5765 Winfield Blvd., Ste. 1, San Jose, California 95123; telephone: (408) 293-6425.

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.

Issuance Date: April 19, 2024

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit H.
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 B 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 Nick the Greek restaurant 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 Nick the Greek franchisee?	Item 20 or Exhibit H 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 franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in California. 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 California than in your own state.

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

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

4. **Unopened Franchises**. The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you may also experience delays in opening your own outlet.

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.

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ITEM 1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Franchise Disclosure Document, "Nick the Greek," "we" or "us" mean the franchisor – NTG Franchising, LLC, a California limited liability company. "You" means the person who buys the franchise. If the franchisee is a corporation, partnership, limited liability company or other entity, "you" may also refer to its owners. NTG Franchising, LLC was formed on August 9, 2018. Our principal business address is: 5765 Winfield Blvd., Ste. 1, San Jose, California 95123; telephone: (408) 293-6425.

Our parents are NTG Intermediate Holdings, LLC, a California limited liability company, whose principal business address is 5765 Winfield Blvd., Ste. 1, San Jose, California 95123; Nick the Greek Holdings, LLC, a Delaware limited liability company whose principal business address is 5765 Winfield Blvd., Ste. 1, San Jose, California 95123 and YTG Enterprises, LLC, a Delaware limited liability company whose principal business address is 3550 Mowry Avenue, Fremont, California 94538.

We do not have any predecessors.

Our affiliate, Taco Cabana Franchising, Inc. ("**TCF**"), a Texas corporation, offers franchises for the "Taco Cabana" restaurant concept ("**Taco Cabana Restaurants**") across the United States. TCF's principal business address is 1077 Central Parkway South, Suite 600, San Antonio, TX 78232. TCF's predecessor, Taco Cabana, Inc., a Delaware corporation, began offering franchises for Taco Cabana Restaurants in 1987. TCF began offering franchises for Taco Cabana Restaurants in April 2023. As of December 31, 2023, there were six franchised Taco Cabana Restaurant locations and 143 operating company-owned Taco Cabana Restaurant locations.

We do not have any other affiliates that offer franchises or provide products or services to our franchisees.

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

Our affiliates, including NTG, LLC, a California limited liability company, have operated restaurants under the name Nick the Greek in and around San Jose, California since February 2014.

We are in the business of franchising the right to operate restaurants under the name "Nick the Greek" featuring high quality Greek street food, including gyro and souvlaki dishes made with different meats (beef, lamb, pork, chicken), falafel gyro, Grecian "beefteki" burger (beef and lamb patty with feta cheese, served with lettuce, tomato, onions and a feta sauce), soups, salads, sides, desserts, and a homemade tzatziki sauce, in a fun and friendly family-oriented setting. We do not operate businesses of the type being franchised.

If you qualify, we may allow you to sign an Area Development Agreement for the development of three to five Nick the Greek restaurants. In addition to the Area Development Agreement, you must sign our then-current form of Franchise Agreement, which may be materially different from the form Franchise Agreement found in this disclosure document, for each Nick the Greek restaurant in your territory. We will charge you the initial franchise fee described in Item 5 of this

Disclosure Document for each Nick the Greek restaurant location even if we change the initial franchise fee for other franchisees.

You must offer online ordering for customer pickup in store and delivery through third parties during certain hours of the day. We may permit you to conduct catering activities. We reserve the right to develop a catering program. If we do so, we may require you to participate. Unless we do so, you may not conduct catering activities without our consent. We reserve the right to negotiate regional or national accounts with individuals or companies. If we do develop a catering program and require you to participate, you must accept the terms of any regional or national account agreements that we negotiate. We may occasionally consider granting agreements under different terms for non-traditional locations.

The general market for the goods and services offered by your Nick the Greek restaurant is the general public and is well developed and competitive. Your competitors include other Greek food restaurants and other restaurants serving a wide variety of other foods.

In addition to laws and regulations that apply to businesses generally, you may be subject to regulations relating to the operation of an eating and drinking establishment in your state, city or county, including those governing construction, site location, recognition of income from gift card sales, and redemption, the sale of food and alcoholic beverages and menu-labeling, as well as public health and safety codes and ordinances. These may include menu-labeling laws and regulations They also include regulations concerning smoking, sanitation, as well as federal and state laws concerning discrimination, employment, and sexual harassment, and the Americans with Disabilities Act, which requires readily accessible accommodations for disabled individuals and may affect your operations. There are federal and state minimum wage requirements that apply to businesses generally. Some states, such as California have imposed minimum wage requirements which are specific to businesses like Nick the Greek restaurants requiring minimum wages significantly higher than the federal minimum wage and will affect your operations. Federal and state minimum wage requirements can change every year and the number of states increasing the minimum wage is trending upward. It is your responsibility to comply with these laws, and to obtain approval for an on-premises beer and wine license for your Nick the Greek restaurant before you open for business. You are responsible for checking with your state and local authorities whether you will need a liquor license. Some states have quotas on the number of liquor licenses they issue. In these states you may have to acquire a liquor license from a third party at a significant cost. You may experience delays in obtaining these licenses. Therefore, you should apply for these licenses as soon as you are approved as a franchisee. You should consult with your own independent advisors and the government agencies in your state for information on how these laws apply to you. You must also comply with all data protection and privacy laws. In particular, you may not copy, transfer or use data on current or past customers such as their names, addresses, phone numbers or email addresses, or provide that information to third parties.

We have been offering franchises since December 18, 2018. We have not offered franchises in other lines of business.

ITEM 2

BUSINESS EXPERIENCE

Chief Executive Officer: Anil Yadav

Mr. Yadav has served as our Chief Executive Officer since December 2022. He also has served as Chief Executive Officer of Taco Cabana Franchising, Inc., in San Antonio, Texas, since January 2023. From 1989 to the present, Mr. Yadav has been the Chief Executive Officer and President of Yadav Enterprises, Inc. and its affiliates which own, operate, manage or franchise restaurant locations in 19 states, including the brands Taco Cabana, Jack in the Box, Denny's, TGI Friday's and quick service Tex-Mex restaurants.

Chief Financial Officer: Richard Pawlowski

Mr. Pawlowski has served as our Chief Financial Officer since December 2022. He also has served as Chief Financial Officer of Taco Cabana Franchising, Inc., in San Antonio, Texas, since January 2023. Mr. Pawlowski has also been Chief Financial Officer of Yadav Enterprises, Inc. and its affiliates since September 2018. From September 2016 to August 2018, he was Director of NRD Capital Management, a private equity fund.

Chief Marketing Officer: Nicholas E. Tsigaris

Mr. Tsigaris has served as our Chief Marketing Officer since December 2022. He was one of our managing members from August 2018 to December 2022. Mr. Tsigaris is also the co-founder of the following restaurants which opened on the dates noted below: Nemea Greek Taverna (downtown San Jose, California) from March 2013 to September 2018; Nick the Greek Souvlaki and Gyro House (various locations in the San Francisco Bay area) from February 2013 to the present; Hash House (Campbell, California) from March 2014 to August 2017; and Hashes and Brews (San Bruno, California) from December 2017 to the present. He currently is head of the front of house staff and business development for Nick the Greek Souvlaki and Gyro House.

President: Nicholas G. Tsigaris

Mr. Tsigaris has served as our President since December 2022. He was one of our managing members from August 2018 to December 2022. Mr. Tsigaris is also the co-founder of the following restaurants which opened on the dates noted below: Nemea Greek Taverna (downtown San Jose, California) from March 2013 to September 2018; Nick the Greek Souvlaki and Gyro House (various locations in the San Francisco Bay area) from February 2013 to the present; Hash House (Campbell, California) from March 2014 to August 2017 and Hashes and Brews (San Bruno, California) from December 2017 to the present. He currently is head of the kitchen staff and food quality for Nick the Greek Souvlaki and Gyro House.

Chief Development Officer: Nicholas P. Tsigaris

Mr. Tsigaris has served as our Chief Development Officer since December 2022. He was one of our managing members from August 2018 to December 2022. Mr. Tsigaris is also the co-founder of the following restaurants which opened on the dates noted below: Nemea Greek Taverna (downtown San Jose, California) from March 2013 to September 2018, Nick the Greek Souvlaki and Gyro House (various locations in the San Francisco Bay area) from February 2013 to the present; Hash House (Campbell, California) from March 2014 to August 2017; and Hashes and Brews (San Bruno, California) from December 2017 to the present. He currently is head of design and site development for Nick the Greek Souvlaki and Gyro House.

Chief Operating Officer: Komiel P. Mohsenzadegan

Mr. Mohsenzadegan has served as our Chief Operating Officer since December 2022. He was one of our managing members from August 2018 to December 2022. He is also the co-founder of Nick the Greek Souvlaki and Gyro House (various locations in the San Francisco Bay area) from February 2013 to the present and Hashes and Brews (San Bruno, California) from December 2017 to the present. He currently is head of our affiliate-owned stores and purchasing for Nick the Greek Souvlaki and Gyro House.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

Except as described below, you pay a $35,000 initial franchise fee in a lump sum when you sign the Franchise Agreement for your Nick the Greek restaurant.

If you are signing a Franchise Agreement for an additional location after your first location is already open, you pay a reduced initial franchise fee of $28,000.

If you are signing an Area Development Agreement, you pay a development fee. The development fee is the entire initial franchise fee for the first location ($35,000) plus half of the initial franchise fee for each additional location listed on your development schedule ($14,000 each). The initial franchise fee for the first location on your development schedule is $35,000, and when you sign the Franchise Agreement for that location, we will credit you with the entire initial franchise fee for the first location. The initial franchise fee for each additional location in your development schedule is $28,000, and when you sign the Franchise Agreement for such a location, we will credit you with $14,000 for the initial franchise fee, and you must pay the remaining $14,000 for the initial franchise fee for that location.

None of the initial payments are refundable.

ITEM 6

OTHER FEES

Franchise Agreement

Name of Fee	Amount	Due Date	Remarks
Royalty Fee	6% of gross revenues	Weekly every Wednesday	See Note 1
System Marketing Fund Fee	2% of gross revenues	Weekly every Wednesday	See Note 2
Additional Training Fee	$500 per trainer per day, plus expenses	Upon demand	See Note 3
Technology Fee	Currently, $300 per month	The first Wednesday of each month	See Note 4
Transfer Fee	25% of then-current initial franchise fee if buyer is an existing franchisee; 50% of then-current initial franchise fee if buyer is a new franchisee; $2,500 if transfer is between current owners or to new minority shareholder	Upon franchisee's application to transfer	See Note 5
Audit Fee	Cost of the audit	Upon demand	See Note 6
Successor Agreement Fee	40% of the then-current initial franchise fee	90 days before the beginning of renewal term	See Note 7
Mystery Shopper Fee	Currently not assessed.	Upon demand	See Note 8
Alternative Supplier Evaluation Fee	Evaluation costs plus travel expenses	Upon demand	See Note 9
Relocation Fee	50% of the then-current initial franchise fee plus expenses	Upon demand	See Note 10
Advisory Council Program Fee	Currently not assessed.	Upon demand	See Note 11
National Business Meeting	Currently not assessed	Upon demand	See Note 12
Nick the Greek Standards Manual Replacement Fee	$500	Upon demand	See Note 13

Name of Fee	Amount	Due Date	Remarks
Unauthorized Products/Services Fee	$250 per day	Upon demand	See Note 14
Insufficient Funds Fee	$100 per occurrence	Upon demand	See Note 15
Late Fee	2% per month	When payment or report is overdue	See Note 16
Insurance Reimbursement	Our cost	Upon demand	See Note 17
Indemnification	Payment of our losses and costs	Upon demand	See Note 18
Cost of Appraisal	50% of cost	Upon demand	See Note 19
Costs and Attorney's Fees	Attorney's fees and costs	Upon determination of prevailing party	See Note 20
Damages for Breach of Non-Competition Obligations	$35,000 plus 6% of gross revenues	Upon demand	See Note 21
Local Advertising Requirement	Up to 1% of gross revenue	Monthly	See Note 22

All fees are imposed by and are payable to us, unless otherwise noted. We may vary the frequency and method of payment. We currently require you to pay fees via electronic funds transfer (EFT) from your bank account as of the date this Disclosure Document was issued but we may change the required method of payment. All fees are uniformly imposed and are non-refundable, unless otherwise noted. If you are located in a state in which we do not have an office or other physical presence, and the state or local taxing authority imposes a tax on any payment you are required to make to us (either by requiring you to withhold the amount of the tax or by requiring us to pay it), you must pay us the difference between the payment as originally calculated and the payment we receive from you after deducting the tax if we do not receive a refund or credit.

Notes:

1. Gross revenues means all revenues you receive from the operation of the franchised business (including any payments under your business interruption insurance coverage and condemnation awards) deducting only amounts paid to any governmental tax authority and any employee meals and customer refunds made in accordance with our policy. If we institute a gift card or other loyalty program, you may have to forego receiving revenues from gift card sales you make, but recognize and receive revenues from gift cards redeemed at your restaurant. You must also send us a detailed summary of your overall business activity on a form we designate with each royalty payment.

2. We have established a system marketing fund to which you must contribute a percentage of your gross revenues. As of the date this Disclosure Document was issued, we require you to

contribute 2% of your gross revenues to national marketing, but we may increase this amount at any time up to 5% of gross revenues.

3. We do not charge a separate fee for providing initial training to the first three persons who attend at the same time. We may charge a fee to provide initial training to additional or replacement personnel or to persons who attend at different times. We may also charge a fee for additional training, including any refresher training, we may require you and your personnel to attend in the future. If you request additional training and we agree to provide it, we may also charge this fee.

4. This fee may be used to cover the costs of your point-of-sale or back-of-the-office management system and items such as licensing or help desk fees for point-of-sale and other software, mobile app, CRM software, a franchise portal, and exposure on our website. We may collect all or a portion of this fee for a third party vendor. The current Technology Fee is $300 per month, but we may increase this amount at any time.

5. You must pay this fee when you submit an application to transfer your rights under the Franchise Agreement or any interest in an entity franchisee. We retain our expenses if we do not consent to the transfer. If you are an individual and you are transferring to a wholly-owned entity, you do not pay a transfer fee, but you must reimburse us for our out-of-pocket expenses in documenting the transfer. Transfer fees are subject to state law. There are other conditions to your ability to transfer. See Item 17.

6. If during an audit we determine that you have underpaid or underreported revenues by 2% or more for the period audited, then you must pay the cost of the audit in addition to any additional royalty fees, system marketing fees and late fees you owe.

7. You must pay this fee at least 90 days before the beginning of the renewal term of your Franchise Agreement. If we do not consent to the renewal of your franchise because you do not comply with all of the conditions to renewal, we will retain this fee. You must be in good standing to renew. There are other conditions to renewal. See Item 17.

8. If we establish a mystery shop program, you must pay the cost of such a program, which we estimate will be up to $250 per month. This cost may increase in the future. We may collect this payment on behalf of the third party provider.

9. If you request our consent to an alternative supplier for any products or services you use in your Nick the Greek restaurant, you must reimburse us for the costs plus travel expenses for us to evaluate and approve an alternative supplier.

10. If you request our consent to the relocation of your business and we agree, you must pay this fee to us and reimburse us any travel expenses for our assistance in evaluating the new site, reviewing your building plans and other services.

11. At some future date, we may form a franchisee advisory council in order to communicate with franchises and discuss various developments and issues. If we do so, there may be dues assessed. All franchisee-owned restaurants and company-owned restaurant in the franchisee advisory council will have the same voting power.

12. We may require you to attend a national business meeting or convention for up to three days per year. You will bear all costs, such as travel and accommodation, for you and your personnel attending these events.

13. If you lose a physical copy of the Nick the Greek Standards Manual, you must pay us this fee for a replacement.

14. You acknowledge that we will incur damages if you offer products or services at your Nick the Greek restaurant that are not authorized by us, and that these damages are difficult to estimate or measure. You must pay this fee each day you continue to offer unauthorized products or services.

15. We will collect monies from you via electronic funds transfer. In the event of insufficient funds within your account (or, if we change your method of payment, a returned check) you must pay a fee of $100 per occurrence.

16. If you do not pay any amount when due, you must pay a late charge of 2% per month, or the maximum rate permitted by law, if less.

17. If you fail to obtain insurance as required by the Franchise Agreement, we may obtain insurance on your behalf and you must reimburse us for the cost of obtaining such insurance. If you default on your lease and we choose to make expenditures to cure your default, you must reimburse us.

18. You must hold harmless, indemnify and defend us and our affiliates, partners, officers, directors, owners, agents and representatives and pay for any claims and losses to us resulting from your actions or failure to act.

19. If we exercise our right to purchase the assets of your business upon termination or expiration of the Franchise Agreement, and you and we do not agree on the fair market value of the assets, we will jointly select an appraiser and each pay 50% of the cost of the appraisal of the assets.

20. If there is a dispute between us, the prevailing party will be entitled to attorney's fees and costs. If we obtain injunctive relief against you because you breach the Franchise Agreement's provisions concerning use of our trademarks, trade secrets or confidential information or if you do not comply with your obligations under the Franchise Agreement upon termination or expiration, you must also reimburse us for our attorney's fees and costs.

21. If you do not comply with the non-competition provisions for any reason, you must pay us $35,000 plus 6% of the gross revenues from the competing business.

22. As of the issuance date of this Disclosure Document, we do not require you to spend any minimum amount on local marketing. In the future, we may require that you spend up to 1% of gross revenues on local advertising and promotions to which we have consented.

AREA DEVELOPMENT AGREEMENT

Name of Fee	Amount	Due Date	Remarks
Transfer Expenses	Our expenses	Upon demand	See Note 1
Insurance Reimbursement	Our cost	Upon demand	See Note 2
Indemnification	Payment of our losses and costs	Upon demand	See Note 3
Costs and Attorney's Fees	Attorney's fees and costs	Upon determination of prevailing party	See Note 4
Damages	$35,000 plus 6% of gross revenues	Upon demand	See Note 5

All fees are imposed by and are payable to us, unless otherwise noted. We may vary the frequency and method of payment. We currently require you to pay fees via electronic funds transfer (EFT) from your bank account as of the date this Disclosure Document was issued but we may change the required method of payment. All fees are uniformly imposed and are non-refundable, unless otherwise noted. If you are located in a state in which we do not have an office or other physical presence, and the state or local taxing authority imposes a tax on any payment you are required to make to us (either by requiring you to withhold the amount of the tax or by requiring us to pay it), you must pay us the difference between the payment as originally calculated and the payment we receive from you after deducting the tax if we do not receive a refund or credit.

Notes:

1. If you transfer your rights under the Area Development Agreement or any interest in an entity that is the developer, you must reimburse us for our expenses including our cost to review the application to transfer (including legal and accounting costs and other consultant's fees). You must reimburse us for our expenses even if we do not consent to the transfer. There are other conditions to your ability to transfer. See Item 17.

2. If you fail to obtain insurance as required by the Area Development Agreement, we may obtain insurance on your behalf and you must reimburse us for the cost of obtaining such insurance.

3. You must hold harmless, indemnify and defend us and our affiliates, partners, agents and representatives and pay for any claims and losses to us resulting from the operation of your business.

4. If there is a dispute between us, the prevailing party will be entitled to attorney's fees and costs. If we obtain injunctive relief against you for any reason, you must also reimburse us for our attorney's fees and costs.

5. If you do not comply with the non-competition provisions for any reason, you must pay us $35,000.00 plus 6% of the gross revenues from the competing business.

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 (Note 1)	$35,000	Lump Sum	At signing of Franchise Agreement	Us
RENT (Note 2)	$8,000 - $16,000	As incurred	As incurred	Landlord
LEASE, UTILITY & SECURITY DEPOSITS	$8,500 - $16,500	As incurred	As incurred	Landlord; Utility Companies
LICENSES & PERMITS (Note 3)	$6,000 - $23,000	As incurred	As incurred	Regulatory Agencies
DESIGN & ARCHITECTURAL FEES	$8,700 - $14,500	As incurred	As incurred	Architects
LEASEHOLD IMPROVEMENTS (Note 4)	$193,000 - $222,000	As incurred	As incurred	Landlord; Suppliers; Contractors
SIGNAGE	$4,750 - $13,000	As incurred	As incurred	Suppliers
FURNITURE & FIXTURES	$19,000 - $33,000	As incurred	As incurred	Suppliers
POS/COMPUTER BACK OFFICE SYSTEM	$8,000 - $20,000	As incurred	As incurred	Suppliers
EQUIPMENT	$60,000 - $88,000	As incurred	As incurred	Suppliers
PROFESSIONAL SERVICES (Note 5)	$1,500 - $5,000	As incurred	As incurred	Attorney, Advisors
INITIAL INVENTORY (Note 6)	$15,500 - $22,000	Lump sum	As incurred	Suppliers
INSURANCE	$1,800 - $4,000	As incurred	As incurred	Insurance Company
TRAVEL & LIVING EXPENSES WHILE TRAINING (Note 7)	$5,000 - $10,000	As incurred	During training	Airlines, hotels, restaurants and other vendors
GRAND OPENING ADVERTISING (Note 8)	$10,000 - $15,000	As incurred	As incurred	Media and other vendors

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
ADDITIONAL FUNDS - 3 Months (Note 9)	$30,000 - $60,000	As incurred	As incurred	Employees and suppliers
TOTAL	$414,750 - $597,000			

Notes:

1. If you open additional locations, you pay a reduced initial franchise fee of $28,000 when you sign the Franchise Agreement for each additional location.

2. The estimates in this chart include first and last months' rent and are based on a Nick the Greek restaurant with approximately 1,200 to 2,000 square feet.

3. The estimate includes the cost of an alcoholic beverage license.

4. This estimate includes amounts needed for construction, remodeling, decorating costs and any other leasehold improvements.

5. This figure includes our estimate of the cost for you to consult with independent legal and other professional advisors.

6. This estimate is also based on a Nick the Greek restaurant with approximately 1,200 to 2,000 square feet. The amount of initial inventory you purchase will depend on the size and type of geographic location of your Nick the Greek restaurant and the demographics of the population in the area.

7. This amount includes our estimate of the cost for a total of up to three people to travel to initial training. This amount varies depending on how far you are from our training location in San Jose, California and on the number of people attending training.

8. This figure estimates the amounts that you spend on marketing and promotions upon opening your business. You must spend at least $10,000 on grand opening marketing.

9. This estimates the amount required for initial operating expenses and working capital for three months. These expenses include payroll costs, but do not include any salary for you or your owners. We base our estimate of these expenses on research of current standards and adaptations of our affiliate, NTG, LLC's, experience. This is not a breakeven analysis. You may have additional expenses in starting the business.

10. All figures in Item 7 are estimates only. Actual costs will vary for each franchisee depending on a number of factors. The amounts payable to us are nonrefundable unless otherwise noted. The refundability of other amounts depends upon your agreement with the applicable supplier or other party.

AREA DEVELOPMENT AGREEMENT

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
DEVELOPMENT FEE (Note 1)	$63,000 - $91,000	Lump Sum	At signing of Area Development Agreement	Us
RENT (Note 2)	$8,000 - $16,000	As incurred	As incurred	Landlord
LEASE, UTILITY & SECURITY DEPOSITS	$8,500 - $16,500	As incurred	As incurred	Landlord; Utility Companies
LICENSES & PERMITS (Note 3)	$6,000 - $23,000	As incurred	As incurred	Regulatory Agencies
DESIGN & ARCHITECTURAL FEES	$8,700 - $14,500	As incurred	As incurred	Architects
LEASEHOLD IMPROVEMENTS (Note 4)	$193,000 - $222,000	As incurred	As incurred	Landlord; Suppliers; Contractors
SIGNAGE	$4,750 - $13,000	As incurred	As incurred	Suppliers
FURNITURE & FIXTURES	$19,000 - $33,000	As incurred	As incurred	Suppliers
POS/BACK OFFICE SYSTEM	$8,000 - $20,000	As incurred	As incurred	Suppliers
EQUIPMENT	$60,000 - $88,000	As incurred	As incurred	Suppliers
PROFESSIONAL SERVICES (Note 5)	$1,500 - $5,000	As incurred	As incurred	Attorney, Advisors
INITIAL INVENTORY (Note 6)	$15,500 - $22,000	Lump sum	As incurred	Suppliers
INSURANCE	$1,800 - $4,000	As incurred	As incurred	Insurance Company
TRAVEL & LIVING EXPENSES WHILE TRAINING (Note 7)	$5,000 - $10,000	As incurred	During training	Airlines, hotels, restaurants and other vendors
GRAND OPENING ADVERTISING (Note 8)	$10,000 - $15,000	As incurred	As incurred	Media and other vendors

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
ADDITIONAL FUNDS - 3 Months (Note 9)	$30,000 - $60,000	As incurred	As incurred	Employees and suppliers
TOTAL	$442,750 - $653,000			

Notes:

1. If you are signing an Area Development Agreement, you pay a development fee. The development fee is the entire initial franchise fee for the first location listed on your development schedule ($35,000), plus half of the initial franchise fee for each additional location listed in your development schedule ($14,000 each). The initial franchise fee for the first location on your development schedule is $35,000, and when you sign the Franchise Agreement for a location, we will credit you with the entire initial franchise fee for that location. The initial franchise fee for each additional location on your development schedule is $28,000, and when you sign the Franchise Agreement for each such location, we will credit you with $14,000 for the initial franchise fee for that location and you must pay the remaining $14,000. The range presented assumes a development schedule of three to five franchised locations.

2. The estimates in this chart include first and last months' rent and are based on a Nick the Greek restaurant with approximately 1,200 to 2,000 square feet.

3. This estimate includes the cost of an alcoholic beverage license.

4. This estimate includes amounts needed for construction, remodeling, decorating costs and any other leasehold improvements.

5. This figure includes our estimate of the cost for you to consult with independent legal and other professional advisors.

6. This estimate is also based on a Nick the Greek restaurant with approximately 1,200 to 2,000 square feet. The amount of initial inventory you purchase will depend on the size and type of geographic location of your Nick the Greek restaurant and the demographics of the population in the area.

7. This amount includes our estimate of the cost for a total of up to three people to travel to initial training. This amount varies depending on how far you are from our training location in San Jose, California and on the number of people attending training.

8. This figure estimates the amounts that you spend on marketing and promotions upon opening your business. You must spend at least $10,000 on grand opening marketing.

9. This estimates the amount required for initial operating expenses and working capital for three months. These expenses include payroll costs, but do not include any salary for you or your

owners. We base our estimate of these expenses on research of current standards and adaptations of our affiliate, NTG, LLC's, experience. This is not a breakeven analysis. You may have additional expenses in starting the business.

10. All figures in Item 7 are estimates only and include the initial investment expenses of your area development business and first Nick the Greek restaurant. Actual costs will vary for each franchisee depending on a number of factors. The amounts payable to us are nonrefundable unless otherwise noted. The refundability of other amounts depends upon your agreement with the applicable supplier or other party.

We do not offer direct or indirect financing to franchisees for any items.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Products and Services

You must purchase all products and equipment that we designate, such as our unique and proprietary tzatziki sauce, from us or our affiliate. We reserve the right to sell other branded or proprietary products, such as prepared foods, retail merchandise and other items, to franchisees. We or our affiliate may be the only supplier for these items. These items are part of our system and intrinsically associated with the Nick the Greek brand. We or our affiliate will derive revenue from these sales.

We periodically designate vendors and suppliers that you must use for certain products or services.

You must purchase all other products, equipment, supplies and services required or used in the operation of your Nick the Greek restaurant only from (a) manufacturers, suppliers or distributors from time to time designated in writing by us, (b) such other suppliers selected by you and consented to by us in the manner and subject to the conditions described below or (c) from us or our affiliate, if available. We or our affiliates are currently the only approved supplier for our unique and proprietary tzatziki sauce.

All of the ingredients, products, goods, services, supplies, furniture, fixtures, equipment, inventory, and computer hardware and software you purchase or lease for use in the establishment or operation of your Nick the Greek restaurant must meet the specifications, requirements, and standards described in our Nick the Greek Standards Manual.

We may issue specifications and standards for products and equipment to franchisees or to approved suppliers. Our criteria for supplier approval are available to franchisees in the Nick the Greek Standards Manual.

Alternative Suppliers

In order to obtain our consent to an alternative supplier, you must meet the following conditions. We are not required to evaluate or to consent to suppliers you propose even if they meet these conditions.

(1) You must send a written request to us;

(2) You must reimburse us for our evaluation costs plus travel expenses in evaluating the proposed supplier, which may include research, due diligence and testing;

(3) The supplier must demonstrate that it can supply an item or service meeting our specifications. This may mean providing us with samples and allowing our representatives to inspect its facility;

(4) The supplier must demonstrate its financial soundness, its reputation in the business community and the reliability of its product or service;

(5) The supplier or provider must obtain, maintain and submit to us proof of the insurance coverage we require (including product liability coverage) at limits and including coverage acceptable to us, and name both you and us as additional insureds with the right to at least 30 days' prior written notice before modification, cancellation or termination of coverage; and

(6) If the item will bear our trademark, we may require the supplier to sign a license agreement acceptable to us which may include a royalty payment to us.

We generally will notify you whether or not we consent to a supplier within 90 days. We may notify you that the consent to a supplier is revoked at any time. If we revoke consent to a supplier, you must immediately stop using that supplier.

Officer-Owned Suppliers

None of our officers owns an interest in any supplier as of the date this Disclosure Document was issued except for the franchisor and its affiliate.

Computer System

You must use the computer system and software we specify in the Nick the Greek Standards Manual. You must also use the point-of-sale system we designate as well as our designated back-of-the-house management software app. We charge a monthly technology fee to provide software that we may require and technological services, such as a help desk, an Intranet and website support. As of the date of this Disclosure Document the technology fee is $300 but it may be increased at any time based on changes in technology and costs. You must obtain these services from us or our designated supplier.

Accounting

You must use our mandated chart of accounts, income statement and balance sheet format in preparing financial statements. You must purchase and use the accounting software we specify in the Nick the Greek Standards Manual. As of the date this Disclosure Document was issued, we designate a third party accounting firm that you must use to prepare your monthly financial statements, including your profit and loss statements, cash flow statements, and balance sheet. We require each franchisee to use our designated third party accounting firm until such franchisee either operates five or more Nick the Greek restaurants or more than 20 total restaurants. If you operate five or more Nick the Greek restaurants or more than 20 total restaurants, you may use our designated third party accounting firm to handle all of your accounting needs or you can select another accounting firm to do that. If you decide to hire another accounting firm, you must obtain our consent to the accounting firm you retain. If you or your chosen accounting firm are not tracking information and generating financial statements in a manner consistent with our requirements for financial reporting and analysis, we may require you to use an accounting firm that we designate for accounting services. You must submit financial statements and reports we require in the format we designate and with the frequency we periodically require. We may also require you to use a designated firm for financial reporting and analysis.

Gift Card Vendor

You must participate in any gift card or other loyalty programs we establish. For example, in a gift card program, we may designate a gift card vendor to manage funds paid by customers for gift cards and credit revenue to the Nick the Greek restaurant at which the gift card is redeemed.

Architect, Real Estate Broker, Real Estate Tenant Representative and Contractor

You must use a licensed retail real estate broker approved by us in selecting your site. We reserve the right to select one or more real estate tenant representative companies that can assist you in locating acceptable sites, and if we do so, you must retain the services of such companies and pay any costs to use their services. Typically, such licensed retail real estate brokers are paid a commission by the landlord, but you are responsible for clarifying payment arrangements in advance and communicating such arrangements to us. You must use an architect approved by us to work with you to develop floor plans and construction drawings for your Nick the Greek restaurant. You must submit your floor plans and full construction drawings, prototype drawings for a conceptual appearance, and videos and photos of your Nick the Greek restaurant for our consent.

You must also use contractors who meet our standards and qualifications for contractors, including that the contractors be commercially licensed and adequately insured and have experience in building facilities similar to Nick the Greek restaurants. We recommend that you obtain at least three construction bids for your location. We may identify contractors that meet our standards and specifications, but you will not be required to use the contractors we identify. You must obtain our consent to your selected contractor before you finalize your construction contract. Your contractor must add you and us on its insurance policies as additional insureds. We may designate vendors for certain items you and your contractor will need during construction and you must purchase those items from the designated vendor. We also reserve the right to require you to submit to us the construction bids you receive and review the construction process, including videos and photographs of the progress of construction.

Location and Lease

You must obtain our approval of the lease or contract for the location from which you will operate your Nick the Greek restaurant. You are responsible for all costs to negotiate and sign the lease or contract. We may require you to include certain terms in your lease including a conditional lease assignment to us or our nominee if your Franchise Agreement expires or is terminated. We may require that the lease contain the following terms:

(1) your right to assign the lease to us or our nominee without the landlord's consent or a rent increase or penalty;

(2) the landlord's acknowledgement that you may not transfer or sublet without our consent;

(3) the landlord's consent to our signage;

(4) the landlord's agreement to notify us if you default and to grant us the option (exercised at our discretion) to cure such default;

(5) that no change may be made to the lease without our consent;

(6) Your and the landlord's agreement that if the Franchise Agreement terminates or expires, the lease will transfer to us or our nominee immediately at our option upon notice by us without rent increase or penalty;

(7) that the landlord may rely on our notice;

(8) that our notice operates as an assignment of your lease to us, but does not include liability for your prior acts or omissions;

(9) that the landlord must provide to us, upon our request, all reports, information and data about the property;

(10) that we may enter the premises and make alterations after the expiration or termination of the Franchise Agreement; and

(11) that we are a third party beneficiary of the lease.

Refurbishing, Remodeling and Updating Requirements.

You must fully remodel your Nick the Greek restaurant every five years. In addition, you must at all times maintain your restaurant and refurbish it periodically to meet our brand standards. Our requirements may range from general updating to comprehensive brand reimaging. We may also designate the suppliers you use to conduct the updates, remodeling and refurbishment.

Insurance

You must obtain the insurance coverage required by the Franchise Agreement and as we may periodically notify you from a carrier with a Best's rating of at least A. As of the date this Disclosure Document was issued, the required coverage includes public liability insurance, personal injury insurance, automobile insurance covering your vehicles, property damage insurance, liquor liability insurance, worker's compensation insurance, including employer's liability, with limits as required by law, business interruption coverage and any other specialty coverage we require, in the minimum amounts of $1,000,000 per occurrence and $3,000,000 in the aggregate, and including such other limits and coverage as we may periodically require. The required coverage is subject to change. We must be listed as additional insured on all of the above policies, and you must provide us with evidence of coverage. Your insurer must agree to give us at least 30 days' prior notice of default, termination or modification of any policy, and accord us the right to cure any default, in our discretion.

Advertising and Marketing

You must obtain our consent to all marketing, advertising and publicity materials you use to promote your Nick the Greek restaurant before you use them. You must provide any proposed materials to us at least 15 days before publication. You must conduct grand opening advertising for your Nick the Greek restaurant for which you must spend at least $10,000 within the two weeks before and four weeks after opening your business. We recommend hosting a VIP, friends and family event at your Nick the Greek restaurant before opening. You must obtain our prior consent to the activities you propose to conduct as part of your grand opening advertising.

Rebates

During the year ended December 31, 2023, neither we nor our affiliate received revenues on account of purchase or leases by franchisees, nor did we receive rebates or other benefits from franchisees' purchases or leases from suppliers. We reserve the right to do so.

Other Information

We negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees.

We do not provide material benefits to franchisees based on use of designated or approved suppliers as of the date this Disclosure Document was issued, but we may do so in the future.

We do not have any purchasing or distribution cooperatives as of the date this Disclosure Document was issued.

We estimate that the required purchases and leases described in this Item will constitute approximately 90% of all purchases and leases you will incur to establish and operate your Nick the Greek restaurant.

ITEM 9

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other Items of this Disclosure Document.

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 1D of Franchise Agreement; Section 3B of the Area Development Agreement	Items 8 and 11
b. Pre-opening purchases/leases	Section I of Franchise Agreement; Section 3 of the Area Development Agreement	Items 5, 7 and 8
c. Site development and other pre-opening requirements	Section 1D of Franchise Agreement; Section 3 of the Area Development Agreement	Items 7, 8 and 11
d. Initial and ongoing training	Section 2A of Franchise Agreement	Item 11
e. Opening	Section 1D(8) of Franchise Agreement; Section 3G of the Area Development Agreement	Item 11
f. Fees	Sections 1D(7), 2A, 2C, 3A, 3B(2)(b), 3I, 5, 7B, 7C, 10C, 12D, 13B(2)(g), 14 and 15J(5) of Franchise Agreement; Sections 3F, 4, 5, 9C, 11B(1),11B(3)(a), 11E, and12J(5) of the Area Development Agreement	Items 5 and 6
g. Compliance with standards and policies/Operating Manual	Section 2C of Franchise Agreement	Item 11
h. Trademarks and proprietary information	Section 9 of Franchise Agreement	Items 13 and 14
i. Restrictions on products/services offered	Section 3 of Franchise Agreement	Item 16

Obligation	Section in Agreement	Disclosure Document Item
j. Warranty and customer service requirements	Section 3B of Franchise Agreement	Item 11
k. Territorial development and sales quotas	Section 1 of Franchise Agreement; Section 2 of the Area Development Agreement	Item 12
l. Ongoing product/service purchases	Section 3 of Franchise Agreement	Item 8
m. Maintenance, appearance and remodeling requirements	Section 3C of Franchise Agreement	Items 8 and 11
n. Insurance	Section 3I of Franchise Agreement; Section 4 of the Area Development Agreement	Item 8
o. Advertising	Section 8 of Franchise Agreement	Items 6 and 11
p. Indemnification	Section 14 of Franchise Agreement; Section 11E of the Area Development Agreement	Item 6
q. Owner’s participation/ management/staffing	Section 3E of Franchise Agreement	Item 15
r. Records and reports	Section 6 of Franchise Agreement; Section 4B of the Area Development Agreement	Item 6
s. Inspections and audits	Section 7C of Franchise Agreement	Item 6
t. Transfer	Section 13 of Franchise Agreement; Section 11 of the Area Development Agreement	Item 17
u. Renewal	Section 1E of Franchise Agreement; Section 1B of the Area Development Agreement	Item 17

Obligation	Section in Agreement	Disclosure Document Item
v. Post-termination obligations	Section 12 of Franchise Agreement; Section 10F of the Area Development Agreement	Item 17
w. Non-competition covenants	Section 10 of Franchise Agreement; Section 9 of the Area Development Agreement	Item 17
x. Dispute resolution	Sections 15F, 15J and 15P of Franchise Agreement; Sections 12F, 12J and 12M of the Area Development Agreement	Item 17
y. Other: Spousal Consent of spouse (Note 1); Owner Guaranty and Confidentiality and Non-Competition Agreements (Note 2)	Exhibits B and D to Franchise Agreement; Exhibit D and E to Area Development Agreement	Item 22

Notes:

1. The spouse of an individual franchisee (and the spouse of each owner of a franchisee that is an entity) must sign a spousal consent (Exhibit B of Franchise Agreement and Exhibit E of the Area Development Agreement).

2. Each individual who owns an interest in a franchisee that is a business entity (and that individual's spouse) may be required to sign an agreement to maintain confidentiality and not to compete and an agreement guaranteeing all obligations of the "Franchisee" under the Franchise Agreement (Exhibit D of the Franchise Agreement). If the developer that signs an Area Development Agreement is an entity, all owners of the developer must personally guarantee the developer's performance upon our request. (Exhibit D of the Area Development Agreement).

ITEM 10

FINANCING

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

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, NTG Franchising, LLC is not required to provide you with any assistance.

Before you begin to operate your Nick the Greek restaurant, we:

(1) Will provide you with assistance in selecting a location for your Nick the Greek restaurant. We will designate one or more licensed retail real estate brokers that you must retain to help you select your site. We may also select one or more real estate tenant representative firms that can assist you in locating acceptable sites, and if we do so, you must retain the services of such firm or firms. You select the location for your business, subject to our approval in writing. You must submit your request in a format that we require. You must obtain our approval before signing a lease or contract for the site. We do not own premises or lease them to franchisees. In general, the factors that we may consider include the general location and neighborhood of the business, zoning of the site, demographics, locations of any other Greek restaurants in the general area, proximity of complementary businesses, traffic flow, parking, rent, size, layout, physical characteristics of the location and lease terms (See Franchise Agreement, Section 1D and Area Development Agreement, Section 3B).

You must submit a proposed location within 180 days after signing the Franchise Agreement. We will accept or reject your proposed location within 10 business days after receiving the request and all of the information we require concerning the proposed location. You must obtain our consent to a location within 210 days after we enter into the Franchise Agreement. If we cannot agree with you on a proposed site, then you must find another site and request that we accept it.

You must open your first Nick the Greek restaurant by the earlier of: (i) six months after we provide consent to your proposed location, or (ii) 390 days after signing the Franchise Agreement. If you are converting an existing restaurant into a Nick the Greek restaurant, you must open your Nick the Greek restaurant within 120 days after securing our consent to the location. If you do not do so, your Franchise Agreement may terminate. If a specific location for your Nick the Greek restaurant has not been identified at the time you sign the Franchise Agreement, we will identify a general search territory in your Franchise Agreement to assist you in focusing your site selection effort. Once your location has been identified, your location and territory will be inserted as an exhibit to the Franchise Agreement. Your lease must contain the provisions described in Item 8.

If you are opening your second or subsequent Nick the Greek restaurant under a Development Agreement, your deadlines for proposing a location, signing a Franchise Agreement and opening the restaurant will be described in your development schedule. The site selection process and timing for each Nick the Greek restaurant developed under a Development Agreement will be governed by the terms of the applicable Franchise Agreement executed for such Nick the Greek restaurant.

(2) Will review with you a preliminary layout and schematic design for a Nick the Greek restaurant (See Franchise Agreement, Section 1D(4); Area Development Agreement, Section 3D(1)).

(3) Will designate one or more architects with whom you must work to develop floor plans and full construction drawings for your location and deliver prototype drawings for a conceptual appearance of a Nick the Greek restaurant (See Franchise Agreement, Section 1D(4); Area Development Agreement Section 3D).

(4) Will review your architect's floor plans and full construction drawings for your Nick the Greek restaurant, for which our consent is required (See Franchise Agreement, Section 1D(4); Area Development Agreement, Section 3D).

(5) Will prescribe standards and qualifications for you to identify contractors and evaluate your selected contractor before your sign a construction contract (See Franchise Agreement, Section 1D(5); Area Development Agreement, Section 3D).

(6) Will evaluate your location before your opening to the public to determine if it is ready to open (See Franchise Agreement, Section 1D(8); Area Development Agreement Section 3G).

(7) Will prescribe the menu items for your Nick the Greek restaurant and we may establish maximum and minimum prices for the menu items (See Franchise Agreement, Section 3A).

(8) May designate and negotiate pricing with suppliers for merchandise, equipment, inventory and supplies (See Franchise Agreement, Section 3B(1))

(9) Will assist you in placing orders for your initial inventory, and provide written specifications for these items (See Franchise Agreement, Section 3B(1)).

(10) Will provide you with specifications and approved vendors for all signage to be used in your Nick the Greek restaurant, but we will neither deliver nor install any signage (See Franchise Agreement, Section 1D(6); Area Development Agreement, Section 3(D)(1)).

(11) Will provide you with specifications and approved vendors for all equipment and fixtures to be used in your Nick the Greek restaurant, but we will neither deliver nor install any equipment or fixtures (See Franchise Agreement, Section 1D(4)).

(12) Will provide you with the initial training program described below (See Franchise Agreement, Section 2A).

(13) Will provide you with on-site assistance with operating your Nick the Greek restaurant two days before and two days after opening (See Franchise Agreement, Section 2B).

(14) Will assist you in planning your grand opening advertising and promotion strategy, to which you must obtain our consent (See Franchise Agreement, Section 8B).

(15) Will loan to you one copy of the Nick the Greek Standards Manual, which we may modify from time to time. We may provide the Nick the Greek Standards Manual electronically. A copy of the table of contents of the Manual is attached as Exhibit F to this Disclosure Document. The Nick the Greek Standards Manual has a total of 298 pages (See Franchise Agreement, Section 2C).

The typical length of time between the earlier of the signing the Franchise Agreement or the first payment of consideration for the franchise and the opening of the business is approximately six to nine months or more. It may take longer if you do not diligently pursue site selection and buildout of your Nick the Greek restaurant. The factors that affect this are locating a satisfactory site, whether you construct a facility or lease a facility, obtaining a lease, construction of improvements to the site, financing, obtaining building permits, obtaining a beer and wine or liquor license, zoning and local ordinances, acquisition of sufficient inventory, weather conditions, shortages and any delays in installation of equipment, fixtures and signs.

During the operation of your business, we:

(1) May furnish advice and guidance to you on the operation of your Nick the Greek restaurant, which may include helping you to develop your annual business plan and conducting site visits (See Franchise Agreement, Section 2D).

(2) Will provide yearly refresher training, which you would be required to attend (See Franchise Agreement, Section 2A).

(3) May organize franchisee meetings periodically, which you may be required to attend (See Franchise Agreement, Section 2A).

(4) Will provide additional training if you request it (and we agree) or we determine that it is necessary (See Franchise Agreement, Section 2A).

(5) May prepare and disseminate promotional and advertising materials for your use (See Franchise Agreement, Section 8A).

(6) May establish and administer or engage a vendor to administer a gift card or other customer loyalty program (See Franchise Agreement, Section 8E).

(7) Will evaluate and decide whether or not to approve any advertising materials you propose to use (See Franchise Agreement, Section 8C).

(8) May establish a mystery shop program, in which you may be required to participate (See Franchise Agreement, Section 7B).

(9) May conduct ourselves, or contract with a supplier to provide, quality assurance audits for your Nick the Greek restaurant (See Franchise Agreement, Section 5E).

Advertising and Marketing

We have established a system marketing fund to which you are required to contribute. As of the date this Disclosure Document was issued, you must contribute 2% of your gross revenues to the system marketing fund, but we may increase this amount to up to 5% of gross revenues. We may elect to disseminate advertising through television, radio and print media such as magazines, billboards, flyers or mailers and newspapers. The media coverage will initially be local in scope, but may expand to be regional and national. We are not required to spend any specific amount on advertising in the area in which your Nick the Greek restaurant is located. We may use the system marketing fund to employ outside public relations consultants or advertising agencies to assist in the development, production and dissemination of advertising materials. We may also use the system marketing fund to develop promotional and advertising materials for your use. We may also use these funds on the development of web sites, search engine optimization, brochures, and slides and other materials. We may spend the system marketing fund on administrative expenses including allocation of overhead and salaries of our personnel.

We may deposit amounts contributed to the system marketing fund in our general operating account. The fund is not audited, but we may prepare periodic financial reports on the system marketing fund and, if we do so, they will be available to you upon written request. Any amounts in the system marketing fund not spent during one year will carry over to the next year. No expenditures will be made from the system marketing fund principally to solicit new franchise sales.

During the fiscal year ended December 31, 2023, we collected $455,076 in system marketing fund contributions and spent $522,408. We made the following expenditures from the system marketing fund:

Category	Amount	Percentage of Total 2023 Expenses
Production	$66,072	15%
Media Placement & Public Relations	$439,888	97%
Administrative Expenses	$1,412	0%
Other – Local Store Marketing	$45,036	10%
Total System Marketing Fund Expenditures for 2023	**$552,408**	**121%**

We require franchisees to contribute to the system marketing fund at the same rate, although there may be exceptions in some circumstances, such as non-traditional locations. We may also contribute to the system marketing fund.

As of the date this Disclosure Document was issued, we do not require you to spend any minimum amount on local marketing. In the future, we may require that you spend up to 1% of gross revenues on local advertising and promotions to which we have consented. You must submit receipts documenting your local advertising and promotions activity upon request. We require that you direct your local advertising and marketing activities to developing the Nick the Greek brand in your own protected area.

We require that you spend at least $10,000 on grand opening marketing and promotions during the two weeks before and four weeks after opening. We will assist you in developing your grand opening marketing and promotions strategy, for which you must obtain our consent. We recommend hosting a VIP, friends and family event at your Nick the Greek restaurant before opening.

We may require franchisees to form local marketing cooperatives when unit development in the marketing area makes such an option feasible. If such a marketing cooperative is formed in your area, we may require that you contribute to the cooperative all or a portion of your revenues allocated to local advertising.

You may use your own advertising materials, such as point-of-purchase materials and menus, only after we have reviewed them and consented to their use. You must submit such advertising materials to us at least 15 days before disseminating them.

We may develop discount programs, coupon, gift card or online ordering programs or other types of customer loyalty programs in the future. If we do so, you must participate. This may affect your ability to receive income from certain sales. For example, if we institute a gift card program that pools revenue from gift card purchases and allocates those revenues to the location at which the gift card is redeemed, this may affect your gross revenues. You should consult with your legal counsel on the effect of laws in your state or locality that relate to the acceptance and redemption of gift cards.

We do not currently have a franchisee advisory council but reserve the right to create one in the future.

You may not establish any website, social media page, domain name or URL address without receiving our prior written permission.

<u>Computer System and Software</u>

As of the date this Franchise Disclosure Document was issued, we require you to purchase a point-of-sale and back-of-the-office management software from our designated suppliers. As of the date this Disclosure Document was issued, we require you to use the Xenial point-of-sale system. We estimate the cost to acquire the point-of-sale and back-of-the-office management software and all other hardware and software you will need to start your business will be approximately $8,000 to $20,000. You must have high-speed access to the Internet.

We currently charge a technology fee of $300 per month to provide you with software that we require and other technological services such as a help desk, an Intranet or website support. It includes all Internet services, email, accounting sites and access to music.

We may change the computer system and software we require you to use at any time. If we develop proprietary software, we may require you to use it. If we do, you may have to enter into a software license with us or our affiliate and pay a licensing fee.

Neither we nor our affiliate or any third party have any obligation to provide ongoing maintenance, repairs, upgrades or updates to any of the computer hardware or software you must use in your Nick the Greek restaurant. We may require you to maintain, repair, upgrade or update any computer equipment you utilize in your business and there are no contractual limitations on the frequency or cost of your obligation to do so. We estimate that your annual cost to do so will be approximately $1,200 to $1,500. We will have independent access to the information on your computer system, including your accounting records, and we will be able to download it. There is no contractual limit on our right to do so.

Training

Following is information on the training program:

TRAINING PROGRAM

Subject	**Hours of Classroom Training**	**Hours of On-the-Job Training**	**Location**
History of Nick the Greek	1	0	San Jose, CA
Use of the Manual	1	0	San Jose, CA
Tour of Nick the Greek	1	0	San Jose, CA
Pre-Opening Procedures	1	0	San Jose, CA
Personnel Issues	1	1	San Jose, CA
Advertising	1	2	San Jose, CA
Management Procedures	1	14	San Jose, CA
Franchise Reporting Requirements	1	2	San Jose, CA
Accounting/Record keeping	1	2	San Jose, CA
Customer Service Procedures	1	18	San Jose, CA
Front/Back of House – Manager Duties	1	18	San Jose, CA
Front/Back of House – Prep Procedures	1	18	San Jose, CA
Inventory Management	1	8	San Jose, CA

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
POS System	1	7	San Jose, CA
Cleaning Procedures	1	8	San Jose, CA
Safety Procedures	1	2	San Jose, CA
Totals	16	100	

Training programs are held when necessary to train new franchisees.

Initial training will last for up to two weeks and take place at our headquarters in San Jose, California or at any other location we designate. We reserve the right to conduct all or some of the initial training virtually. We will also provide on-site assistance for you and your staff which will generally be at least two days before the opening and two days after the opening of your Nick the Greek restaurant.

Before you open the franchised business, you and two of your key management staff members must successfully complete our initial training program. You will receive no compensation or reimbursement for services or expenses for participation in training. We will not charge you to train up to the first three persons at the same time, but we may charge you a fee to train more than three persons or to conduct initial training at a later time. This fee is $500 per trainer per day plus travel expenses, if any, as of the date this Disclosure Document was issued. You will be responsible for all of your and your employees' expenses to attend the training program, including their compensation and any lodging, transportation and food.

Our senior management personnel, senior staff, managers or key employees of our affiliate's current Nick the Greek restaurants will conduct initial training. Instructors have a minimum of five years of experience in their field and at least five years with us or our affiliate.

You and your two key management staff members must attend and complete initial training to our satisfaction between 45 and 60 days before opening your Nick the Greek restaurant. If you fail to complete the training to our satisfaction, we may terminate your franchise. In addition to initial training, we may require you and your personnel to attend remedial training if we believe that you are not operating your Nick the Greek restaurant to our standards. Moreover, we may require you to undergo, or you may request, onsite or additional training or operations assistance over and above our normal course of training. If we require you to attend remedial training or you request additional training or assistance which we agree to provide it, you must pay a daily training rate per trainer and all of your own expenses in connection with training along with all of the trainer's travel expenses.

We require you and certain of your personnel to attend refresher training twice a year, each time for up to two days, which will take place at our headquarters in San Jose, California or another location we designate. If you or your personnel do not complete refresher training to our satisfaction, we may require you to attend initial training a second time. In either case, we may charge a fee which is $500 per trainer per day plus travel expenses, if any, as of the date this

Disclosure Document was issued. We may also require you to attend a national business meeting or convention for up to three days per year. You will bear all costs, such as travel and accommodation, for you and your personnel attending these events.

You are responsible for training any employees that you employ in your Nick the Greek restaurant.

If you enter into an Area Development Agreement with us, we grant you the right to sign Franchise Agreements for Nick the Greek restaurants to be located in your development area. The Area Development Agreement does not require us to provide any additional services to you other than those described above. We will designate real estate brokers to assist you in selecting sites, and you shall use one of such brokers. We may designate one or more real estate tenant representative companies and if we do so, you shall retain the services of such company or companies.

ITEM 12

TERRITORY

You receive the right to operate a Nick the Greek restaurant at a location in your protected area. If your Nick the Greek restaurant is located in a suburban area, your protected area will be a one-mile radius around your location. If your Nick the Greek restaurant is located in an urban area, your protected area will have a population of at least 30,000 people at the time you sign your Franchise Agreement and will be defined by zip codes. Your continued right to operate your Nick the Greek restaurant in your area is not dependent on your meeting any minimum performance requirements.

As long as you are in compliance with your Franchise Agreement, we will not operate Nick the Greek restaurants in your protected area and we will not license third parties to do so except in non-traditional locations such as airports, train stations, hotels, convention centers, arenas and stadiums, casinos, college campuses, amusement and theme parks, museums or similar venues. Franchisees that operate Nick the Greek restaurants in non-traditional locations do not receive a protected area. We also reserve the right to sell our proprietary products in your protected area through other channels of distribution such as supermarkets and box stores. We may acquire, be acquired by or merge or combine with another company that may operate or license other parties to operate restaurants or other food service operations in your protected area.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

If you have not determined where your Nick the Greek restaurant will be located when you sign the Franchise Agreement, the Franchise Agreement will identify the general area in which you must secure a location for your restaurant. That general area is larger than your protected area will be once you secure a location for your restaurant. You do not receive exclusive rights to the general area and there may be other franchisees looking for locations in the same area. Once you have found a location, proposed it to us and secured our consent to the location, we will determine the protected area.

You may not relocate your restaurant or establish additional restaurants without our prior written consent. If we agree to evaluate your request to relocate, you must pay us a relocation fee of 50% of our then-current initial franchise fee and reimburse us for any travel and other expenses we incur to evaluate your request. In general, the factors that we may consider in deciding whether to consent to your request are demographic changes with respect to the location of your franchised business, and the performance of your franchised business.

We have not granted any options, rights of first refusal or similar rights to acquire additional franchises as of the date this Disclosure Document was issued.

You may not sell products at wholesale.

We require you to offer online ordering for customer pickup in store and delivery through third parties during certain hours of the day in your protected area or another area we designate. You may not make deliveries to locations outside of that area. We may allow you to make deliveries to locations that are outside of your protected area if the area is not assigned to any other franchisees or to stores we or our affiliate operate, but you must obtain our prior written consent. You do not have the right to offer catering services unless we permit you to do so. We reserve the right to develop a catering program in the future. If we do so, we may require you to participate. The search territory in which we permit or require you to conduct catering services may be larger or smaller than your protected area.

You must focus your advertising activities inside of your protected area, but you may serve customers from outside of your protected area, other than for deliveries. You do not have the right to use other channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing to make sales either inside or outside of your protected area.

We reserve all rights that we do not grant to you. For example, we reserve all rights to sell our proprietary products in your protected area, to promote Nick the Greek restaurants and to sell Nick the Greek products and other products using other channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing. We do not have to pay you if we solicit or accept such orders from inside your protected area.

We may operate a website that uses our name and other trademarks and that features our products. You may not develop or operate a website relating to the franchised business or using our marks without our permission. We may require you to operate a website that meets our specifications and which may be linked to our website.

You may not establish an account or participate in any social networking sites (including, without limitation, Facebook, Twitter, SnapChat, Instagram, LinkedIn, TikTok or any other social or professional networking blog) or mention or discuss the franchise, us or any of our affiliates, without our prior written consent. If we do consent, we have the right to review all on-line content on social media sites, blogs, in electronic communications and on other on-line sites on which our trademarks are used to protect the reputation and high quality associated with our trademarks. We may require you to remove any questionable usage or content involving our trademarks. We may also require you to cease using our trademarks at all such sites.

As of the date this Disclosure Document was issued, neither we nor any of our affiliates operates, franchises or has plans to operate or franchise a business under a different trademark that will offer *similar services* to the ones you will offer as a Nick the Greek franchisee, but we reserve the right to do so in the future. In addition, as noted in Item 1, our affiliate TCF offer franchises for Taco Cabana Restaurants. Franchisees of TCF operating Taco Cabana Restaurants may be located in your protected area or solicit order from customers in your protected area. TCF or its affiliates may also operate company-owned Taco Cabana Restaurants in your protected area and solicit customers in your protected area.

We also reserve the right to acquire similar competing brands or to be acquired by another entity without your consent or any notice to you. Those competing brands may have locations in your protected area.

ITEM 13

TRADEMARKS

We will grant you the right to conduct business operating a restaurant under the name "Nick the Greek," a design logo using the same words as seen on the cover page to this Franchise Disclosure Document, and related trademarks. You must also use other trademarks which we develop or prescribe to identify your business and its services and products. By trademark, we mean trade names, trademarks, service marks and logos used to identify your business, its services and its products.

Our affiliate, NTG IP Holdings, LLC owns the federal trademark registration for the following mark on the Principal Register of the U.S. Patent and Trademark Office ("USPTO"):

Mark	**Class**	**Registration Number**	**Registration Date**
NICK THE GREEK	Service Mark Class 43	5,621,281	December 4, 2018
	Service Mark Class 43	5,756,165	May 21, 2019

All required affidavits have been filed. The registrations have not been renewed as a renewal has yet to be required.

You will be required to follow our rules when you use these trademarks. You must use the ® symbol any time you use the name Nick the Greek, any design logo and any other registered trademarks that we designate. You cannot use a name or mark as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You may not use our trademarks in the sale of an unauthorized product or service or in a manner not authorized in writing by us. If we adopt trademarks that you develop in the course of operating your franchised business, they will belong to us and you may only use them while you are a franchisee.

There are no currently effective material determinations of the USPTO, trademark trial and appeal board, the trademark administrator of this state or any court, or any pending infringement, opposition or cancellation or any pending material litigation involving the principal trademarks.

We received the right to use these trademarks and to license their use to you under an Intercompany License Agreement with NTG IP Holdings, LLC, dated as of December 1, 2022. The term of the Intercompany License Agreement is 10 years but it will automatically roll over for successive one-year terms after that unless one of the parties to the Intercompany License Agreement gives notice of termination. If the Intercompany License Agreement is terminated for any reason or expires, it provides that NTG IP Holdings, LLC will continue to honor the rights we granted to you. No other agreements limit our right to use or license the use of the trademarks.

You must notify us immediately when you learn about a challenge to your use of our trademarks. The Franchise Agreement requires us to protect you against claims of infringement if you are using the trademarks as required by the Franchise Agreement and if you are in good standing. You must assist us in protecting any of our rights, at our expense. We or our affiliate will control any proceedings or litigation and decide whether or not to settle any action. You do not have the right to settle a claim without our consent.

If you learn about a third party's use of our trademarks that you believe to be unauthorized, you must notify us immediately. We or our affiliate will decide whether or not to take action against the third party, and you must assist us or our affiliate, at our expense, if we or our affiliate decides to do so.

We have the right to control any administrative proceeding or litigation involving our trademarks. You do not have the right to settle a claim without our consent.

If we decide to add a new trademark, or modify or discontinue the use of any trademark, you must immediately use the new trademark or change or discontinue the use of the trademark, all at your expense. You must not contest our affiliate's right to its trademarks or our right to use them.

We do not know of any infringing uses that could materially affect your use of our or our affiliate's trademarks.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

You do not receive the right to use any item covered by a patent.

We may claim a copyright in our Nick the Greek Standards Manual, marketing materials and other promotional and operational literature we develop, although we have not filed for copyright registration. You must not contest our right to our copyrights.

There are no currently effective material determinations of the USPTO, the United States Copyright Office or a court regarding any copyright we own. There is no material pending proceeding the USPTO or any court concerning any such copyright.

You must notify us immediately when you learn about a challenge to use of our copyrighted materials. We will defend you against claims of infringement if you are using the copyrighted material as required by the Franchise Agreement and if you are in good standing. You must assist us in protecting any of our rights, at our expense. We will control any administrative proceedings or litigation involving the copyrighted materials. You do not have the right to settle a claim without our consent.

If you learn about a third party's use of these copyrighted materials which you believe to be unauthorized, you must notify us immediately. We will decide whether or not to take action against the third party, and you must assist us, at our expense, if we decide to do so.

We do not know of any infringing uses that could materially affect your use of our copyrighted materials.

You also receive the right to use certain of our trade secrets and confidential and other proprietary information, including our proprietary recipes and ingredients.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We require that you or one of your key management staff members who has successfully completed initial training directly operate your Nick the Greek restaurant. If any of your key management staff members is terminated or elects to end his or her relationship with you, you must recruit a new key management staff member within 30 days and submit his or her qualifications to us for review and consent. The new key management staff member must complete our initial training program at your expense and to our satisfaction. We may require your key management staff member to sign a confidentiality and non-competition agreement. We do not require that your key management staff members own an equity interest in the franchise.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require that you offer and sell only those products and services to which we have given our consent. If you offer any products or services that we have not authorized, it will result in damage to us and the Nick the Greek franchise system that is difficult to quantify. We estimate that it will be ongoing if you continue this activity and will cost us at least $250 per day. Therefore, you must pay to us a fine of $250 per day for every day you offer such unauthorized products or services. We may seek other remedies as well. You may not sell products or services at wholesale. You may not provide delivery or catering services without our consent. If we do grant our consent for you to provide delivery or catering services, you may only do so within the area we designate for those services. We may also require you to offer those services.

You must also offer all menu items that we designate and you may not offer any other menu items without our consent. We can add to the approved menu items you must offer, delete them or change them at any time. There are no contractual limitations on our right to require you to add to, change or restrict the menu items you offer.

You must offer all goods and services that we designate unless we otherwise agree in writing. There are no limits on our right to do so.

We reserve the right to require you to comply with all restrictions on maximum and minimum prices for all menu items at your Nick the Greek restaurant, as may be established from time to time in the Nick the Greek Standards Manual or as we otherwise direct in writing from time to time.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Franchise Agreement

Provision	Section in Franchise or Other Agreement	Summary
a. Length of the franchise term	Section 1E(1)	10 years.
b. Renewal or extension of the term	Section 1E(2)	If you meet certain conditions, you can enter into the then-current renewal Franchise Agreement for up to two additional terms of five years each.

Provision	Section in Franchise or Other Agreement	Summary
c. Requirements for franchisee to renew or extend	Section 1E(2)	You must sign our then-current form of Franchise Agreement; you must be in full compliance with all agreements with us or our affiliates; you must pay all that you owe us plus a successor franchise fee of 40% of the then-current initial franchise fee; you and your personnel must successfully complete re-training; you and your owners must sign a general release; you must not have received three or more default notices in any 24 month period; we must not have decided to withdraw from your market; you must remodel and update your restaurant premises; you must have the right to occupy the premises for the renewal term; you must give us 180 days' notice of your election to renew and return documents within 30 days. You may be asked to sign an agreement with materially different terms and conditions than your original Franchise Agreement.
d. Termination by franchisee	Not applicable	You may terminate the franchise agreement under any grounds permitted by state law.
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with cause	Section 11	We can terminate only if you default or if the events described in g and h occur. If any individual Franchise Agreement issued to you is terminated for any reason, we shall have the right, but not the obligation, to terminate immediately upon written notice to you all other Franchise Agreements issued to you.

Provision	Section in Franchise or Other Agreement	Summary
g. “Cause” defined-curable defaults	Section 11B	You have five days to cure nonpayment and up to 30 days for other types of noncompliance, subject to applicable state law. If any individual Franchise Agreement issued to you is terminated for any reason, we shall have the right, but not the obligation, to terminate immediately upon written notice to you all other Franchise Agreements issued to you.
h. “Cause” defined-non-curable defaults	Section 11A	Noncurable defaults (subject to applicable law): insolvency; you admit to inability to pay debts when due; you make an assignment for the benefit of creditors; petition for bankruptcy; application for receiver is made and not resolved within 90 days; abandonment; your material misrepresentation to us; your failure to begin operating your restaurant within the period required by the Franchise Agreement; unauthorized transfer; termination of any other agreement with us because of your breach; your unauthorized use of trademarks or confidential information; failure to complete initial training to our satisfaction, intentional failure to report to us all gross revenues; you offer unauthorized goods or services; you incur insufficient funds fee on three or more occasions in a 12-month period; your right to operate under any license or permit is suspended, terminated or interrupted; you or your principal’s conviction of a felony or other criminal misconduct or conduct which reflects unfavorably on us or our system; noncompliance with law for more than three days after notice; repeated defaults – three or more times during term

Provision	Section in Franchise or Other Agreement	Summary
		whether or not cured; seizure by government official or lienholder; eviction from premises; final judgment of more than $5,000 remains unsatisfied for 30 days; undischarged levy of execution on franchise; danger to public health or safety; you become a specially designated national or blocked person under the U.S. anti-terrorism laws. If any individual Franchise Agreement issued to you is terminated for any reason, we shall have the right, but not the obligation, to terminate immediately upon written notice to you all other Franchise Agreements issued to you.
i. Franchisee's obligations on termination/non-renewal	Section 12	Pay all amounts due to us and our affiliates; refrain from identifying yourself as a current or former Nick the Greek franchisee; discontinue use of trademarks, trade dress and system; de-identify; return or destroy all products with our trademarks; return Nick the Greek Standards Manual and other confidential information, including customer information; assist in smooth transition of business; refrain from soliciting customers; refrain from making disparaging remarks; assign to us or our nominee telephone and facsimile numbers and e-mail addresses; and cancel fictitious business name statement (also see (r) below).
j. Assignment of contract by franchisor	Section 13A	No restriction on our right to assign.
k. "Transfer" by franchisee – definition	Section 13B(2)	Includes transfer of Agreement, assets of Nick the Greek restaurant or greater than 25% ownership interest in franchisee.

Provision	Section in Franchise or Other Agreement	Summary
l. Franchisor approval of transfer by franchisee	Section 13B	You must obtain our consent to all transfers, which will not be unreasonably withheld.
m. Conditions for franchisor approval of transfer	Section 13B(3)	You must not be in default; your franchised business must meet our then-current standards; your lessor consents; the transferee must meet qualifications for new franchisee; the transferee must sign the then-current form of Franchise Agreement, ancillary agreements and guaranty; the transferee must successfully complete our training; you must pay the transfer fee; you and your owners and affiliates must sign a general release; the transferee's obligations to you must be subrogated to its obligations to us; you must transfer all of your agreements with us; and neither the transferee nor its owners is a specially-designated national or blocked person. If you are an individual and want to transfer your franchise to an entity, you must own the entity, sign a personal service agreement with the entity, the entity must agree to the Franchise Agreement (you remain responsible as well), the franchise business must be the sole business of the entity and you must reimburse us for our expenses.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 13C	We or our nominee can match any offer for your business.
o. Franchisor's option to purchase franchisee's business	Section 12D	We or our nominee have the option of acquiring your assets if the Franchise Agreement expires or terminates.

Provision	Section in Franchise or Other Agreement	Summary
p. Death or disability of franchisee	Section 13D	If you or your principal dies, your executor or representative may either satisfy the then-current qualifications for franchisees or transfer the franchise to a qualified buyer within 60 days, subject to applicable law.
q. Non-competition covenants during the term of the franchise	Section 10A(1)	You may not be involved in any similar business.
r. Non-competition covenants after the franchise is terminated or expires	Section 10A(2)	You may not operate a similar business within 20 miles of your territory for two years after termination or expiration.
s. Modification of the agreement	Section 15I	No modification without a writing signed by you and us, except that we may amend the Nick the Greek Standards Manual.
t. Integration/ merger clause	Section 15I	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement is intended to disclaim anything contained in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 15J	Except for certain claims, all disputes must be mediated and if not resolved, arbitrated subject to applicable state law.
v. Choice of forum	Section 15J	Location of our headquarters, currently Santa Clara County, California, subject to applicable state law.
w. Choice of law	Section 15J(1)	California law applies, except that local law governs non-competition provisions, subject to applicable state law.

Area Development Agreement

Provision	Section in Area Development or Other Agreement	Summary
a. Length of the franchise term	Section 1B	From date of execution to opening date of last location
b. Renewal or extension of the term	Section 1B	No right to renew.
c. Requirements for franchisee to renew or extend	Not applicable	Not applicable
d. Termination by franchisee	Not applicable	Not applicable
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with cause	Section 10	We can terminate only if you default or if the events described in g and h occur. If any individual Franchise Agreement issued to you or, whether or not issued pursuant to an Area Development Agreement, is terminated for any reason, we shall have the right, but not the obligation, to terminate immediately upon written notice to you: (i) the Area Development Agreement, if applicable, and/or (ii) all other Franchise Agreements issued to you.
g. "Cause" defined-curable defaults	Section 10B	You have five days to cure nonpayment and up to 30 days for other types of noncompliance, subject to applicable state law. If any individual Franchise Agreement issued to you or, whether or not issued pursuant to an Area Development Agreement, is terminated for any reason, we shall have the right, but not the obligation, to terminate immediately upon written notice to you: (i) the Area Development Agreement, if

Provision	**Section in Area Development or Other Agreement**	**Summary**
		applicable, and/or (ii) all other Franchise Agreements issued to you.
h. “Cause” defined-non-curable defaults	Section 10A	Noncurable defaults (subject to applicable law): bankruptcy; you admit to inability to pay debts when due; insolvency; assignment for benefit of creditors; application for receiver is made and not resolved favorably in 30 days; abandonment; your material misrepresentation to us; unauthorized transfer; another agreement between us is terminated for your breach; your unauthorized use of confidential information; conviction of you or your principal of a felony or other criminal misconduct or conduct which reflects unfavorably on us or our system; noncompliance with law within three days after notice; repeated failure to comply with requirements of agreement (three or more times during 24-month period); final judgment of more than $5,000 remains unsatisfied for 30 days; undischarged levy of execution on franchise; failure to meet development schedule; you become a specially designated national or blocked person under the U.S. anti-terrorism laws. If any individual Franchise Agreement issued to you or, whether or not issued pursuant to an Area Development Agreement, is terminated for any reason, we shall have the right, but not the obligation, to terminate immediately upon written notice to you: (i) the Area Development Agreement, if applicable, and/or (ii) all other Franchise Agreements issued to you.

Provision	Section in Area Development or Other Agreement	Summary
i. Franchisee's obligations on termination/non-renewal	Section 10F	Obligations that expressly or by their nature survive, such as those concerning confidentiality, non-competition, indemnification and dispute resolution.
j. Assignment of contract by franchisor	Section 11A	No restriction on our right to assign.
k. "Transfer" by franchisee – definition	Section 11B(2)	Includes transfer of Agreement, or transfer of the business or greater than 25% ownership interest in developer.
l. Franchisor approval of transfer by franchisee	Section 11B(1)	You must obtain our consent to all transfers.
m. Conditions for franchisor approval of transfer	Section 11B(3)	You must be in good standing; your Nick the Greek restaurants must be in compliance with our then-current standards; the transferee must meet qualifications for new developers; the transferee must sign the then-current form of Area Development Agreement and guaranty; you must reimburse us for our expenses to process the transfer; you and your owners must sign a general release; the transferee's obligations to you must be subrogated to your obligations to us; you must transfer all of your agreements with us; and the transferee must not be a specially-designated national or blocked person. If you are an individual and want to transfer your rights under the Area Development Agreement to an entity, you must own the entity, sign a personal service agreement with the entity, the entity must agree to the Area Development Agreement (you remain responsible as well), the Nick the Greek restaurant must be the sole business of the entity and you must reimburse us for our expenses.

Provision	Section in Area Development or Other Agreement	Summary
n. Franchisor's right of first refusal to acquire franchisee's business	Section 11C	We can match any offer for your business.
o. Franchisor's option to purchase franchisee's business	Not applicable	Not applicable
p. Death or disability of franchisee	Section 11D	If you or your principal dies, your executor or representative may either satisfy the then-current qualifications for developers or transfer the business to a qualified buyer within 60 days.
q. Non-competition covenants during the term of the franchise	Section 9A(1)	You may not be involved in any similar business.
r. Non-competition covenants after the franchise is terminated or expires	Section 9A(2)	You may not operate a similar business within 20 miles of your territory for two years after termination or expiration.
s. Modification of the agreement	Section 12I	No modification without a writing signed by you and us.
t. Integration/ merger clause	Section 12I	Only the terms of the Area Development Agreement are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Area Development Agreement may not be enforceable. Nothing in the Area Development Agreement is intended to disclaim anything contained in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 12J	Except for certain claims, all disputes must be mediated and if not resolved, arbitrated.
v. Choice of forum	Section 12J	Location of our headquarters, currently Santa Clara County, California, subject to applicable state law.

Provision	Section in Area Development or Other Agreement	Summary
w. Choice of law	Section 12J(1)	California law applies, except that local law governs non-competition provisions, subject to applicable state law.

ITEM 18

PUBLIC FIGURES

We do not use any public figures to promote our franchise as of the date this Franchise Disclosure Document was issued, but we may do so in the future.

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.

The information in this Item 19 includes certain historical financial information for the period from January 1, 2023 through December 31, 2023 ("**Reporting Period**"), for 24 franchised Nick the Greek restaurants meeting certain qualifications ("**Qualifying Nick the Greek restaurants**"). The qualifications for inclusion in this Item 19 are: (1) the Nick the Greek restaurant was open and operational for the entire period from November 30, 2022 through December 31, 2023; and (2) to the best of our knowledge, the Nick the Greek restaurant conformed their financial reporting with our financial reporting standards during the Reporting Period. Twenty franchised Nick the Greek restaurants that were opened and operational on January 1, 2023 were not opened and operational on or before November 30, 2022, and therefore were not included in this Item 19. In addition, 13 franchised Nick the Greek restaurants that were open and operational for the entire period from November 30, 2022 through December 31, 2023 did not conform their financial reporting to meet our financial reporting standards during the Reporting Period, and therefore were also not included in this Item 19. The information in the tables of this Item 19 is organized into four quartiles ("**Quartiles**"), each including six Nick the Greek restaurants, which were determined based on the average unit volume of each Nick the Greek restaurant during the Reporting Period in descending order. Quartile 1 represents the six Nick the Greek restaurants with the highest Average Unit Volume. Quartile 2 represents the six Nick the Greek restaurants with the next highest Average Unit Volume. Quartile 3 represents the six Nick the Greek restaurants with the third highest Average Unit Volume. Quartile 4 represents the six Nick the Greek restaurants with the lowest Average Unit Volume.

Average Unit Volume

Quartile	1	2	3	4
Average Unit Volume	$2,055,188	$1,597,799	$1,393,084	$1,249,898
Restaurants Meeting or Exceeding This Number	3	3	2	2

The Average Unit Volume for all 24 Nick the Greek restaurants included in this Item 19 is $1,573,992, and 10 of the Nick the Greek restaurants met or exceeded this figure. This number was calculated by adding the Net Sales (as defined below) of all 24 Qualifying Nick the Greek restaurants during the Reporting Period together and then dividing that number by 24.

Cost of Goods Sold (1) as a Percentage of Net Sales (2)

Quartile	1	2	3	4
High	25.8%	25.6%	26.2%	26.3%
Mean	28.9%	27.7%	27.3%	27.6%
Median	28.5%	27.1%	27.8%	28.0%
Low	32.7%	31.1%	28.6%	27.7%

(1) “**Cost of Goods Sold**”, also known as “COGS,” includes all food and beverage items and related supplies such as utensils, take-away containers, take-away bags or other take-away related packaging, napkins, cups and straws. Rebates received from COGS’ vendors are not included in the calculation of COGS.

(2) “**Net Sales**” means all revenues received from the sale of food, beverages, services and other items from in-store dining, carry-out, online orders, delivery, third party voucher sales, catering, and otherwise, including the sale of food and beverages, redemption of gift cards, and merchandise and all other income and consideration of every kind and nature related to the Nick the Greek restaurant or Nick the Greek restaurant operations (including all proceeds from any business interruption insurance), whether for cash or credit, and regardless of collection in the case of credit, but does not include any sales taxes or other taxes collected from customers for, and thereafter paid directly to, the appropriate taxing authority, any discounts provided to customers, any bona fide refunds made to customers, any fees paid to third-party delivery services or aggregators, or any supplier rebates.

(3) The average COGS as a Percentage of Net Sales for all 24 Qualifying Nick the Greek restaurants included in this Item 19 is 27.9%, and 12 of these Nick the Greek restaurants had a greater COGS as a Percentage of Net Sales than this figure. Average COGS as a Percentage of Net Sales are calculated by taking actual COGS of the 24 Qualifying Nick the Greek restaurants and dividing them by actual Net Sales.

(4) For the purposes of this table, the “High” value indicates the Nick the Greek restaurant in each Quartile that had the lowest COGS as a percentage of Net Sales, and the “Low” value indicates the Nick the Greek restaurant in each Quartile that had the highest COGS as a percentage of Net Sales.

Labor (1) as a Percentage of Net Sales (2)

Quartile	1	2	3	4
High	25,7%	26.0%	25.5%	28.4%
Mean	26.2%	26.7%	27.2%	28.8%
Median	25.7%	27.2%	27.3%	28.4%
Low	30.1%	27.2%	27.6%	29.2%

(1) "**Labor**" means the total of all wages, salaries and benefits of all personnel that work directly in the Nick the Greek restaurant.

(2) "**Net Sales**" means all revenues received from the sale of food, beverages, services and other items from in-store dining, carry-out, online orders, delivery, third party voucher sales, catering, and otherwise, including the sale of food and beverages, redemption of gift cards, and merchandise and all other income and consideration of every kind and nature related to the Nick the Greek restaurant or Nick the Greek restaurant operations (including all proceeds from any business interruption insurance), whether for cash or credit, and regardless of collection in the case of credit, but does not include any sales taxes or other taxes collected from customers for, and thereafter paid directly to, the appropriate taxing authority, any discounts provided to customers, any bona fide refunds made to customers, any fees paid to third-party delivery services or aggregators, or any supplier rebates.

(3) The average Labor as a Percentage of Net Sales for all 24 Qualifying Nick the Greek restaurants included in this Item 19 is 27.0%, and 12 of the Nick the Greek restaurants had a greater Labor as a Percentage of Net Sales than this figure. Average Labor as a Percentage of Net Sales are calculated by taking actual Labor of the 24 Qualifying Nick the Greek restaurants and dividing them by actual Net Sales.

(4) For the purposes of this table, the "High" value indicates the Nick the Greek restaurant in each Quartile that had the lowest Labor costs as a percentage of Net Sales, and the "Low" value indicates the Nick the Greek restaurant in each Quartile that had the highest Labor costs as a percentage of Net Sales.

Rent (1) as a Percentage of Net Sales (2)

Quartile	1	2	3	4
High	4.3%	5.9%	6.7%	7.3%
Mean	6.3%	7.3%	9.1%	9.1%
Median	6.5%	6.0%	9.4%	8.8%
Low	8.9%	9.7%	10.5%	12.3%

(1) "**Rent**" means occupancy costs (including rent, common area maintenance charges, real estate taxes and landlord charged insurance).

(2) "**Net Sales**" means all revenues received from the sale of food, beverages, services and other items from in-store dining, carry-out, online orders, delivery, third party voucher sales, catering, and otherwise, including the sale of food and beverages, redemption of gift cards, and merchandise and all other income and consideration of every kind and nature related to the Nick the Greek restaurant or Nick the Greek restaurant operations (including all proceeds from any business interruption insurance), whether for cash or credit, and regardless of collection in the case of credit, but does not include any sales taxes or other taxes collected from customers for, and thereafter paid directly to, the appropriate taxing authority, any discounts provided to customers, any bona fide refunds made to customers, any fees paid to third-party delivery services or aggregators, or any supplier rebates.

(3) The average Rent as a Percentage of Net Sales for all 24 Qualifying Nick the Greek restaurants included in this Item 19 is 7.8%, and 14 of the Nick the Greek restaurants had a greater Rent as a Percentage of Net Sales than this figure. Average Rent as a Percentage of Net Sales are calculated by taking actual Rent of the 24 Qualifying Nick the Greek restaurants and dividing them by actual Net Sales.

(4) For the purposes of this table, the "High" value indicates the Nick the Greek restaurant in each Quartile that had the lowest Rent costs as a percentage of Net Sales, and the "Low" value indicates the Nick the Greek restaurant in each Quartile that had the highest Rent costs as a percentage of Net Sales.

Other Operating Expenses (1) as a Percentage of Net Sales (2)

Quartile	**1**	**2**	**3**	**4**
High	17.8%	22.5%	22.5%	24.9%
Mean	24.9%	24.3%	25.4%	26.0%
Median	25.3%	24.1%	25.5%	26.2%
Low	29.2%	27.8%	29.1%	27.6%

(1) "**Other Operating Expenses**" means all other expenses (excluding "**Rent**"), typically incurred to operate a Nick the Greek restaurant, including for purposes of this disclosure document only, the Royalty Fee and System Marketing Fund Fees, utilities (including electricity, gas, water, sewer, garbage collection, telephone/internet charges), repairs and maintenance, insurance, bank and credit card processing fees, third-party delivery commissions and expenses, supplies, office supplies, local business permits/licenses and local business/personal property/franchise taxes and other miscellaneous expenses.

(2) "**Net Sales**" means all revenues received from the sale of food, beverages, services and other items from in-store dining, carry-out, online orders, delivery, third party voucher sales, catering, and otherwise, including the sale of food and beverages, redemption of gift cards, and merchandise and all other income and consideration of every kind and nature related to the Nick the Greek restaurant or Nick the Greek restaurant operations (including all proceeds from any business interruption insurance), whether for cash or credit, and regardless of collection in the case of credit, but does not include any sales taxes or other taxes collected from customers for, and thereafter paid directly to, the appropriate taxing authority, any discounts provided to customers, any bona fide refunds made to customers, any fees paid to third-party delivery services or aggregators, or any supplier rebates.

(3) The average Other Operating Expenses as a Percentage of Net Sales for all 24 Qualifying Nick the Greek restaurants included in this Item 19 is 25%, and 14 of the Nick the Greek restaurants had a greater Other Operating Expenses as a Percentage of Net Sales than this figure. Average Other Operating Expenses as a Percentage of Net Sales are calculated by taking actual Other Operating Expenses of the 24 Qualifying Nick the Greek restaurants and dividing them by actual Net Sales.

(4) For the purposes of this table, the "High" value indicates the Nick the Greek restaurant in each Quartile that had the lowest Other Operating Expenses as a percentage of Net Sales, and the "Low" value indicates the Nick the Greek restaurant in each Quartile that had the highest Other Operating Expenses as a percentage of Net Sales.

EBITDA (1) as a Percentage of Net Sales (2)

Quartile	1	2	3	4
High	22.3%	21.3%	16.7%	17%
Mean	13.8%	12.3%	10.5%	10.6%
Median	14.7%	11.0%	9.6%	11.5%
Low	4.9%	3.2%	5.5%	4.9%

(1) "**EBITDA**" means Net Sales less the sum of COGS, Labor, Rent and Other Operating Expenses.

(2) "**Net Sales**" means all revenues received from the sale of food, beverages, services and other items from in-store dining, carry-out, online orders, delivery, third party voucher sales, catering, and otherwise, including the sale of food and beverages, redemption of gift cards, and merchandise and all other income and consideration of every kind and nature related to the Nick the Greek restaurant or Nick the Greek restaurant operations (including all proceeds from any business interruption insurance), whether for cash or credit, and regardless of collection in the case of credit, but does not include any sales taxes or other taxes collected from customers for, and thereafter paid directly to, the appropriate taxing authority, any discounts provided to customers, any bona fide refunds made to customers, any fees paid to third-party delivery services or aggregators, or any supplier rebates.

(3) The average EBITDA as a Percentage of Net Sales for all 24 Qualifying Nick the Greek restaurants included in this Item 19 is 12.3%, and 12 of the Nick the Greek restaurants had a greater EBITDA as a Percentage of Net Sales than this figure. Average EBITDA as a Percentage of Net Sales are calculated by taking actual EBITDA of the 24 Qualifying Nick the Greek restaurants and dividing them by actual Net Sales.

(4) For the purposes of this table, the "High" value indicates the Nick the Greek restaurant in each Quartile that had the highest EBITDA as a percentage of Net Sales, and the "Low" value indicates the Nick the Greek restaurant in each Quartile that had the lowest EBITDA as a percentage of Net Sales.

The information presented in this Item 19 is unaudited, was provided by an independent third-party service provider, and was generally prepared using a uniform chart of accounts.

Some Nick the Greek Restaurants have earned these amounts. Your individual results may differ. There is no assurance that you will earn as much.

We encourage you to consult with your own accounting, business and legal advisors and to make necessary allowances for changes in financial results to income, expenses or both. You should conduct an independent investigation of the costs and expenses you will incur in operating your Nick the Greek restaurant. Franchisees or former franchisees listed in the disclosure document may be one source of this information.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Your Nick the Greek restaurant will have the same signage as our affiliate's Nick the Greek restaurants and will serve the same menu items.

Other than as set forth above, we do not make any representations about a 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 the franchisor's management by contacting Komiel Mohsenzadegan, 5765 Winfield Blvd., Ste. 1, San Jose, California 95123 or komielmohsen@nickthegreek.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
Fiscal Years 2021-2023

Outlet Type	Year	Outlets at Start of Year	Outlets at End of Year	Net change
Franchised	2021	8	26	+18
	2022	26	39	+13
	2023	39	59	+20
Company-Owned	2021	8	9	+1
	2022	9	9	0
	2023	9	9	0
Total Outlets	**2021**	**16**	**35**	**+19**
	2022	**35**	**48**	**+13**
	2023	**48**	**68**	**+20**

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(Other than the Franchisor)
For Years 2021-2023

State	Year	Number of Transfers
California	2021	1
	2022	1
	2023	3
Totals	**2021**	**1**
	2022	**1**
	2023	**3**

Table No. 3
Status of Franchised Outlets
For Fiscal Years 2021 to 2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Reacquired By Franchisor	Ceased Operations For Other Reasons	Outlets at End of Year
Arizona	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	1	0	0	0	1
California	2021	8	18	0	0	0	26
	2022	26	11	0	0	0	37
	2023	37	12	0	0	0	49
Kansas	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
	2023	1	0	0	0	0	1
Missouri	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	1	0	0	0	1
Nevada	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
	2023	1	2	0	0	0	3
Texas	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	3	0	0	0	3
Utah	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	1	0	0	0	1
Total	**2021**	**8**	**18**	**0**	**0**	**0**	**26**
	2022	**26**	**13**	**0**	**0**	**0**	**39**
	2023	**39**	**20**	**0**	**0**	**0**	**59**

Table No. 4
Status of Company-Owned Outlets
For Years 2021-2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
California	2021	8	1	0	0	0	9
	2022	9	0	0	0	0	9
	2023	9	0	0	0	0	9
Total	**2021**	**8**	**1**	**0**	**0**	**0**	**9**
	2022	**9**	**0**	**0**	**0**	**0**	**9**
	2023	**9**	**0**	**0**	**0**	**0**	**9**

Table No. 5
Projected Openings as of December 31, 2023

State	Franchise Agreements Signed but Outlet Not Opened (as of December 31, 2023)	Projected New Franchised Outlets in Next Fiscal Year (2024)	Projected New Company-Owned Outlets in Next Fiscal Year (2024)
Arizona	1	1	0
California	25	25	1
Nevada	0	1	0
Tennessee	1	1	0
Texas	0	2	2
Utah	1	1	0
Total	**28**	**31**	**3**

Attached to this Disclosure Document as part of Exhibit H is a list of the names, addresses and telephone numbers of all existing franchisees as of December 31, 2023. No franchisee has had an outlet terminated, canceled, not renewed or otherwise ceased to do business under the Franchise Agreement during the most recently completed fiscal year. There are no franchisees who have not communicated with us for the 10-week period before the date this Disclosure Document was issued. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three years ending December 31, 2023, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as franchisees in our system.

We have not created, sponsored or endorsed a trademark-specific franchisee association. No trademark-specific franchisee organization has made a request to be included in this Disclosure Document.

ITEM 21

FINANCIAL STATEMENTS

Attached as Exhibit B to this Franchise Disclosure Document are our audited financial statements for the years ended December 31, 2023, December 31, 2022 and December 31, 2021. Our fiscal year end is December 31.

ITEM 22

CONTRACTS

Attached are copies of the following agreements proposed for use in this state:

Exhibit C: Franchise Agreement and Addenda, if applicable
Exhibit D to the Franchise Agreement: Guaranty and Assumption of Franchisee's Obligations
Exhibit D: Area Development Agreement and Addenda, if applicable

Exhibit G: SBA Addendum
Exhibit I: Form of General Release

ITEM 23

RECEIPT

Attached to the end of this Franchise Disclosure Document, following the Exhibits, is a receipt. Please sign it, date it the date you receive the Franchise Disclosure Document, and return it to us. Make sure that you indicate the franchise seller(s) with whom you had substantive discussions about this franchise. A duplicate of the receipt is attached for your records.

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EXHIBIT A

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	California Department of Financial Protection & Innovation One Sansome Street, Suite 600 San Francisco, CA 94104 415-972-8559 1-866-275-2677	California Department of Financial Protection & Innovation 320 West 4th Street, Suite 750 Los Angeles 90013-2344 1-866-275-2677
FLORIDA	Department of Agriculture & Consumer Services Division of Consumer Services Mayo Building, Second Floor Tallahassee, FL 32399-0800 850-245-6000	Same
HAWAII	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities 335 Merchant Street, Room 203 Honolulu, HI 96813 808-586-2722	Commissioner of Securities of the State of Hawaii Dept. of Commerce and Consumer Affairs Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
ILLINOIS	Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62706 217-782-4465	Illinois Attorney General Same Address
INDIANA	Securities Commissioner Indiana Securities Division 302 West Washington Street, Room E 111 Indianapolis, IN 46204 317-232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204
KENTUCKY	Kentucky Attorney General's Office Consumer Protection Division 1024 Capitol Center Drive Frankfort, KY 40602 502-696-5389	Same
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 410-576-6360	Maryland Securities Commissioner Same Address
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, MI 48913 517-373-7117	Michigan Department of Commerce Corporations and Securities Bureau Same Address

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101 651-539-1500	Minnesota Commissioner of Commerce Same Address
NEBRASKA	Department of Banking and Finance Bureau of Securities/Financial Institutions Division 1526 K Street, Suite 300 Lincoln, NE 68508-2732 P.O. Box 95006 Lincoln, Nebraska 68509-5006 Tele: 402-471-2171	Same
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Fl. New York, NY 10005 212-416-8285	Secretary of State of New York 99 Washington Avenue Albany, New York 12231
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capitol, Fourteenth Floor, Dept 414 Bismarck, ND 58505-0510 701-328-4712; Fax: 701-328-0140	Securities Commissioner Same Address
RHODE ISLAND	Rhode Island Department of Business Regulation, Securities Division John O. Pastore Center – Building 69-1 1511 Pontiac Avenue Cranston, RI 02920 401-222-3048	Director, Rhode Island Department of Business Regulation Same address
SOUTH DAKOTA	South Dakota Department of Labor and Regulation Division of Securities 124 S. Euclid Avenue, Suite 104 Pierre, SD 57501 605-773-4823	Director of the South Dakota Division of Securities Same Address
TEXAS	Secretary of State Statutory Documents Section P.O. Box 12887 Austin, TX 78711-2887 512-475-1769	Same
UTAH	Utah Department of Commerce Consumer Protection Division 160 East 300 South (P.O. Box 45804) Salt Lake City, UT 84145-0804 TELE: 801-530-6601 FAX: 801-530-6001	Same

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising Tyler Building, 9th Floor 1300 E. Main Street Richmond, VA 23219 804-371-9051	Clerk of the State Corporation Commission Tyler Building, 1st Floor 1300 E. Main Street Richmond, VA 23219 804-371-9733
WASHINGTON	Department of Financial Institutions Securities Division 150 Israel Rd S.W. Tumwater, WA 98501 360-902-8762	Director, Dept. of Financial Institutions Securities Division 150 Israel Rd S.W. Tumwater, WA 98501 360-902-8762
WISCONSIN	Wisconsin Dept. of Financial Institutions Division of Securities 345 W. Washington Avenue, 4th Floor Madison, WI 53703 608-266-8557	Wisconsin Commissioner of Securities Same Address

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EXHIBIT B

FINANCIAL STATEMENTS

Report of Independent Auditors and
Financial Statements

NTG Franchising, LLC

Year Ended December 31, 2023,
Period from December 2, 2022 through January 1, 2023, and
Period from January 1, 2022 through December 1, 2022

Table of Contents

MOSSADAMS

Report of Independent Auditors

The Member
NTG Franchising, LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NTG Franchising, LLC, which comprise the balance sheets as of December 31, 2023 and January 1, 2023, and the related statements of operations, member's equity, and cash flows for the year ended December 31, 2023, the period from December 2, 2022 to January 1, 2023 (Successor Periods), and the period from January 1, 2022 to December 1, 2022 (Predecessor Period), and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of NTG Franchising, LLC as of December 31, 2023 and January 1, 2023, and the results of its operations and its cash flows for the Successor and Predecessor Periods in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NTG Franchising, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – New Basis of Accounting

As discussed in Note 1 to the financial statements, NTG Franchising, LLC elected pushdown accounting in the financial statements for all periods presented due to a change in control using the acquisition method of accounting in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update 2014-17, *Business Combinations (Topic 805): Pushdown Accounting (A Consensus of the FASB Emerging Issues Task Force).* Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NTG Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NTG Franchising, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NTG Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Moss Adams LLP

Los Angeles, California
April 18, 2024

Financial Statements

NTG Franchising, LLC
Balance Sheets
December 31, 2023 and January 1, 2023

	December 31, 2023	January 1, 2023
ASSETS		
CURRENT ASSETS		
Cash	$ 1,771,958	$ 1,055,286
Franchise receivables	88,587	-
Prepaid expenses and other current assets	106,868	3,333
Contract assets, current portion	36,620	30,500
Total current assets	2,004,033	1,089,119
RESTRICTED CASH	307,365	300,000
PROPERTY AND EQUIPMENT, net	411,983	529,848
OPERATING RIGHT-OF-USE ASSETS	116,055	187,724
CONTRACT ASSETS, non-current	503,050	406,896
GOODWILL AND INTANGIBLE ASSETS, net	31,103,081	34,844,645
DEPOSITS	5,325	5,325
Total non-current assets	32,446,859	36,274,438
TOTAL ASSETS	$ 34,450,892	$ 37,363,557
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 224,535	$ 17,762
Accrued expenses	126,140	196,385
Related-party payables	465,064	714,986
Contract liabilities, current	143,078	81,305
Operating lease liabilities, current	69,863	67,034
Total current liabilities	1,028,680	1,077,472
HOLDBACK LIABILITY	79,972	146,000
CONTRACT LIABILITIES, long-term	1,926,333	1,828,669
OPERATING LEASE LIABILITIES, long-term	47,978	120,690
Total long-term liabilities	2,054,283	2,095,359
MEMBER'S EQUITY	31,367,929	34,190,726
TOTAL LIABILITIES AND MEMBER'S EQUITY	$ 34,450,892	$ 37,363,557

See accompanying notes.

NTG Franchising, LLC
Statements of Operations
Year Ended December 31, 2023, Period from December 2, 2022 through January 1, 2023, and Period from January 1, 2022 through December 1, 2022

	Successor Period		Predecessor
	Year Ended December 31, 2023	Period from December 2, 2022 to January 1, 2023	Period from January 1, 2022 to December 1, 2022
REVENUES			
Franchise fees	$ 331,336	$ 33,150	$ 168,284
Royalty fees	3,957,343	314,219	2,516,023
Marketing fund fees	455,076	21,315	214,538
Total revenues	4,743,755	368,684	2,898,845
OPERATING EXPENSES			
General and administrative	1,427,619	117,595	1,005,264
Salaries, wages, and benefits	1,793,824	89,855	956,572
Marketing and promotional	451,583	27,136	393,049
Franchise operations	134,204	4,008	111,117
Depreciation and amortization	3,874,436	322,797	121,068
Total operating expenses	7,681,666	561,391	2,587,070
OPERATING (LOSS) INCOME	(2,937,911)	(192,707)	311,775
Other income	115,114	-	-
Interest expense	-	-	(18,591)
NET (LOSS) INCOME	$ (2,822,797)	$ (192,707)	$ 293,184

See accompanying notes.

NTG Franchising, LLC
Statements of Member's Equity
Year Ended December 31, 2023, Period from December 2, 2022 through January 1, 2023, and Period from January 1, 2022 through December 1, 2022

BALANCE, January 1, 2022 (Predecessor)	$ 311,921
Distributions	(1,480,913)
Contributions	1,244,228
Net income	293,184
BALANCE, December 1, 2022 (Predecessor)	$ 368,420
BALANCE, December 2, 2022 (Successor)	$ 34,383,433
Net loss	(192,707)
BALANCE, January 1, 2023 (Successor)	34,190,726
Net loss	(2,822,797)
BALANCE, December 31, 2023 (Successor)	$ 31,367,929

See accompanying notes.

NTG Franchising, LLC
Statements of Cash Flows
Year Ended December 31, 2023, Period from December 2, 2022 through January 1, 2023, and Period from January 1, 2022 through December 1, 2022

	Successor		Predecessor
	Year Ended December 31, 2023	Period from December 2, 2022 to January 1, 2023	Period from January 1, 2022 to December 1, 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) income	$ (2,822,797)	$ (192,707)	$ 293,184
Adjustments to reconcile net (loss) income to net cash from operating activities			
Depreciation and amortization	3,874,436	322,797	121,068
Operating non-cash lease expense	1,786	-	2,536
Changes in operating assets and liabilities			
Franchise receivables	(88,587)	8,344	33,713
Prepaid expenses and other current assets	(103,535)	1,752	5,325
Contract assets	(102,274)	2,542	(217,438)
Accounts payable and accrued expenses	136,528	214,147	32,939
Contract liabilities	159,437	(16,575)	735,749
Net cash from operating activities	1,054,994	340,300	1,007,076
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property and equipment	(15,007)	-	(4,200)
Net cash from investing activities	(15,007)	-	(4,200)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments on note payable	-	-	(59,152)
Contributions from Member	-	-	(1,244,228)
Due (from) to Member	(315,950)	714,986	(920,712)
Distributions to Member	-	-	1,480,913
Net cash from financing activities	(315,950)	714,986	(684,027)
NET CHANGE IN CASH AND RESTRICTED CASH	724,037	1,055,286	318,849
CASH AND RESTRICTED CASH, beginning of year	1,355,286	300,000	1,011,846
CASH AND RESTRICTED CASH, end of year	$ 2,079,323	$ 1,355,286	$ 1,330,695
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING, FINANCING, AND OTHER CASH FLOWS INFORMATION			
Cash paid for interest	$ -	$ -	$ (18,591)
Cash paid for operating leases included in the measurement of lease liabilities	$ 78,609	$ 5,526	$ 60,789

See accompanying notes.

Note 1 – Organization and Description of Business

Organization and nature of operations – NTG Franchising, LLC (the Company) was formed as a California Limited Liability Company (LLC) in August 2018 for the purpose of franchising authentic fast-casual Mediterranean street food restaurants under the concept "Nick the Greek" (NTG). An affiliate entity, NTG IP Holdings, LLC, is the owner of all intellectual property, rights in certain systems, trademarks, service marks, and other intellectual property used in the operation of NTG restaurants (the NTG IP) and has licensed the NTG IP and other know-how and confidential information to the Company to develop the NTG franchise system to offer, sell, and support the franchised business.

The Company franchises NTG restaurants throughout the United States through a ten-year royalty free renewable trademark license agreement with its affiliate. The license agreement grants the Company a non-exclusive right to use the NTG IP and to license the NTG IP to franchisees under franchise agreements. The franchise agreements typically require the purchaser to pay an initial franchise fee for each location to be opened. Once the franchise begins operations, the Company charges a royalty and marketing fee of 6% and 0.5%, respectively, of the franchisee's gross sales. As of January 1, 2023, the Company had sold the rights to develop 52 franchise units under various franchise and development agreements, and there were 39 franchise locations in operation. As of December 31, 2023, the Company had sold the rights to develop 120 franchise units under various franchise and development agreements, and there were 63 franchise locations in operation.

The Company does not operate and has never operated any NTG restaurants, although NTG LLC and subsidiaries (NTG LLC), an affiliate entity, operates 9 NTG restaurants.

Business combination– On December 1, 2022, the Company together with NTG IP and NTG LLC were acquired and became wholly owned subsidiaries of NTG Intermediate Holdings, LLC (the Member), a California LLC, which is a wholly owned subsidiary of NTG Holdings, LLC (the Ultimate Parent), a California LLC. The acquisition of the Ultimate Parent and its wholly owned subsidiaries (the Transaction) resulted in a new basis of accounting for the assets acquired and liabilities assumed of the Company, due to the change of control. The Company elected pushdown accounting in the financial using the acquisition method of accounting in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-17, *Business Combinations (Topic 805): Pushdown Accounting (A Consensus of the FASB Emerging Issues Task Force).*

The new basis of assets acquired and liabilities assumed was not readily determinable as of December 2, 2022, and subject to change, and therefore the Ultimate Parent did reflect pushdown accounting in the previously issued financial statements as of January 1, 2023. Accordingly, previously issued financial statements as of January 1, 2023, have been restated herein to reflect the new basis of accounting as of December 2, 2022.

References in these financial statements to the "Successor Periods" refer to the Company's results of operations from December 2, 2022 to January 1, 2023, and for the year ended December 31, 2023, after giving effect to the Transaction. References to the "Predecessor Period" refer to the Company's results of operations from January 1, 2022 through December 1, 2022.

Basis of presentation – The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Company believes this information includes all adjustments, consisting of normal recurring accruals, necessary to fairly present its financial condition. References to ASC and ASU included hereinafter refer to the Accounting Standards Codification and Accounting Standards Update established by the FASB as the source of authoritative U.S. GAAP.

Note 2 – Summary of Significant Accounting Policies

Use of estimates – The preparation of the financial statements in accordance with U.S. GAAP requires that management makes certain estimates and assumptions. These estimates and assumptions affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities as of the balance sheet date. The actual results could differ significantly from those estimates.

Business combinations – The Company accounts for business combinations under the acquisition method of accounting, in accordance with ASC Topic 805, *Business Combinations*, recording any assets acquired and liabilities assumed based on their respective fair values. Additionally, the Company adopted the Private Company alternative, and, therefore, only recognizes those identifiable customer-related intangible assets that are capable of being sold or licensed independently from other assets of the acquired business and precludes recognizing noncompetition agreements. Any excess of the fair value of purchase consideration over the fair value of the assets acquired less liabilities assumed is recorded as goodwill and any remaining intangible assets were grouped with goodwill and will be amortized over ten years.

Cash and restricted cash – The Company considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. As of December 31, 2023 and January 1, 2023, the Company carried no cash equivalents. Restricted cash as of December 31, 2023 and January 1, 2023, consists of funds held specifically for acquisition escrow funds. Classification of restricted balances in the balance sheet is based on the expected date the restrictions will be released.

Concentrations of credit risk – The Company maintains its cash balances with major financial institutions. At various times during the years ended December 31, 2023 and January 1, 2023, the Company had bank deposits in excess of the Federal Depository Insurance Corporation insurance limits. The Company has not experienced losses in such accounts and believes it is not exposed to any significant credit risk.

Fair value measurements – The Company's financial instruments, none of which are held for trading purposes, include current assets, accounts payable, and accrued expenses. Management estimates that the fair value of all financial instruments at December 31, 2023 and January 1, 2023, do not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying financial statements.

Franchise receivables – Franchise receivables consist of amounts due from its franchisees for royalty and marketing fees and are stated net of an allowance for doubtful accounts. On a periodic basis, the Company evaluates its receivable balance and establishes an allowance for credit losses, if required, based on a history of past write-offs and collections, current credit considerations, and other factors as considered necessary.

Receivable balances are written off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. As of December 31, 2023 and January 1, 2023, no allowance for credit losses was recorded. During the Successor and Predecessor periods, no receivable balances were considered uncollectible or written off.

Prepaid expenses and other current assets – Prepaid expenses and other current assets consist primarily of prepayments for operating expenses.

Property and equipment – Property and equipment are carried at cost, less accumulated depreciation. Expenditures for additions, replacement, and major improvements are capitalized. Maintenance, repairs, and minor renewals are expensed as incurred. Depreciation is computed on a straight-line basis over the estimated useful lives of five years for furniture and equipment. Leasehold improvements are depreciated over the shorter of the lease term and the useful lives of the improvements. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts, and any resulting gain or loss is recognized.

Leases – The Company records its leases as required under FASB ASU No. 2016-02, *Leases (Topic 842)*, which requires all lessees to recognize a right-of-use (ROU) asset and lease liability for both operating and finance leases on the balance sheets, initially measured at the present value of the lease payments for all leases with an anticipated term greater than 12 months.

ROU assets represent the Company’s right to use an underlying asset for the lease term and lease liabilities represent the Company’s obligation to make lease payments arising from the lease. Lease liabilities and their corresponding ROU assets are recorded based on the present value of the lease payments over the expected remaining lease term, adjusted for lease incentives, prepayments, and favorable and unfavorable lease assets acquired in business combinations. The Company includes payments to be made in an optional period only if the Company is reasonably certain to exercise an option to extend the lease or not to exercise an option to terminate the lease. For operating leases, the lease cost is allocated over the lease term on a generally straight-line basis.

The ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. For this purpose, the Company considers only payments that are fixed and determinable at the time of commencement. In determining the present value of lease payments, the Company discounts lease payments based on the government treasury risk-free rate determined using a period comparable with that of the lease term at the lease commencement date.

The Company accounting policies for ASC 842 to not separate lease and unidentifiable non-lease components on real estate leases, where the Company is the lessee and to use a risk-free rate for a period comparable to the lease term.

The Company leases real estate under a noncancelable agreement classified as an operating lease. The lease does not impose any financial restrictions or contain any residual value guarantees. The lease includes a renewal option and escalation clauses; renewal options have not been included in the calculation of the lease liabilities and ROU assets unless the Company is reasonably certain to be exercising the options.

Variable lease payments that do not depend on a rate or index, escalation in the index subsequent to the initial measurement, payments associated with separable non-lease components such as common area maintenance, real estate taxes and insurance, and short-term lease payments (leases with a term of 12 months or less) are expensed as incurred or when the achievement of the specified target that triggers the contingent rent is considered probable.

Impairment of long-lived assets – In accordance with FASB ASC 360, *Property, Plant, and Equipment*, management reviews long-lived assets for possible impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. If there is an indication of impairment, management prepares an estimate for future cash flows (undiscounted and without interest charges) expected to result from the use of the asset and its eventual disposition. If these cash flows are less than the carrying amount of the asset, an impairment loss is recognized to write down the asset to its estimated fair value. The long-lived assets subject to potential impairment are the intangible assets and property and equipment consisting mainly of furniture and equipment and leasehold improvements. No impairment charges were recorded during the Successor and Predecessor periods.

Contract assets – The Company recognizes an asset for the incremental costs of obtaining a contract with a franchisee and recognizes the expense over the course of the period when the Company expects to recover those costs. The Company has determined that commission payments earned by a third party when a contract is executed meets these requirements. Capitalized commissions are amortized to commissions expense within general and administrative expenses on the statements of operations on a straight-line basis over the period of benefit. The Company applies a practical expedient to expense costs as incurred for costs to obtain a contract with a franchisee when the amortization period would have been one year or less.

Contract liabilities – Contract liabilities represent a liability related to a revenue producing activity for which revenue has not yet been recognized. The Company records contract liabilities when it receives consideration from a customer before achieving certain criteria that must be met for revenue to be recognized in conformity with GAAP.

Revenue recognition – The Company analyzes each contract for separate performance obligations existing over the term of the contract and recognizes revenue as those performance obligations are satisfied. The Company determines revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and

- Recognition of revenue when, or as, the Company satisfies a performance obligation.

As part of its assessment of each franchise contract, the Company evaluates certain factors including the customer's ability to pay, or credit risk. For each contract, the Company considers the promise to fulfill services, each of which is distinct to be the identified performance obligations. The Company has the following revenue streams:

Franchise and development fee revenues – The Company's franchise agreements typically operate under ten-year franchise agreements with the option to renew for up to two additional five-year successor terms. Initial franchise fees are recognized as revenue as the performance obligations of the contract are satisfied. The Company has identified separate performance obligations over the term of the contract and recognizes revenue as those performance obligations are satisfied. These performance obligations include rights to pre-opening site selection, rights to pre-opening training, and rights to use the NTG IP.

The Company may enter into area development agreements. The Company's performance obligation under area development agreements generally consists of an obligation to grant geographic exclusive area development rights. These development rights are not distinct from franchise agreements, so upfront fees paid by franchisees for exclusive development rights are deferred as contract liabilities and apportioned to each franchise agreement signed by the franchisee. The pro rata amount apportioned to each franchise agreement is recognized as revenue over the life of the agreement, starting at the location opening date. There was approximately $876,000 and $462,000 in deferred area development fees as of December 31, 2023 and January 1, 2023, respectively, included in contract liabilities on the accompanying balance sheets.

Royalty revenue – Royalty revenue represents royalties earned from franchisees in accordance with the franchise agreements. The royalty rate in the franchise agreement is 6% of the gross sales of each restaurant operated, which is recognized when earned and is payable to the Company weekly when the weekly sales are reported by the franchisees.

Marketing fund revenue – Marketing fund revenue represents advertising fees earned from each of the franchisees in accordance with the franchise agreements. The marketing fund rate in the franchise agreements is 0.5% of the gross sales of each restaurant operated, which is recognized when earned and is payable to the Company weekly when the weekly sales are reported by the franchisees.

General and administrative – General and administrative expenses consist of costs associated with administrative support functions. These costs primarily consist of commissions expense, advertising and marketing, legal and professional, rent, and other taxes.

Advertising and promotional – Advertising and promotional costs, including general brand marketing, are expensed when incurred. Franchise-owned restaurants contribute to a marketing fund that the Company manages on behalf of these restaurants (the Marketing Fund). The Company is committed under its franchise and other agreements to spend revenues of the Marketing Fund on marketing, creative efforts, media support, or related purposes specified in the agreements. Expenditures are included in advertising and promotional expenses on the accompanying statements of operations.

Expenditures of the Marketing Fund are primarily amounts paid to third parties but may also include personnel expenses and allocated costs. At each reporting date, to the extent contributions to the Marketing Fund exceed expenditures on a cumulative basis, the excess contributions are recorded in advertising payable on the accompanying balance sheets. While no profit is recognized on amounts received by the Marketing Fund, when expenditures exceed contributions to the Marketing Fund on a cumulative basis, income from operations and net income may be affected due to the timing of when revenues are received, and expenses are incurred.

Franchise operations – The Company incurs certain operating expenses related to supporting new franchise openings and for continued support. Franchise operations expenses consist of costs related travel, lodging, and transportation, including costs for the use of professionals, such as consultants, legal firms, and accountants.

Income taxes – The Company is an LLC and is considered a disregarded entity for income tax purposes. The Company's taxable income or loss is reportable by the Member on its income tax returns. Accordingly, no taxes payable of deferred tax assets or liabilities are reflected in these financial statements.

Subsequent events – Subsequent events are events or transactions that occur after the balance sheets date but before the financial statements are issued. The Company recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheets, including the estimates inherent in the process of preparing the financial statements. The Company's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheets but arose after the balance sheets date and before the financial statements were issued.

The Company has evaluated subsequent events through April 18, 2024, which is the date the financial statements were available to be issued.

Note 3 – Business Combination

Effective December 1, 2022, a majority of the ownership units of the Ultimate Parent were acquired and the Ultimate Parent elected to apply pushdown accounting to establish a new basis of accounting using the acquisition method of accounting for the Company. Accordingly, the assets and liabilities of the Company were recorded at their estimated fair values at the acquisition date in the accompanying financial statements. The new basis of assets acquired and liabilities assumed as of the date of the Transaction is as follows:

Franchise receivables	$ 8,000
Prepaid expenses and other current assets	5,000
Contract assets	440,000
Property and equipment	541,000
Operating right-of-use assets	188,000
Goodwill	30,268,000
Franchise rights	4,700,000
Area development agreements	245,000
Deposits	5,000
Contract liabilities	(1,927,000)
Operating lease liabilities	(188,000)
Total	$ 34,285,000

The estimated fair values of the assets and liabilities at the date of the acquisition were determined by applying established valuation techniques, based on information that management believed to be relevant to this determination. The fair values of the identifiable intangible assets consist of the franchise rights and area development agreements and were estimated by applying the relief from royalty method. These fair value measurements were based on significant inputs that are not observable. The assumptions made by management in determining the fair value included discount rates based on weighted-average cost of capital, estimated average growth rates, and estimated royalty rate. The difference between the purchase price and the fair value of identifiable net assets was recorded as goodwill. The goodwill created from this Transaction is attributable to the workforce and the ability to capitalize on the growth of the Company.

Note 4 – Property and Equipment, Net

Property and equipment, net, as of December 31, 2023 and January 1, 2023, consists approximately of the following:

	December 31, 2023	January 1, 2023
Leasehold improvements	$ 489,000	$ 489,000
Furniture and fixtures	53,000	52,000
Machinery and equipment	7,000	-
Construction in process	7,000	-
Total	556,000	541,000
Less accumulated depreciation	(144,000)	(11,000)
Property and equipment, net	$ 412,000	$ 530,000

Depreciation expense related to property and equipment amounted to approximately $132,000; $11,000; and $121,000 during the Successor Periods ended December 31, 2023 and January 1, 2023, and the Predecessor Period, respectively.

Note 5 – Goodwill and Intangible Assets, Net

Goodwill and identifiable intangible assets, net, consists approximately of the following as of December 31, 2023 and January 1, 2023:

	December 31, 2023		
	Gross Amount	Accumulated Amortization	Net Carrying Value
Goodwill	$ 30,211,000	$ (3,273,000)	$ 26,939,000
Franchise agreements	4,700,000	(676,000)	4,024,000
Area development agreements	245,000	(105,000)	140,000
Total	$ 35,156,000	$ (4,054,000)	$ 31,103,000

	January 1, 2023		
	Gross Amount	Accumulated Amortization	Net Carrying Value
Goodwill	$ 30,211,000	$ (251,000)	$ 29,960,000
Franchise agreements	4,700,000	(56,000)	4,644,000
Area development agreements	245,000	(4,000)	241,000
Total	$ 35,156,000	$ (311,000)	$ 34,845,000

Amortization expense related to goodwill and intangible assets was approximately $3,742,000 and $312,000 during the during the Successor Periods ended December 31, 2023 and January 1, 2023, respectively. There was no amortization expense in the Predecessor Period ended December 1, 2022.

Future amortization expense related to goodwill and intangible assets is approximately as follows:

Fiscal Years,	
2024	$ 3,742,000
2025	3,742,000
2026	3,742,000
2027	3,737,000
2028	3,693,000
Thereafter	12,447,000
Total	$ 31,103,000

Note 6 – Contract Assets and Liabilities

	December 31, 2023	January 1, 2023	January 1, 2022
Franchisee receivables	$ 89,000	$ -	$ 42,000
Contract assets	$ 540,000	$ 437,000	$ 223,000
Contract liabilities	$ 2,069,000	$ 1,910,000	$ 1,093,000

The following table reflects the approximate change in contract assets and liabilities for the years ended December 31, 2023 and January 1, 2023:

	Contract Assets	Contract Liabilities
BALANCE, December 31, 2021	$ 223,000	$ 1,093,000
Expenses recognized that were included in contract assets at beginning of the year	19,000	-
Revenue recognized that was included in deferred revenue at beginning of the year	-	201,000
Increase, excluding amounts recognized as expenses/revenue during the period	195,000	616,000
BALANCE, January 1, 2023	437,000	1,910,000
Expenses recognized that were included in contract assets at beginning of the year	29,000	-
Revenue recognized that was included in deferred revenue at beginning of the year	-	331,000
Increase, excluding amounts recognized as expenses/revenue during the period	73,000	(172,000)
BALANCE, December 31, 2023	$ 540,000	$ 2,069,000

The following table illustrates estimated approximate (expense) revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of December 31, 2023:

	Contract Assets	Contract Liabilities
(Contract assets) and contract liabilities to be recognized in:		
2024	$ (37,000)	$ 143,000
2025	(37,000)	125,000
2026	(37,000)	115,000
2027	(37,000)	115,000
2028	(37,000)	115,000
Thereafter	(355,000)	1,456,000
Total	$ (540,000)	$ 2,069,000

Note 7 – Related-Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions or if they are subject to common control or common significant influence. During the normal course of operations, the Company borrowed from and made advances to related parties under common ownership of the Ultimate Parent. Such transactions are considered short-term in nature as they are payable or receivable on demand. As of December 31, 2023 and January 1, 2023, the Company owed related parties a net balance of approximately $459,000 and $715,000, respectively. During the Predecessor Period, approximately $90,000 of advances to the Ultimate Parent were reflected as a distribution to the Member. As of December 31, 2023 and January 1, 2023, the Company owed approximately $80,000 and $300,000 in holdback liability to certain members of the Ultimate Parent as a result of the Transaction.

Note 8 – Commitments and Contingencies

Leases – The Company maintains one operating lease under a noncancelable agreement for its corporate office location with original terms of five years, which expires in August 2025.

The components of lease expense included in general and administrative expenses on the accompanying statements of operations for the Successor and Predecessor Periods, respectively, are approximately as follows:

	December 31, 2023	January 1, 2023	December 1, 2022
Operating lease expense	$ 69,000	$ 6,000	$ 63,000

Supplemental cash flow information related to leases of December 31, 2023 and January 1, 2023, respectively, is approximately as follows:

	December 31, 2023	January 1, 2023
Right-of-use assets obtained in exchange for lease obligations		
Operating leases	$ -	$ 190,000

The future minimum lease payments under the noncancelable operating lease is approximately as follows:

Fiscal Years,	
2024	$ 71,000
2025	48,000
Total undiscounted cash flows	119,000
Less present value discount	(1,000)
Total lease liabilities	$ 118,000

Other information related to leases as of December 31, 2023 and January 1, 2023, is as follows:

	December 31, 2023	January 1, 2023
Weighted-average remaining lease term		
Operating leases	1.67	2.67
Weighted-average discount rate		
Operating leases	1.04%	1.04%

Litigation – The Company at times is subject to legal proceedings and claims which arise in the ordinary course of its business. It is the opinion of management that the outcome of these matters will have no material adverse effect on the financial position or results of operations of the Company.

Note 9 – Member's Equity

The Company's LLC operating agreement has a perpetual life. Excess cash flow, tax liability distributions, and profits and losses are to be distributed to the Member in accordance with the operating agreement. The liability of the Company's Member is limited to the Member's specific capital balance. Upon liquidation of the Company, the net assets shall be distributed to the Member.

EXHIBIT C

FRANCHISE AGREEMENT AND ADDENDA

FRANCHISE AGREEMENT

NICK THE GREEK FRANCHISE AGREEMENT

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Exhibits

NICK THE GREEK

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT is entered into as of _______________, by and between NTG Franchising, LLC, a California limited liability company ("**Franchisor**"), and _______________, a(n) _______________ ("**Franchisee**"), with reference to the following facts:

A. Franchisor has the right to operate and grant to others the right to operate "Nick the Greek" restaurants high quality Greek street food including gyros, Grecian "beefteki" burgers (beef and lamb patty with feta cheese, served with lettuce, tomato, onions and a feta sauce), soups salads, sides, desserts and a homemade tzatziki sauce in a fun and family-oriented setting, in accordance with certain proprietary practices and procedures ("**Proprietary Information**") that are part of a system relating to the establishment, development, operation and management of such restaurants ("**System**");

B. Franchisor has the right to license various trademarks, trade names, service marks, designs, emblems, logos, slogans, copyrights, it designates, Trade Dress, as defined below, trade secrets, commercial symbols and other indicia it designates including, without limitation, "Nick the Greek," now or hereafter used or intended to be used in connection with the System, and any and all revisions, modifications and additions thereto, whether or not recorded or registered with the United States Patent and Trademark Office or any other local, state, federal or foreign agency, registrar or body ("**Marks**"); and

C. Franchisor licenses the right to use the System and the Marks in the operation of Nick the Greek restaurants ("**Franchised Business**"). Franchisee is an independent business owner and desires to obtain the right to open and operate a Franchised Business. Franchisor is willing to grant Franchisee a franchise to operate a Franchised Business upon the terms and subject to the conditions set forth in this Agreement.

NOW THEREFORE, in consideration of these premises and of the mutual covenants contained herein, the receipt and sufficiency of which is acknowledged by the parties, the parties agree as follows:

1. GRANT OF RIGHTS

A. NON-EXCLUSIVE LICENSE

Subject to the terms and conditions of this Agreement, Franchisor hereby grants to Franchisee, and Franchisee accepts, a non-exclusive license to use the Marks and the System solely in the operation of the Franchised Business at one (1) location to be determined pursuant to the terms and conditions of this Agreement within the search territory described in **Exhibit A** attached hereto ("**Search Territory**"). Franchisee acknowledges and agrees that it does not have any territorial or exclusive rights whatsoever with regards to the Search Territory and that there may be other parties seeking locations to operate Franchised Businesses in the Search Territory. If another prospective franchisee identifies a location in the Search Territory and obtains Franchisor's consent to that location, that location and the area surrounding it will no longer be available.

B. LOCATION AND PROTECTED AREA

At such time that Franchisee identifies and Franchisor approves a location for the Franchised Business within the Search Territory pursuant to the procedures set forth in Section 1.D of this Agreement, Franchisor and Franchisee shall identify the approved location and the protected area surrounding such location ("**Protected Area**") in **Exhibit A**. Subject to Franchisee's full compliance with its obligations under this Agreement and except as set forth below, Franchisor shall not open and operate, or authorize another party to open and operate, a Franchised Business in the Protected Area. Franchisor reserves the right to operate restaurants similar to the Franchised Business in the following locations both within and outside the Protected Area: shopping centers, airports, train stations, hotels, convention centers, arenas and stadiums, casinos, college campuses, amusement and theme parks, museums, supermarkets, box stores and similar venues ("**Non-Traditional Locations**"). Franchisor also reserves the right to conduct all commerce over the Internet and other means of electronic commerce as may in the future be developed. Franchisor may also acquire, be acquired by, merge or combine with another company that operates or license others to operate restaurants in the Protected Area.

C. FRANCHISOR'S RESERVATION OF RIGHTS

Franchisor reserves any and all rights not specifically granted to Franchisee under this Agreement. Franchisee acknowledges that this Agreement does not restrict Franchisor, NTG, LLC or their affiliates from conducting businesses using marks or commercial symbols different from the Marks either within or outside of the Protected Area, nor does it preclude them from using the Marks or licensing the right to others to use the Marks for purposes other than operating its Franchised Business. Franchisor reserves the right to sell and distribute the products and services offered by the Franchised Business at wholesale, and to sell and distribute such products and services through other channels of distribution such as supermarkets, grocery stores, box stores and similar locations either within or outside the Protected Area.

D. SITE SELECTION PROCEDURE AND SITE DEVELOPMENT

(1) Franchisee's Obligation. Franchisee shall operate the Franchised Business at a site in the Search Territory accepted in writing by Franchisor. Franchisor will provide assistance in locating a site for the Franchised Business but Franchisee is solely responsible for all cost, liability, expense, risk and obligation to locate, obtain financing for and develop the site of the Franchised Business and for constructing and equipping the Franchised Business at the site.

(2) Site Proposal. Franchisee shall submit to Franchisor, in the form prescribed by Franchisor, all relevant information concerning a proposed site including, without limitation, the general location and neighborhood, zoning of the site, demographic information about the surrounding area, locations of any other Greek restaurants in the general area of the proposed site, proximity of any complementary businesses, traffic flow, parking, rent, size, layout, physical characteristics of the location, building restrictions, lease terms and such other information as Franchisor may require (collectively, **"Site Proposal"**). The Site Proposal shall include (a) a property description; (b) a demographic profile of the site; (c) a rendering or design plan showing the preliminary proposed layout; including floor plans and prototype and construction drawings for the conceptual appearance of the Franchised Business, including floor plans, and (d) information about the community in which the proposed site is located. Franchisee must submit

the Site Proposal to Franchisor within one hundred and eighty (180) days after the execution of this Agreement.

(3) Franchisor's Evaluation. No Site Proposal shall be deemed accepted unless acceptance is issued by Franchisor in writing. Franchisor will accept or reject the Site Proposal within ten (10) business days after it receives Franchisee's notice and all relevant information that Franchisor requires or requests from Franchisee. Franchisor may reject the Site Proposal for any reason. If Franchisor rejects a Site Proposal, Franchisee must find another site and submit a new Site Proposal. Franchisee must submit a Site Proposal within one hundred and eighty (180) days after execution of this Agreement. Franchisee must obtain Franchisor's consent to a site and sign a lease for the Franchised Business within two hundred and ten (210) days after execution of this Agreement.

(4) Design and Plans. Franchisor will provide Franchisee prototype drawings for a typical Franchised Business, which Franchisee may use to develop, at its own cost and subject to Franchisor's consent, a full set of plans and drawings for the Franchised Business. Franchisee shall retain an architect designated by Franchisor to prepare floor plans for both the front and back of house areas as well as interior elevations of the Franchised Business. Once Franchisee has obtained Franchisor's written consent to such floor plans, Franchisee shall have its architect prepare construction plans showing site dimensions, topographical evaluations, building type and placement on site, proposed ingress and egress and access to utilities such as electricity and water. Franchisee's plans shall include any modifications required to comply with local governmental requirements and a proposed equipment list, as well as schedules showing all equipment and fixtures to be installed (collectively, "**Plans**").Franchisee shall submit the Plans to Franchisor for Franchisor's review and shall not proceed until Franchisor provides its written consent to the Plans. It shall be Franchisee's sole responsibility to submit the Plans to the appropriate governmental entities for their approval and permitting, in order to comply with local law regarding the securing of any local authority and permits, licenses, or other necessary governmental approvals. If any such
governmental entities require modifications to the Plans, Franchisee shall submit such modifications to Franchisor for review and consent prior to commencement of construction, refurbishing, renovating or equipping the Franchised Business. Franchisee shall also submit to Franchisor for review and consent full engineering drawings, including, without limitation, electrical, plumbing, heating, ventilation and air conditioning (HVAC), refrigeration and restaurant drawings. Franchisee may not begin construction until Franchisor has provided its consent to the engineering drawings.

(5) Construction. Franchisee shall retain a contractor for the Franchised Business that is commercially licensed and insured and that has experience in building structures similar to the Franchised Business. Franchisor will provide standards and qualifications to assist Franchisee in identifying contractors, and upon request by Franchisee, evaluate the contractor Franchisee selects. The contractor selected by Franchisee shall name Franchisee and Franchisor as additional insureds under its insurance policies. Franchisee shall cause its contactor to adhere to the Plans to which Franchisor has consented and the contractor may not deviate from the Plans without Franchisor's prior written consent. Franchisor reserves the right to monitor the construction process, and Franchisee shall accord Franchisor complete access to its construction bids, progress and costs, and upon request by Franchisor, videos and photographs of the progress of the construction.

(6) Signage and Materials. All signage and materials at the Franchised Business site shall conform to Franchisor's specifications. Franchisor may designate certain vendors and suppliers of items and materials used in the construction process and Franchisee and its contractor must purchase those items and materials from the designated vendor or supplier. In addition, Franchisee must post a prominent sign in the Franchised Business identifying Franchisee as a franchisee of Franchisor in a format that Franchisor deems acceptable, including an acknowledgement that Franchisee independently owns and operates the Franchised Business and that the Marks are owned by Franchisor and Franchisee's use is under a license Franchisor has issued to Franchisee.

(7) Lease. Franchisee will not sign a lease or contract for the location of the Franchised Business without receiving Franchisor's prior written consent. Franchisor may refuse to consent to a lease for any reason. The lease or contract must contain such additional terms and conditions as Franchisor may require to provide for the protection of Franchisor's rights and interests, including but not limited to a conditional lease assignment to Franchisor or its nominee in a form acceptable to Franchisor, and including the following:

(a) the absolute and unconditional right of Franchisee to assign its interest in the lease to Franchisor or Franchisor's nominee at any time without the consent of the landlord and without rent increase or penalty;

(b) the landlord's acknowledgment that Franchisee will not assign or transfer the lease or any of its rights thereunder or grant any sublease thereunder without the prior written consent of Franchisor;

(c) the landlord's consent to Franchisee's use of such signage and other displays of the Marks as Franchisor may require;

(d) the obligation of the landlord to notify Franchisor in writing of any default by Franchisee of any of the terms and conditions of the lease and to provide to Franchisor, at Franchisor's option, the right to cure any default under the lease within fifteen (15) days after expiration of the period in which Franchisee is required to cure the default, if Franchisee fails to do so; provided, however, that Franchisee shall reimburse Franchisor for any costs and expenses incurred to cure the default;

(e) that no amendment, addition, or other modification or change be made to the lease without obtaining the prior written consent of Franchisor;

(f) that upon expiration or termination for any reason of this Agreement, Franchisee's rights under the lease will, at the option of Franchisor, be transferred and assigned to Franchisor or its nominee without rent increase or penalty immediately upon notice to the landlord by Franchisor;

(g) Franchisee's acknowledgment that the landlord may rely upon notice from Franchisor and will not be required to inquire into the due execution of such notice or the accuracy of the statements set forth in such notice;

(h) that such notice will, without further act or formality, operate as an effective assignment of Franchisee's rights under the lease to Franchisor or its nominee without rent increase or penalty, and the assumption by Franchisor or its nominee of the covenants required to be observed or performed by Franchisee under the lease; provided, however, that landlord agrees and acknowledges that Franchisor and its nominee, if any, shall not assume, and shall have no obligation to the landlord for any liabilities arising from or relating to Franchisee's actions, failure to act or defaults prior to the assignment of the lease;

(i) Franchisee's acknowledgment that the landlord will, upon the written request of Franchisor, disclose to Franchisor all reports, information or data in the landlord's possession respecting the premises and the operation of the Franchised Business, including, without limitation, revenue information;

(j) the landlord's acknowledgment that the Franchise Agreement contains a right on the part of Franchisor, in the event of expiration or termination of the Franchise Agreement for any reason whatsoever, to enter the premises and to make any alterations to the exterior or interior decor and signage as Franchisor deems necessary to remove its identification with the System as required by this Agreement and, in the event of the exercise by Franchisor of such right, the landlord further acknowledges that such entry by Franchisor shall not constitute an assignment of the lease nor a subletting of the premises; and

(k) that Franchisor will be a third party beneficiary under the lease.

Franchisee shall be responsible for all costs associated with the negotiation of the lease. Franchisee shall fully perform all obligations to be performed by Franchisee under the lease or contract and shall immediately upon receipt of any notice of violation from the lessor or other party to the contract deliver a copy of such notice to Franchisor together with a statement of the steps proposed to be taken by Franchisee in response to the notice. All amounts spent by Franchisor to cure any breach by Franchisee of the lease for the site of the Franchised Business shall be due to Franchisor from Franchisee upon Franchisor's written demand. Nothing herein shall create an obligation on the part of Franchisor to cure any breach by Franchisee.

(8) Opening. Franchisee shall not start operating the Franchised Business and open it to the public until Franchisor has given its consent in writing. Franchisee shall satisfy the conditions to commencement of operations, including, without limitation, the completion of the Initial Training Program, as defined below. Franchisor may require that Franchisor or its representative conduct an on-site inspection prior to giving its consent and from time to time during the term of this Agreement. Franchisee must begin operations within one hundred and twenty (120) days after the date of this Agreement if Franchisee is converting an existing restaurant. If Franchisee is not converting an existing restaurant, Franchisee must begin operations by the earlier of (i) six months after the date that Franchisor consents to the location if Franchisee is leasing a facility, or (ii) 390 days after execution of this Franchise Agreement..

FRANCHISEE ACKNOWLEDGES THAT ALTHOUGH FRANCHISOR MAY HAVE BEEN INVOLVED IN THE REVIEW OF THE SITE, THE SITE PROPOSAL, THE LEASE AND PLANS, AND IN OTHER ASPECTS OF THE DEVELOPMENT OF THE FRANCHISED

BUSINESS, FRANCHISOR MAKES NO WARRANTY, REPRESENTATION OR GUARANTY OF ANY KIND WITH RESPECT TO THE LOCATION, THE LEASE, THE PLANS, OR THE SUCCESS OR PROFITABILITY OF THE FRANCHISED BUSINESS TO BE OPERATED AT A LOCATION.

(9) Relocation. Franchisee may not relocate the Franchised Business without Franchisor's prior written consent. If Franchisee requests approval from Franchisor to relocate the Franchised Business, Franchisee shall pay to Franchisor a relocation fee of fifty percent (50%) of the then-current initial franchise fee and further reimburse Franchisor for any travel and other expenses incurred for Franchisor's assistance in relocating the Franchised Business, including evaluating the new site and reviewing and approving the design of the new facility.

E. TERM AND RENEWAL

(1) Term. The term of this Agreement shall begin on the date it is executed by Franchisor and shall continue for ten (10) years, subject to earlier termination as provided herein.

(2) Renewal. Subject to compliance with each and every one of the conditions set forth below, Franchisee shall have the option to renew the right to operate the Franchised Business for two (2) additional, consecutive periods of five (5) years each:

(a) Franchisee must sign Franchisor's then-current form of Franchise Agreement which may contain terms that are materially different from those set forth in this Agreement provided, however, that the term of the Franchise Agreement will be then then-remaining term of this Agreement; and

(b) At the expiration of the initial term or preceding renewal term, as applicable, Franchisee must be in full compliance with this Agreement, and all other contracts between Franchisee and Franchisor and its affiliates, and in particular, must have paid all sums owing to Franchisor and its affiliates as and when due; and

(c) Franchisee must pay to Franchisor a successor agreement fee of forty percent (40%) of the then-current initial franchise fee; and

(d) Franchisee and those of Franchisee's personnel that Franchisor designates, must complete re-training to Franchisor's satisfaction; and

(e) Franchisee (and its principals and affiliates if Franchisee is a corporation or other entity) shall execute and deliver a general release in a form acceptable to Franchisor of any and all claims against Franchisor and its affiliates and associates, officers, directors, managers, shareholders, members, employees, agents and representatives; and

(f) Franchisee shall not have received three (3) or more notices of default during any twenty-four (24) month period during the initial term or preceding renewal term, as applicable; and

(g) Franchisor must not have decided to withdraw from Franchisee's Protected Area; and

(h) Franchisee's Franchised Business must meet Franchisor's then-current requirements or Franchisee must make all expenditures deemed necessary by Franchisor to update the Franchised Business' equipment, signage and decor to reflect Franchisor's then-current requirements and image; and

(i) Franchisee must have the right to occupy the premises of its Franchised Business for the renewal term.

Franchisee shall notify Franchisor no later than one hundred eighty (180) days prior to the expiration of the initial term or the preceding renewal term, as applicable, of this Agreement if Franchisee wishes to enter into a new Franchise Agreement with Franchisor at the expiration of the initial term or preceding renewal term, as applicable. Franchisee shall have no right to enter into a new agreement with Franchisor if Franchisee fails to do so or if Franchisee fails to comply with each of the conditions set forth above in a timely manner or if Franchisee fails to return to Franchisor any documents within thirty (30) days after Franchisor has delivered them to Franchisee.

2. TRAINING AND OPERATING ASSISTANCE

A. TRAINING

(1) Franchisee shall furnish to Franchisee and such personnel of Franchisee as Franchisor designates, an initial training program during such period of time as Franchisor designates for up to two (2) weeks ("**Initial Training Program**"). The Initial Training Program may be offered at Franchisor's headquarters or at another location designated by Franchisor in its discretion. Franchisee and two (2) of Franchisee's key management staff members must complete the Initial Training Program to the sole satisfaction of Franchisor at least sixty (60) days before the estimated date of completion of construction.

(2) Franchisor shall have the right, during the Initial Training Program, to further evaluate Franchisee's fitness to operate under this Agreement. In the event Franchisee, Franchisee's Manager, or Franchisee's assistant manager, if any, fails to complete the Initial Training Program to Franchisor's satisfaction between forty-five (45) and sixty (60) days before the scheduled opening of the Franchised Business, Franchisor shall have the right to terminate this Agreement.

(3) Franchisee shall not be charged an additional fee for the Initial Training Program for three (3) individuals who attend at the same time. If Franchisee wishes to send additional individuals to attend the Initial Training Program or requests that Franchisor provide the Initial Training Program to additional personnel at a later date, Franchisor may charge a fee to provide it.

(4) Franchisor may require Franchisee and those of Franchisee's personnel as Franchisor may designate to attend refresher and additional training courses for up to two (2) days twice per year. Franchisor may also require Franchisee to attend additional training if Franchisor

deems it necessary or appropriate, or Franchisee may request additional on-site training or assistance and Franchisor will determine whether or not to provide it. If Franchisor provides additional training, whether required by Franchisor or requested by Franchisee, Franchisee agrees and acknowledges that Franchisor may designate the location for such training. Franchisee will pay Franchisor's then-current per-day, per-trainer training fee. If Franchisor requires that such additional training be held at the Franchised Business location, Franchisee will also pay the expenses of the trainer or trainers, including lodging, transportation and food. Franchisee will pay the training fee to Franchisor before Franchisor conducts the training. Franchisor may also require Franchisee or the Manager to attend national business meetings or conventions for up to three (3) days per year.

(5) Franchisee shall be responsible for all travel and living expenses, if any, that Franchisee, the Manager, and any of Franchisee's personnel may incur in connection with the Initial Training Program or refresher or additional training and in attending national business meetings or conventions.

(6) Franchisee shall be responsible for training Franchisee's employees.

B. ADDITIONAL INITIAL OPERATING ASSISTANCE

Franchisor shall provide Franchisee with on-site assistance with operating the Franchised Business for at least two (2) days prior to opening and at least two (2) days after opening.

C. NICK THE GREEK STANDARDS MANUAL

Franchisor will lend to Franchisee for use during the term of this Agreement a copy of Franchisor's proprietary and confidential system standards manual, which Franchisor may amend from time to time, containing mandatory and suggested specifications, standards, procedures and rules for the System designed to protect and maintain the value of the Marks and the System ("**Nick The Greek Standards Manual**"). All such mandatory specifications, standards, procedures and rules prescribed from time to time in the Nick The Greek Standards Manual or otherwise communicated to Franchisee in writing, shall constitute requirements of this Agreement and shall be confidential. Franchisee will not at any time copy any part of the Nick The Greek Standards Manual, disclose any information contained in the Nick The Greek Standards Manual to others or permit others access to the Nick The Greek Standards Manual. If Franchisee requires a replacement copy of the Nick the Greek Standards Manual for any reason, Franchisee shall pay Franchisor a replacement fee of Five Hundred Dollars ($500.00). Franchisee acknowledges and agrees that the Nick The Greek Standards Manual may be modified from time to time to reflect changes in the standards of authorized products or services or the System. All modifications to the Nick The Greek Standards Manual shall be binding upon Franchisee upon being communicated or otherwise delivered to Franchisee. Franchisee agrees to accept, implement and adopt any such modifications at Franchisee's sole cost. Nick the Greek Standards Manual will contain Proprietary Information belonging to Franchisor and Franchisee acknowledges that the Nick The Greek Standards Manual is, and shall remain, the property of Franchisor. Franchisee shall promptly return the Nick The Greek Standards Manual to Franchisor upon termination or expiration of this Agreement. Franchisee understands and agrees that it is of substantial value to Franchisor and other franchisees of Franchisor, as well as to Franchisee, that the System establish and maintain a common identity. Franchisee agrees and acknowledges that full compliance with the Nick The Greek Standards

Manual is essential to preserve, maintain and enhance the reputation, trade demand and goodwill of the System and the Marks and that failure of Franchisee to operate the Franchised Business in accordance with the System and the Nick The Greek Standards Manual can cause damage to all of the other parties described above, as well as to Franchisee. Notwithstanding the foregoing and consistent with the goals of the System, Franchisee shall be responsible for the day-to-day operation of the Franchised Business.

D. PERIODIC ADVICE AND CONSULTATION

Franchisor shall, from time to time, to the extent it deems necessary, furnish Franchisee advice or consult with Franchisee on the operation of the Franchised Business in order to communicate new developments, techniques and services, which may include assisting in the preparation of annual business plans and conducting site visits. Franchisor will periodically, with such frequency as Franchisor shall determine in its sole discretion, consult with Franchisee in the development of its business. Any guidance, suggestions or advice provided to Franchisee in the course of such consultation shall be deemed suggestions only, and the decision to follow any such guidance, suggestions or advice shall be in Franchisee's sole discretion. In particular, and not in limitation of the foregoing, Franchisee shall be solely responsible for all policies and decisions concerning its employees and shall consult with its own independent advisors with respect to those policies and decisions.

3. OPERATION BY FRANCHISEE

A. PRODUCTS AND SERVICES

(1) Franchisee shall offer to customers of the Franchised Business only those products and services designated by Franchisor from time to time and shall provide such products and services strictly in accordance with the standards and specifications described in the Nick The Greek Standards Manual and the Initial Training Program. Franchisee may not sell any products at wholesale. If Franchisee offers products or services that are not authorized by Franchisor, Franchisor and the System will suffer damages in types and amounts that are difficult to quantify. The parties agree that a reasonable estimate of those damages is Two Hundred Fifty Dollars ($250.00) per day, and Franchisee shall pay Franchisor this amount for each day that it offers unauthorized products or services. Franchisor will provide Franchisee with a menu for the Franchised Business, and Franchisee must offer the items (and only the items) designated on the menu. Franchisee agrees and acknowledges that Franchisor may make changes to the menu from time to time. Franchisor may, but is not obligated to, permit Franchisee to offer catering services within the Protected Area. Franchisor may also develop a catering and delivery program. If it does so, Franchisor may require Franchisee to participate in the program. Franchisee shall offer online ordering for customer pickup and delivery in accordance with Franchisor's requirements, as designated from time to time in the Nick the Greek Standards Manual. The area in which Franchisor may authorize Franchisee to conduct catering, on-line ordering and delivery may be different in size from the Protected Area.

(2) Franchisee shall at all times provide prompt, courteous, friendly and efficient service to all customers. Franchisee shall in all dealings with all customers and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. Franchisee agrees not to deviate from the mandatory standards, specifications and operating procedures set forth in

this Agreement and the Nick The Greek Standards Manual in order to ensure uniformity and quality of services offered to the public under the Marks.

(3) Franchisee must comply with Franchisor's policy on political statements and refrain from making any such statements or permitting its personnel to post signs, banners or other political symbols or to wear clothing endorsing a political candidate or movement.

B. PURCHASE OF PRODUCTS AND SERVICES; APPROVED SUPPLIERS

(1) Franchisee shall purchase any and all products (including, without limitation, products bearing the Marks), and any and all other equipment, supplies and services required or used in the operation of the Franchised Business only from (a) manufacturers, suppliers or distributors from time to time designated in writing by Franchisor, (b) from Franchisor or its affiliate, if available, or (c) such other suppliers selected by Franchisee and approved by Franchisor in the manner and subject to the conditions set forth in subsection (2) below. Prior to Franchisee's opening of the Franchised Business, Franchisor may designate and negotiate pricing with suppliers for any merchandise, equipment, inventory, and supplies required in the operation of the Franchised Business. Franchisee agrees and acknowledges that certain specially designed materials, equipment, proprietary products, certain services and items used in the Franchised Business that are integral to the System may only be available from Franchisor or its designated supplier. Franchisor will assist Franchisee in ordering Franchisee's initial inventory.

(2) Franchisor may, in its sole discretion, approve suppliers proposed by Franchisee provided the following conditions are first met, and provided, further, that if Franchisor determines that there are already a sufficient number of suppliers for an item or service or determines for any reason that no additional suppliers are necessary or desirable, Franchisor shall not be required to evaluate any additional suppliers:

(a) Franchisee shall submit a written request to Franchisor for approval of the supplier;

(b) Franchisee shall reimburse Franchisor for its costs (including travel expenses) in evaluating the proposed supplier;

(c) The supplier shall demonstrate to Franchisor's satisfaction that it is able to supply an item or service to Franchisee meeting Franchisor's specifications for such item or service, including, but not limited to, providing Franchisor with samples and the opportunity to inspect its facilities from time to time;

(d) The supplier shall demonstrate to Franchisor's satisfaction that the supplier is of good standing in the business community with respect to its financial soundness and reputation and the reliability of its product and service;

(e) The supplier shall obtain, maintain and submit to Franchisor proof of sufficient insurance coverage (including, but not limited to, product liability coverage) at limits and including coverage acceptable to Franchisor, and shall include Franchisor and Franchisee as additional named insureds with the right to receive at least thirty (30) days' prior written notice of any modification, cancellation or termination of such policy; and

(f) In the event the item to be supplied is required to bear one of the Marks, Franchisor may require such supplier to execute a license agreement (which may include a royalty payment) in a form acceptable to Franchisor.

(3) Until and unless Franchisor notifies Franchisee in writing that it has approved a supplier, Franchisee must continue to purchase from the parties described in subsection (1) above.

(4) If Franchisor determines that a previously approved supplier no longer conforms to such standards, it shall so notify Franchisee and Franchisee shall thereupon discontinue making purchases from that supplier.

C. ALTERATIONS AND REMODELING

Franchisee shall not make any alterations to the Franchised Business premises, or to any improvements, layout, fixtures, and furnishings, signs, equipment, or appearance thereof or other elements of the Trade Dress, as defined below, without the prior written consent of Franchisor. Every five (5) years, Franchisee must fully remodel the Franchised Business. At all times during the term of this Agreement, Franchisee shall maintain the Franchised Business to meet Franchisor's then-current specifications and standards for Nick the Greek restaurants.

D. SPECIFICATIONS, STANDARDS AND PROCEDURES

Franchisee acknowledges that each and every detail of the design, layout, decor, color scheme, supplies utilized, services offered, appearance of the premises and personnel, and other elements of trade dress in the operation of the Franchised Business ("**Trade Dress**") is essential to Franchisor and the System. In order to protect the System, Franchisee shall comply with all mandatory specifications, standards and procedures relating to (1) the type and quality of the products and services offered by the Franchised Business; (2) the appearance, color, indicia and signage of the Franchised Business premises; (3) appearance of employees; (4) cleanliness, standards of services, and operation of the Franchised Business; (5) submission of requests for approval of materials, supplies, distributors and suppliers; and (6) safety procedures and programs prescribed by Franchisor. Franchisee also agrees to use all equipment, signage and services as have been approved for the System from time to time by Franchisor. Mandatory specifications, standards, and procedures may be prescribed from time to time by Franchisor in the Nick The Greek Standards Manual, or otherwise communicated to Franchisee in writing.

E. SUPERVISION; DUTY TO DILIGENTLY CARRY OUT OBLIGATIONS

Franchisor requires that the operation of the Franchised Business be under the direct supervision of Franchisee. Franchisee and its key management staff members must complete the Initial Training Program to Franchisor's satisfaction and must execute a confidentiality and non-competition agreement in a form acceptable to Franchisor. If one of Franchisee's key management staff members is terminated or otherwise elects to end its relationship with Franchisee, Franchisee shall designate and train a new person to Franchisor's satisfaction within thirty (30) days of such termination.

F. CHANGES TO SYSTEM OR MARKS

Franchisee acknowledges that the System may continue to evolve in order to reflect changing markets and to meet new and changing business demands, and that accordingly Franchisor may make variations and additions to the System from time to time in order to preserve and enhance the System. Franchisee agrees that Franchisor may, from time to time, upon notice, add to, subtract from or otherwise modify or change Franchisee's obligations under the System, including, without limitation, changes reflecting Franchisor's adoption and use of new or modified Marks, services, equipment and new techniques. Franchisee agrees promptly to accept and implement all such additions, modifications and changes at Franchisee's sole cost and expense (e.g., changing signs, destroying or recalling advertising and promotional items). Franchisee agrees and acknowledges that if Franchisee develops any component of the System which Franchisor permits or adopts for use in the Franchised Business, such component will belong to Franchisor and Franchisee shall have no ownership right or interest in such component. Franchisee agrees to take any action necessary to confirm that Franchisor shall own such component.

G. COMPLIANCE WITH LAW AND GOOD BUSINESS PRACTICES

(1) Prior to beginning operations, Franchisee shall secure in Franchisee's name as the owner of an independent business all required licenses, permits and certificates relating to Franchisee's operation of the Franchised Business. Franchisee acknowledges that such licenses, certificates and permits may require the payment of security deposits and other fees. Franchisee shall maintain all such licenses, permits and certificates in full force and effect throughout the term of this Agreement.

(2) Franchisee shall operate in full compliance with all applicable laws, ordinances and regulations, including, without limitation, such laws, ordinances and regulations relating to the sale of food and alcoholic beverages, occupational hazards and health, worker's compensation insurance, unemployment insurance and withholding and payment of federal and state income taxes and social security taxes, trade name and advertising restrictions, building codes and handicap access. In particular and not in limitation of the foregoing, Franchisee shall comply with the Americans with Disabilities Act and all applicable laws and regulations concerning data protection and privacy.

(3) Franchisee must also comply with all laws governing consumer data and privacy and employ all means to maintain the security of consumer data. If any data security incident occurs, Franchisee shall notify Franchisor immediately and shall take steps to address and remedy such incident. Franchisor is not obligated to remedy Franchisee's data security issue, but if Franchisor requires Franchisee to take certain steps including, without limitation, the retention of a remediation expert, Franchisee will do so. A data security incident includes an act originated within or outside Franchisee's organization affecting Franchisee's computer system or other technology that violates the law or Franchisor's policies and involves unauthorized access to view, copy or use the System, customer data, confidential information or trade secrets. Immediately upon receipt of any citation, notice, complaint or other indication that Franchisee or any of its personnel has violated any law or regulation, Franchisee shall immediately notify Franchisor and transmit to Franchisor copies of all such citations, notices, complaints or other such indications.

(4) Franchisee shall operate the Franchised Business in a safe and secure manner that optimizes public health and safety. Franchisee is solely responsible for determining and addressing all safety concerns relating to the condition of the premises and surrounding areas, the operation of any vehicles in connection with the Franchised Business and otherwise.

(5) Immediately upon receipt of any citation, notice, complaint or other indication that Franchisee or any of its personnel has violated any law or regulation, Franchisee shall immediately notify Franchisor and transmit copies of all such citations, notices, complaints or other such indications, along with all available information including, without limitation, Franchisee's proposal to contest or remedy the violation.

H. FRANCHISEE'S EMPLOYMENT POLICIES AND PROCEDURES

Franchisee acknowledges that Franchisor may, from time-to-time, make certain recommendations as to employment policies and procedures. Franchisee shall have sole discretion as to adoption of any such policies and procedures and the specific terms of such policies and procedures. Training with respect to all such policies and procedures shall be Franchisee's sole responsibility.

I. INSURANCE

Before beginning to operate the Franchised Business, Franchisee must procure all insurance required by Franchisor from an insurer or insurers that meet Franchisor's criteria and which have a minimum Best's Rating of A or other comparable rating. Such insurance shall include coverage insuring against all loss and liability arising out of or in connection with the operation of the Franchised Business in the minimum amounts of One Million Dollars ($1,000,000.00) per occurrence and Three Million Dollars ($3,000,000.00) in the aggregate, including, without limitation, public liability insurance, personal injury insurance, automobile insurance covering any vehicles used in the Franchised Business, property damage insurance, liquor liability insurance, worker's compensation insurance, including employer's liability, with limits as required by law, business interruption insurance and any other specialty coverage Franchisor requires. Franchisee shall maintain such insurance coverage in full force and effect during the entire term of this Agreement. All such insurance must include coverage for losses that incur for two years after the expiration or termination of this Agreement. Franchisee shall cause Franchisor and any of its affiliates that Franchisor specifies to be named as additional insureds under all such policies. Franchisee shall further cause Franchisee's insurance agent to copy Franchisor on all insurance policies written and issued on behalf of Franchisee. In addition, all such policies shall provide for thirty (30) days' prior written notice to Franchisor of any material modification, cancellation or expiration. Upon request, Franchisee shall provide Franchisor with a certificate and any other documents Franchisor requires evidencing coverage for each policy and renewal policy Franchisee obtains. All amounts spent by Franchisor to secure any insurance coverage Franchisee fails to obtain shall be due to Franchisor by Franchisee upon Franchisor's written demand. Nothing herein shall create an obligation on the part of Franchisor to secure any insurance coverage for Franchisee. Franchisee also acknowledges that Franchisor may periodically adjust the amounts of coverage required under such insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in the law or standards of liability, higher damage awards, or other relevant changes in circumstances.

4. CONFIDENTIAL INFORMATION

A. OWNERSHIP

(1) Franchisee acknowledges that there is information disclosed by Franchisor pursuant to this Agreement and ancillary agreements, during the Initial Training Program, in the Nick The Greek Standards Manual and otherwise (including, without limitation, the Proprietary Information, recipes, ingredients, methods of service, sources and suppliers of equipment and, in general, methods, techniques, formulas, formats, specifications, standards, procedures, know-how, information systems and knowledge of the System and the entire contents of the Nick The Greek Standards Manual), that is proprietary, confidential or a trade secret of Franchisor whether or not designated by Franchisor as confidential ("**Confidential Information**"). Such proprietary information includes customer information and data, all of which belongs to Franchisor.

(2) Franchisee acknowledges and agrees that Franchisor is the sole owner of all the Confidential Information, that the Confidential Information is being imparted to Franchisee in trust and confidence, and that the Confidential Information is not generally known to the trade or public and is not known to Franchisee except by reason of such disclosure. Franchisee acknowledges that the Confidential Information is economically valuable and that such value is derived from not being generally known to others. Franchisee agrees to maintain the absolute confidentiality of all Confidential Information during and after the term of this Agreement. Franchisee further acknowledges and agrees that Franchisee does not acquire any interest in the Confidential Information other than the right to utilize it in connection with the performance of Franchisee's obligations hereunder and the operations of the Franchised Business. In addition, Franchisee acknowledges and agrees that the use, duplication or disclosure of the Confidential Information except as expressly permitted by this Agreement will constitute an unfair method of competition and that Franchisor will suffer irreparable injury thereby.

B. WORK PRODUCT

(1) Franchisee acknowledges and agrees that all documents, papers, notes and other material and work product containing or derived from the Confidential Information or connected with Franchisee's conduct of the Franchised Business shall be Confidential Information. Franchisee further acknowledges and agrees that Franchisee will have no proprietary interest in any work product developed or used by Franchisee and related to this Agreement and that all such work product is the sole property of Franchisor.

(2) Franchisee shall, upon Franchisor's request, do all things that may be necessary to establish or document Franchisor's ownership of any such work product.

C. MAINTENANCE OF CONFIDENTIALITY

Franchisee acknowledges and agrees that the Confidential Information is disclosed to Franchisee solely on the condition that Franchisee agrees, and Franchisee hereby agrees, that Franchisee:

(1) will use the Confidential Information in strict accordance with the instructions and directions given by Franchisor from time to time;

(2) will not use the Confidential Information, directly or indirectly, in any other business or capacity;

(3) will not, at any time, in any manner or form, directly or indirectly, disclose, duplicate, license, sell, reveal, divulge, publish or communicate the Confidential Information, or any portion thereof, to any person or entity other than Franchisee's authorized employees or consultants who need to have such information in connection with their jobs and who first sign Franchisee's form of confidentiality agreement (in a form acceptable to Franchisor);

(4) will not copy any materials containing the Confidential Information, including, without limitation, the Nick The Greek Standards Manual, without Franchisor's prior written consent;

(5) will observe and implement all procedures imposed from time to time by Franchisor to prevent the unauthorized use and disclosure of the Confidential Information;

(6) will keep the Nick The Greek Standards Manual and other written materials containing any portion of the Confidential Information in a secure manner and place; and

(7) if Franchisee is legally compelled by a court or government agency to disclose any of the Confidential Information, will do so only if Franchisee has used its best efforts to afford Franchisor the opportunity of obtaining appropriate protective orders or other assurances of confidentiality satisfactory to Franchisor.

5. FEES

A. INITIAL FRANCHISE FEE

Franchisee must pay to Franchisor, upon execution of this Agreement, a nonrefundable initial franchise fee of Thirty-Five Thousand Dollars ($35,000.00). The initial franchise fee is fully earned immediately upon payment and is non-refundable.

B. ROYALTY FEE

Franchisee shall pay to Franchisor a royalty equal to six percent (6%) of Gross Revenues ("**Royalty Fee**"). Franchisee shall pay the Royalty Fee on a weekly basis on Wednesday for the preceding calendar week. "**Gross Revenues**" means all revenues Franchisee receives from the operation of the Franchised Business (including, without limitation, any payments under Franchisee's business interruption insurance coverage and any condemnation awards) and deducting only amounts paid to any governmental tax authority and any refunds made in accordance with Franchisor's policy.

C. SYSTEM MARKETING FUND FEE

Franchisor has a system marketing fund ("**System Marketing Fund**") to which Franchisee will be required to contribute up to five percent (5%) of Gross Revenues due weekly on Wednesday ("**System Marketing Fee**"). The System Marketing Fee is designated as two percent (2%) of Gross Revenues as of the date of this Agreement and is subject to change as determined by

Franchisor, in its sole discretion. Franchisee shall pay the System Marketing Fee weekly for the preceding calendar week.

D. TECHNOLOGY FEE

Franchisee shall pay to Franchisor a technology fee which may be used by Franchisor, in its sole discretion, to cover the cost of Franchisee's point-of-sale and back-of-the-office management system and for other technological services, such as licensing or help desk services for point-of-sale or other software, LRM software, a mobile app, a franchise portal and exposure on Franchisor's website ("**Technology Fee"**). The Technology Fee is Three Hundred Dollars ($300.00) per month as of the date of this Agreement and is subject to change as determined by Franchisor, in its sole discretion. Franchisee shall pay the Technology Fee on a monthly basis on the first Wednesday of each month.

E. ADVISORY COUNCIL DUES

Franchisor may form an advisory council and may require Franchisee to participate. If Franchisor does so, Franchisor may also impose a requirement to pay dues and Franchisee shall do so.

F. PAYMENT METHOD

Franchisee must make payments by electronic funds transfer ("**EFT**"), and Franchisee shall execute and deliver such instruments as are necessary and appropriate to carry out such transfers, including, upon opening of Franchisee's bank account, the form attached hereto as **Exhibit E**. Franchisor shall have the right to vary the frequency of the due date of any payments (e.g., from weekly to monthly) and the method of payment from time to time.

G. NONPAYMENT

If Franchisor does not receive Franchisee's Royalty Fee, System Marketing Fee, Technology Fee, or any other payment hereunder by the dates they are due, Franchisee acknowledges that, in addition to exercising all other rights and remedies that Franchisor has, Franchisor may terminate this Agreement.

H. CHARGE ON LATE PAYMENTS; DISHONORED PAYMENTS

In addition to all other rights and remedies that accrue to Franchisor, late or overdue payments shall bear interest after the due date at the rate of two percent (2%) per month, not to exceed the highest applicable rate allowed by law. In the event any payment by Franchisee is made by check and is returned to Franchisor for insufficient funds, or is made by credit or debit card, by EFT or other form of payment, and such payment is dishonored, Franchisee will be assessed an administrative handling fee of One Hundred Dollars ($100.00) in addition to all other applicable late fees and administrative charges. In such event, Franchisor may also require Franchisee to make all future payments by money order, cashier's check or a similar method of payment of immediately available funds. Franchisee acknowledges that this provision does not constitute agreement by Franchisor to accept such payments after they are due or a commitment to extend credit to, or otherwise finance such amounts.

I. NO WITHHOLDING OF PAYMENT

Franchisee agrees that Franchisee will not, on the grounds of the alleged nonperformance by Franchisor of any of its obligations hereunder or for any other reason whatsoever, withhold payment of any amounts due, nor shall Franchisee have any right of offset.

J. APPLICATION OF PAYMENTS; RIGHT OF OFFSET

Notwithstanding any designation by Franchisee, Franchisor shall have discretion to apply any current or past due payments by Franchisee to any indebtedness of Franchisee. In addition, Franchisor shall have the right to offset any amounts due to it or its affiliates against any amounts to be paid to Franchisee.

K. TAXES

In the event Franchisee is required by local law to withhold or deduct any tax on behalf of Franchisor from any amount payable to Franchisor under this Agreement, then if Franchisor does not receive a refund or credit for such amount, Franchisee shall increase the payment made to Franchisor by that amount and shall provide Franchisor with (1) documentation showing that Franchisor is being taxed at the lowest rate allowed under local law, and (2) written receipts from the appropriate taxing authority certifying that payments have been made on Franchisor's behalf at the rates previously communicated to Franchisor.

L. NONREFUNDABILITY

All fees required to be paid by Franchisee to Franchisor under this Agreement are non-refundable.

6. REPORTING AND RECORD KEEPING

A. COMPUTER SYSTEM

Franchisor has the right to designate the computer equipment and software Franchisee uses in the Franchised Business. Franchisee shall purchase and use computer hardware and software, including, without limitation, point-of-sale software, and maintain high-speed internet access, all of which meet or exceed Franchisor's specifications as set forth in the Nick The Greek Standards Manual. Franchisee must pay the Technology Fee for technology services Franchisor provides which may include a helpdesk, an Intranet or website support, as well as Internet services, email and accounting sites and access to music. Franchisee shall maintain all programs and information specified in the Nick The Greek Standards Manual (and only such programs and information). Franchisee shall maintain, repair, upgrade or update any computer equipment used in the Franchised Business to maintain compatibility with any software Franchisor requires Franchisee to use, including, without limitation, point-of-sale software. Franchisee acknowledges and agrees that Franchisor shall have the right at any time to change or modify the computer system required and its components, including, without limitation, the required point-of-sale software. Franchisor has the right to develop proprietary computer software and to require Franchisee to use it. If Franchisor does so, Franchisee must sign a license agreement and pay a fee to use such software. Franchisor shall have independent access to the information on Franchisee's computer system, including the right to download any information. Franchisee acknowledges that neither Franchisor nor any affiliate of Franchisor has any obligation to provide ongoing maintenance, repairs, upgrades or updates to any of the computer hardware or software used in the Franchised Business.

B. RECORD KEEPING

Franchisee must have bookkeeping and accounting services that accurately reflect the Gross Revenues, receipts and reports, costs of labor, semi-variables, fixed costs and advertising, and the financial results of the Franchised Business, and also such procedures as may be more particularly described in the Nick The Greek Standards Manual. Franchisee shall maintain an accounting system approved by Franchisor which fully and accurately reflects all aspects of the business conducted under this Agreement and which is compatible and consistent with the System.

C. REPORTS

With each payment of the Royalty Fee and System Marketing Fee, Franchisee shall also deliver to Franchisor a Gross Revenues report on a form designated or approved by Franchisor. Franchisee acknowledges that as of the date of this Agreement, Franchisor designates a third party accounting firm that Franchisee must use to generate its weekly profit and loss statements. Within thirty (30) days after the close of each calendar quarter and within one hundred twenty (120) days after the close of each fiscal year of Franchisee during the term of this Agreement, Franchisee shall provide to Franchisor a Gross Revenues report, profit and loss statement and, for the annual statement, a balance sheet, on such forms as Franchisor may require, prepared in accordance with U.S. generally accepted accounting principles. Within ten (10) days after filing with the Internal Revenue Service, Franchisee shall provide to Franchisor a copy of any and all tax returns. Franchisee shall also submit to Franchisor such other financial and non-financial reports and information as Franchisor may request. These statements and reports shall be certified as true and correct by Franchisee. Each such report shall be in the form and present the information required by Franchisor or described in the Nick The Greek Standards Manual.

D. MAINTENANCE OF RECORDS AND REPORTS

All such books, records and tax returns shall be kept and maintained for at least three (3) years after their creation at the Franchised Business or such other place as may be agreed to from time to time in writing by the parties.

E. REQUIRED DISCLOSURE

Franchisee acknowledges that Franchisor may be required by law, regulation or other legal requirement, or may deem it advisable, to disclose information regarding Franchisee or the operation of the Franchised Business, including, without limitation, costs, revenues, earnings or other financial performance information. Franchisee agrees that Franchisor shall be entitled to disclose such information and that Franchisor shall have the right to determine the extent and manner in which such disclosure will be made. If Franchisor does not have the information necessary for the disclosure Franchisor determines it will make, Franchisee shall provide such information to Franchisor promptly upon Franchisor’s request.

7. INSPECTION RIGHTS

A. TIMING AND SCOPE

Franchisor and its representatives shall have the right, at any time, with or without notice, to monitor and observe the conduct of the Franchised Business for the purpose of determining compliance with the requirements of this Agreement, for conducting quality assurance audits which may include customer surveys, and for any other purpose connected with the System. Franchisor may advise Franchisee of operating problems it discovers as a result of such activities or other reports.

B. MYSTERY SHOP PROGRAM

Franchisor may, at its option, establish a mystery shop program, or retain a third party to conduct a mystery shop program. If Franchisor does so, Franchisee shall pay Franchisor a fee equal to the cost of the mystery shops conducted at the Franchised Business, which fee shall not exceed Two Hundred Fifty Dollars ($250.00) per month.

C. INSPECTIONS AND AUDITS

Franchisor's representatives shall have the right at all times during normal business hours to confer with employees and customers of the Franchised Business, to observe the manner in which Franchisee is rendering its services, and to inspect and audit Franchisee's books, records and tax returns, or such portions thereof as they pertain to the operation of the Franchised Business. Upon receipt of notice by Franchisor, Franchisee shall pay to Franchisor Royalty Fees, System Marketing Fees and late fees with respect to the amount by which actual Gross Revenues ascertained by Franchisor's inspection exceed reported Gross Revenues. In the event that any report or statement understates Gross Revenues by more than two percent (2%) of the actual Gross Revenues ascertained by Franchisor's inspection, Franchisee shall, in addition to making the payment provided for in the preceding sentence, and in addition to any other remedies and rights Franchisor may have, pay and reimburse Franchisor for any and all expenses incurred in connection with its inspection and audit, including, but not limited to, accounting and legal fees and travel expenses, room and board and compensation for Franchisor's representatives.

8. ADVERTISING AND MARKETING

A. MARKETING FUND

Franchisee agrees and acknowledges that the System Marketing Fee will be deposited in Franchisor's general operating account, may be commingled with Franchisor's general operating funds and may be deemed an asset of Franchisor. Franchisor will administratively segregate the Marketing Fund on its books and records. Franchisor will use the Marketing Fund for the purpose of promoting the System as a whole and increasing the goodwill of the Marks. Franchisor will conduct such advertising and marketing of the System and its services as Franchisor deems desirable to promote and enhance the reputation of the System, including, without limitation, the use of the Marketing Fund on website design and optimization and other resources to increase web traffic to Franchisor's website. Franchisee understands, acknowledges and agrees that all decisions regarding advertising and marketing, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies shall be made by Franchisor and shall be final and binding. Franchisee agrees and acknowledges that all costs of the formulation, development and production of any advertising and promotion (including, without limitation, the proportionate compensation of Franchisor's employees who devote time and render services in connection with such advertising and promotional programs and the administration, accounting and collection of the System Marketing Fee, the employment of an outside consultant or advertising agency to assist with such advertising and promotional programs or of a website management firm to manage Franchisor's website and optimization) will be paid from the Marketing Fund. Franchisor does not have any obligation to make expenditures that are proportionate or equivalent to Franchisee's System Marketing Fees in Franchisee's market area, nor does Franchisor represent that Franchisee will benefit directly or pro rata from the placement of advertising. The decision to commence, conduct, discontinue or re-establish the Marketing Fund shall be made in the sole discretion of Franchisor. If Franchisor decides to terminate the System Marketing Fund, Franchisor will distribute any amounts remaining in the System Marketing Fund after its termination, if any, to then-existing franchisees pro rata based on System Marketing Fees paid by franchisees over the previous three (3) years.

B. <u>GRAND OPENING MARKETING</u>

Franchisee acknowledges and agrees that adequate opening marketing is essential to the success of the Franchised Business and agrees to conduct such marketing in connection with the opening of the Franchised Business in accordance with Franchisor's directions. Franchisor will consult with Franchisee on marketing and advertising for this period. Franchisee agrees and acknowledges that grand opening marketing required by Franchisor will cost at least Ten Thousand Dollars ($10,000.00), such amount to be spent within the two (2) weeks before and the four (4) weeks after the opening of the Franchised Business.

C. <u>APPROVAL OF ADVERTISING</u>

All advertising copy and other marketing materials Franchisee proposes to use shall be consistent with quality and general overall advertising and promotional campaigns used in the System. Franchisor shall advise Franchisee from time to time on marketing and advertising issues. Franchisor may periodically provide Franchisee with materials. If Franchisee wishes to develop advertising materials, Franchisee shall submit the proposed material to Franchisor at least fifteen (15) days in advance of publication or use and shall use only such advertising copy and materials as have been approved in writing by Franchisor. Franchisee agrees and acknowledges that the copyright for any advertising or other marketing materials that Franchisee develops for the Franchised Business shall belong to Franchisor without any further action by the parties required.

D. <u>LOCAL ADVERTISING EXPENDITURES</u>

As of the date of this Agreement, Franchisee is not required to spend any minimum amount on local advertising. Franchisor may, in its reasonable business judgment, decide to require Franchisee to spend up to one percent (1%) of Gross Revenues on local advertising and promotions. Franchisee agrees and acknowledges that if Franchisor imposes this requirement, Franchisee may be required to submit to Franchisor receipts evidencing expenditures for approved local advertising during the preceding calendar month upon Franchisor's request. Franchisee shall not advertise outside of the Protected Area unless Franchisee obtains Franchisor's prior written consent. Franchisee agrees and acknowledges that Franchisor has the right to establish a local or regional marketing cooperative, and agrees to participate in such a cooperative if required to do so by Franchisor. Franchisor may require Franchisee to contribute up to fifty percent (50%) of revenues allocated to local advertising to such a cooperative.

E. GIFT CARDS, DISCOUNTS AND COUPONS

From time to time as part of the advertising and promotional activities conducted by Franchisor or a vendor designated by Franchisor, Franchisor may institute discount programs and issue or permit franchisees to issue coupons and gift cards or certificates. Franchisee agrees to accept such coupons and gift cards or certificates from customers and to redeem them in accordance with Franchisor's policies then in effect and to participate in such discount programs. Franchisee shall not offer any discounts or coupon or gift cards or certificate programs without Franchisor's prior written consent.

9. MARKS

A. OWNERSHIP OF MARKS AND GOODWILL

Franchisee's right to use the Marks is derived solely from, and is subject to, the terms and conditions of this Agreement. Such right is limited to the operation of the Franchised Business in accordance with this Agreement and all mandatory standards, specifications and operating procedures prescribed from time to time by Franchisor. Franchisee acknowledges that Franchisor has the right to use and license the use of the Marks and that they are valid trademarks. Franchisee agrees not to contest or oppose, nor to assist anyone else to contest or oppose, directly or indirectly, Franchisor's, NTG, LLC's or their affiliates' ownership or use of, application for, registration of, or the validity or enforceability of, any of the Marks, its applications for registration, or registration of, or the validity or enforceability of, any of the Marks. Franchisee also agrees not to acquire or use any trademarks that are similar or identical to the Marks. Franchisee agrees that its usage of the Marks and any goodwill established thereby shall inure to the exclusive benefit of Franchisor.

B. LIMITATIONS ON FRANCHISEE'S USE OF MARKS

If local laws require that Franchisee file a registration stating that Franchisee is conducting business under an assumed name or trade name, Franchisee shall state in such document that it is conducting such business as a franchisee of Franchisor. Franchisee shall not use any of the Marks or similar words or colorable imitations thereof as part of any name of any corporation, partnership, limited liability company or other business entity, or with any other prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form or as part of any domain name, web address or similar electronic use; nor may Franchisee use any of the Marks in connection with the sale of any unauthorized products or service or in any other manner not explicitly authorized in writing by Franchisor. Franchisee will not use or display, or permit the use or display, of the trademarks, trade names, service marks, insignias, logotypes or any other commercial symbols or trade dress of any other person or entity in connection with the Franchised Business without the prior written consent of Franchisor, or as expressly permitted in the Nick The Greek Standards Manual.

C. COPYRIGHT

Franchisee acknowledges that Franchisor or its affiliate has developed, and may further develop during the term of this Agreement, certain artistic designs, and certain other word combinations and other materials designated for use by Franchisee. Franchisee acknowledges that Franchisor or its affiliate retains all right, title and interest thereto as provided by copyright law to the originator of works and, further, that Franchisee is licensed to use such copyrighted materials solely in accordance with the terms and during the term of this Agreement. Franchisee agrees and acknowledges that, if Franchisee develops any materials for use in the Franchised Business that Franchisor approves, Franchisor may incorporate such materials in the System and the copyright for any such materials shall belong to Franchisor without any further action required by the parties.

D. DEFENSE OF MARKS

(1) In the event that Franchisee receives notice or learns of a claim, suit, demand or proceeding against Franchisee on account of any alleged infringement, unfair competition, or similar matter relating to Franchisee's use of the Marks or copyrights, Franchisee shall promptly notify Franchisor of such claim, suit, demand or proceeding. Franchisee shall have no power, right, or authority to settle or compromise any such claim by a third party without the prior written consent of Franchisor. Provided that Franchisee is in full compliance with this Agreement, Franchisor shall defend and indemnify Franchisee against any claim by a third party against Franchisee for Franchisee's use of the Marks in accordance with this Agreement, using attorneys of Franchisor's choosing. Franchisor may elect to compromise or settle any such claim, at its sole discretion. Franchisee agrees to cooperate fully with Franchisor in connection with any such defense, at Franchisor's expense. Franchisee irrevocably grants Franchisor authority and power of attorney to defend or settle such claims, demands, suits or proceedings.

(2) In the event that Franchisee receives notice or is informed or learns that any third party, that Franchisee believes to be unauthorized to use the Marks or copyrights, is using the Marks or copyrights or any variants thereof, Franchisee shall promptly notify Franchisor. Thereupon, Franchisor shall, in its sole discretion, determine whether or not it wishes to undertake any action against such third party on account of said person's alleged infringement of the Marks or copyrights. In the event Franchisor undertakes such action, it shall have the authority and power of attorney to defend or settle such action. Franchisee agrees to render such assistance as Franchisor shall require to carry out the prosecution of any such action at Franchisor's expense. Franchisee shall have no right to prosecute any claim of any kind or nature whatsoever against such alleged infringer for or on account of said alleged infringement.

E. DISCONTINUANCE OF USE OF MARKS

If it becomes advisable at any time in Franchisor's sole discretion for Franchisee to modify or discontinue use of any Mark or use one or more additional or substitute marks or items, Franchisee agrees to comply with Franchisor's directions to modify or otherwise discontinue the use of such Mark and to accept, use and display such additional marks within a reasonable time after notice thereof by Franchisor but in no event more than thirty (30) days after receiving notice from Franchisor. Franchisor shall not be obligated to compensate Franchisee for any costs incurred by Franchisee in connection with any such addition, modification or discontinuance.

F. SOCIAL MEDIA POLICY

(1) Franchisee shall not register a domain name, create or maintain a website, social media page or electronic mail address utilizing the Marks or any name similar to the Marks or relating in any way to the Franchised Business without Franchisor's prior written consent.

(2) Franchisee also agrees to observe Franchisor's policy on on-line communications including, without limitation, communications on social and professional networking sites such as Facebook, Twitter, LinkedIn, Snapchat, Instagram and other sites or blogs. Franchisee acknowledges that it may not mention or discuss the Franchised Business, Franchisor or the System without Franchisor's prior written consent. Franchisee agrees and acknowledges that Franchisor has the right to review all on-line content involving the Marks or the System, and to require Franchisee to remove any content or usage, in Franchisor's sole discretion.

10. COMPETITION

A. FRANCHISEE'S COVENANT NOT TO COMPETE

(1) Franchisee acknowledges that Franchisor could not protect the Confidential Information against unauthorized use or disclosure and could not achieve a free exchange of ideas and information among owners of Franchised Businesses if Franchisee held interests in any competitive business. Franchisee acknowledges that Franchisor grants the rights to operate the Franchised Business to Franchisee in part in consideration of, and in reliance upon, Franchisee's agreement to deal exclusively with Franchisor. Therefore, Franchisee shall not at any time during the term of this Agreement, individually or in conjunction with any person or entity, have any interest as an owner, investor, shareholder, partner, member, lender, director, officer, manager, employee, consultant, guarantor, representative, or agent or in any other manner whatsoever, directly or indirectly, carry on or be engaged in, financially or otherwise, or advise in the establishment or operation of any business involving or related to the sale of Greek food or other food items that are on Nick the Greek restaurant menu, or any similar business.

(2) In addition, for two (2) years after the termination or expiration of this Agreement, Franchisee shall not carry on, be engaged in or advise in the establishment or operation of any business involving or related to the sale of Greek food or other food items that are on Nick the Greek restaurant menu or similar businesses except (a) pursuant to Franchise Agreements with Franchisor, or (b) if Franchisee is not then a party to any other Franchise Agreement with Franchisor, only at a site that is at least twenty (20) miles from the Protected Area. Franchisee agrees and acknowledges that this restriction represents only a limited one on Franchisee's ability to conduct a business and that the purpose of this covenant is not to deprive Franchisee of a means of livelihood, and will not do so, but is rather to protect the goodwill and interest of the Marks and the System. In the event that Franchisee does not comply with this provision and Franchisor is required to enforce it, the two (2)-year period is tolled for the period of noncompliance.

B. ACTIVITIES OF OTHER PERSONS

The activities of Franchisee's immediate family, Franchisee's owners, officers, directors, shareholders, members, trusts, trustees, subsidiaries, parent companies, partners, agents and employees or any enterprise in which any of them owns, directly or indirectly, any equity interest (except for investments totaling less than one percent (1%) of the stock of publicly held corporations), for purposes of this Section, shall be deemed to be activities of Franchisee. Upon Franchisor's request, Franchisee shall obtain the signature of any such persons on Franchisee's form of non-disclosure and non-competition agreement (in a form acceptable to Franchisor). Franchisee shall use its best efforts to cause such other persons to observe the terms of those agreements.

C. FAILURE TO COMPLY

The parties agree and acknowledge that the damage caused by Franchisee's failure to comply with the requirements of this Section 9 will result in damages to Franchisor that are difficult to specify. Therefore, the parties agree that if Franchisee fails to comply with the restrictions in this Section for any reason then, in addition to any other rights and remedies Franchisor may have, Franchisee shall pay to Franchisor a hold over fee of Thirty-Five Thousand Dollars ($35,000.00) upon demand by Franchisor and six percent (6%) of the Gross Revenues from the business that Franchisee continues to operate every Monday for the preceding Monday through Sunday.

11. TERMINATION

The following provisions are in addition to and not in limitation of any other rights and remedies Franchisor may have at law or in equity, all of which are expressly reserved. The exercise by Franchisor of any right or remedy shall not be deemed an election of remedies.

A. WITH NOTICE AND NO OPPORTUNITY TO CURE

This Agreement shall immediately terminate on delivery of notice of termination to Franchisee by Franchisor upon the occurrence of any of the following events, each of which is deemed to be an incurable breach of this Agreement and each of which is deemed to be "good cause." If Franchisee:

(1) becomes insolvent or admits in writing Franchisee's inability to pay its debts as they mature, or makes an assignment for the benefit of creditors, files a petition under any foreign, state or United States bankruptcy act, receivership statute, or the like or if such a petition is filed by a third party, or if an application for a receiver is made by anyone and such petition or application is not resolved favorably to Franchisee within ninety (90) days;

(2) abandons the Franchised Business by failing to operate it for five (5) consecutive business days, or for any shorter period in such circumstances that render reasonable the conclusion that Franchisee does not intend to continue operating the Franchised Business, unless such failure is due to disaster or similar reasons beyond Franchisee's control;

(3) has made any material misrepresentation or omission in the application for the Franchised Business or in any report that Franchisee submits to Franchisor;

(4) fails to open the Franchised Business according to Section 1.D(8) of this Agreement;

(5) attempts to make or makes an unauthorized assignment, encumbrance or other transfer of Franchisee's rights or obligations under this Agreement;

(6) is a party to any other agreement with Franchisor or its affiliates that is terminated for Franchisee's breach thereof;

(7) makes any unauthorized use of the Marks or Confidential Information or makes any duplication or disclosure of any Confidential Information including, but not limited to, any portion of the Nick The Greek Standards Manual;

(8) fails to complete the Initial Training Program to Franchisor's satisfaction by sixty (60) days before the opening of the Franchised Business;

(9) intentionally under-reports its Gross Revenues to Franchisor;

(10) offers unauthorized goods or services;

(11) incurs insufficient funds fees on three (3) or more separate occasions within any twelve (12) month period;

(12) has its right to operate under any license or permit suspended, terminated or interrupted;

(13) is convicted by a trial court of or pleads no contest to a felony or other crime or offense or engages in conduct that reflects materially and unfavorably upon the operation and reputation of Franchisor, the System, or the Franchised Business, or if any principal of Franchisee is convicted of or pleads no contest to a felony or other crime or offense or engages in such conduct;

(14) fails, for a period of three (3) days after notification of noncompliance, to comply with any federal, state or local law or regulations applicable to the operation of the Franchised Business including, without limitation, the Americans with Disabilities Act; provided, however, that if compliance requires more than three (3) days, Franchisee may have such additional time (not to exceed ten (10) days in the aggregate) to comply (a) if Franchisee immediately takes steps to begin compliance upon receipt of Franchisor's notice; and (b) if Franchisor does not determine that noncompliance would result in imminent danger to public health and safety;

(15) fails on three (3) or more separate occasions during the term of this Agreement to comply with this Agreement, whether or not such failures to comply are corrected after notice is delivered to Franchisee and whether or not such failures to comply relate to the same or different requirements of this Agreement;

(16) shall at any time have the Franchised Business or its assets or premises seized, taken over or foreclosed by a government official in the exercise of such official's duties, or by a creditor, lien holder or lessor of Franchisee, or a writ or levy of execution shall issue against the franchise granted hereunder or the goods and chattels of Franchisee;

(17) is evicted by the lessor for any reason, if Franchisee leases the site;

(18) has a judgment against it issued in the amount of more than Five Thousand Dollars ($5,000.00) that remains unsatisfied (unless an appeal is filed or a supersedeas bond is secured) for a period of more than thirty (30) days;

(19) has an undischarged levy of execution on the Franchised Business;

(20) is subject to a determination by Franchisor, in its sole discretion, that continued operation of the Franchised Business by Franchisee will result in danger to public health or safety; or

(21) is designated, or any person described in Section 10.B is designated, by the United States government as a Specially Designated National or Blocked Person, as defined below.

B. WITH NOTICE AND OPPORTUNITY TO CURE

This Agreement shall terminate upon Franchisee's failure to cure any of the following, each of which is deemed to be "good cause":

(1) noncompliance with any requirement in this Agreement not listed in subsection A above within thirty (30) days after notice thereof is delivered to Franchisee; or

(2) failure to make payments to Franchisor for any amounts due within five (5) days after notice thereof is delivered to Franchisee.

C. NO WAIVER

The description of any default in any notice served upon Franchisee shall in no way preclude Franchisor from specifying additional or supplemental defaults in any action, arbitration, hearing or suit relating to this Agreement or the termination hereof.

D. ENFORCEMENT

Franchisee acknowledges that Franchisor's decision to enforce or not to enforce compliance with its rules and regulations by other franchisees shall not affect Franchisor's right to enforce such rules and regulations against Franchisee, even under similar circumstances.

12. RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION

A. PAYMENT OF AMOUNTS OWED TO FRANCHISOR

Franchisee agrees to pay Franchisor and its affiliates immediately after the effective date of termination or expiration of this Agreement, all amounts due to Franchisor and its affiliates and all other amounts owed to Franchisor and its affiliates which are then unpaid.

B. MARKS

After the termination or expiration of this Agreement, Franchisee will:

(1) not directly or indirectly at any time or in any manner identify Franchisee or any business with which Franchisee is affiliated as a current or former franchisee or licensee of Franchisor, or as otherwise associated with Franchisor, or use any Mark, Trade Dress, or any imitation thereof or other indicia of the Franchised Business in any manner or for any purpose, or utilize for any purpose any trade name, trade or service mark, trade dress or other commercial symbol that suggests or indicates a connection or association, or former connection or association, with Franchisor;

(2) take such steps as are necessary to change the décor, color scheme, uniforms, signage, flooring, fixtures, furniture and equipment, and other elements of décor and Trade Dress so that the premises no longer resemble the Franchised Business;

(3) at Franchisor's option, return or destroy (and if destroyed, Franchisee must set forth with particularity in a writing signed by Franchisee or a principal thereof the items destroyed) all products bearing any Marks;

(4) stop using the Marks and the System and return to Franchisor all copies of the Nick The Greek Standards Manual and all other Confidential Information, including, without limitation, customer information;

(5) assist in the smooth transition of the business to any successor franchisee or to Franchisor;

(6) refrain from soliciting customers of the Franchised Business, Franchisor or other of Franchisor's franchisees, and turn over all customer information and data to Franchisor;

(7) refrain from making any disparaging comments regarding Franchisor or the System;

(8) stop all use of all telephone numbers, facsimile numbers, e-mail addresses, home pages, domain and subdomain names, web sites and the like that are associated with the Franchised Business and cooperate with Franchisor in causing all applicable telephone companies and other service providers to assign such numbers and addresses and names to Franchisor or its nominee including, without limitation, signing transfer forms upon the execution of this Agreement or upon demand by Franchisor for use by Franchisor upon expiration or termination of this Agreement;

(9) take such action as may be required to cancel all fictitious or assumed name or equivalent registrations relating to Franchisee's use of any Marks; and

(10) refrain from engaging in a competing business as provided in Section 10 above.

C. <u>CONTINUING OBLIGATIONS</u>

All obligations of the parties that expressly or by nature survive the expiration or termination of this Agreement, including, without limitation, Sections 4, 9, 10, 12, 14, 15F, 15.J and 15.P, shall continue in full force and effect subsequent to and notwithstanding its expiration or termination until they are satisfied in full or by nature expire.

D. <u>OPTION TO PURCHASE</u>

Upon termination or expiration of this Agreement, Franchisor or its nominee shall have the option, exercisable for sixty (60) days following the effective date of termination or expiration, to purchase the assets of the Franchised Business. The purchase price for the assets will be the fair market value as determined by the parties. If the parties are unable to agree upon the fair market value of the assets, they shall jointly select an independent appraiser to do so. Franchisee and Franchisor shall each pay one-half ($^1/_2$) of the cost of appraisal. The fair market value of the assets shall be determined without giving effect to goodwill. Franchisor may deduct any amounts Franchisee owes to Franchisor, any liabilities relating to the assets, and, if Franchisor has not complied with the requirements of this Agreement to upgrade and renovate the Franchised Business, the amount necessary to upgrade and renovate the Franchised Business to reflect Franchisor's then-current image. The purchase price will be payable fifty percent (50%) at the time of closing and the balance in three (3) equal annual installments of principal plus interest at a rate per annum equal to the prime lending rate charged by Franchisor's bank determined as of the closing date.

13. ASSIGNMENT, TRANSFER AND ENCUMBRANCE

A. BY FRANCHISOR

This Agreement is fully transferable and assignable by Franchisor, in whole or in part, and shall inure to the benefit of any assignee, transferee or other legal successor to its interest herein.

B. BY FRANCHISEE

(1) The rights granted to Franchisee in this Agreement are personal and Franchisee acknowledges that Franchisor is entering into this Agreement in reliance upon and in consideration of the individual character, skill, attitude, business ability and financial capacity of Franchisee or, if Franchisee is a corporation, partnership, limited liability company or other entity, of its principal owners. Accordingly, Franchisee shall not transfer, as defined below, this Agreement or any interest therein without Franchisor's prior written consent and without offering Franchisor a right of first refusal as provided below. Any attempt at a transfer that violates the provisions of this Section shall convey no right or interest in this Agreement. A transfer by an individual franchisee to an entity that is wholly owned by Franchisee and the sole business of which is the operation of the business contemplated by this Agreement shall not be subject to Franchisor's right of first refusal nor shall Franchisee be required to pay the transfer fee set forth in subsection (3)(g) below; provided that Franchisee notifies Franchisor in advance of the transfer and provides Franchisor with all documents Franchisor deems necessary or advisable, including, without limitation, a personal service agreement, an assumption agreement and personal guaranty by Franchisee as an individual. Franchisee shall reimburse Franchisor for its expenses in documenting such a transfer.

(2) For purposes hereof, "**transfer**" means any voluntary, involuntary, direct or indirect assignment, sale, division, encumbrance, hypothecation, mortgage, pledge or other transfer by Franchisee, in whole or in part, of any interest in this Agreement, any interest in the Franchised Business or more than twenty-five percent (25%) of the ownership of Franchisee (either by one or by a series of transfers), if Franchisee is a corporation, partnership, limited liability company or other entity. **"Transfer"** also includes a transfer to the surviving spouse, heirs, estate or other representative of Franchisee in the event of Franchisee's or its owner's death ("**Survivor**").

(3) Franchisor may require fulfillment of any or all of the following conditions precedent to the granting of consent to any transfer:

(a) there shall be no existing default in the performance of Franchisee's obligations under this Agreement or under any other agreement with Franchisor or any of its affiliates;

(b) the Franchised Business must meet Franchisor's then-current standards;

(c) the lessor of the premises of the Franchised Business has consented to Franchisee's sublease or transfer of the lease or sublease for the premises to the proposed transferee;

(d) the proposed transferee shall be qualified according to Franchisor's then-current standards for new franchisees;

(e) the proposed transferee shall have executed Franchisor's then-current form of franchise agreement for a term of years equal to the remaining term of this Agreement, the proposed transferee shall have executed all ancillary agreements then required by Franchisor and all holders of an equity interest in the proposed transferee (if an entity) shall have executed Franchisor's then-current form of guaranty, and any other documents Franchisor deems necessary;

(f) the proposed transferee shall have successfully completed Franchisor's Initial Training Program;

(g) Franchisee shall have paid to Franchisor a transfer fee when Franchisee submits a request to transfer to Franchisor. The transfer fee will be (a) twenty-five percent (25%) of the then-current initial franchise fee if the transferee is an existing franchisee or fifty percent (50%) of the then-current initial franchise fee if the transferee is not an existing franchisee, or (b) Two Thousand Five Hundred Dollars ($2,500.00) if the transfer is between Franchisee's current owners or to a new minority shareholder. Franchisee must pay to Franchisor the transfer fee upon submission of an application to transfer. If Franchisor does not consent to the transfer, Franchisor will return the transfer fee to Franchisee after deducting any expenses Franchisor may have incurred in evaluating the proposed transfer. If the proposed transfer is by an individual to a business entity, Franchisee shall not be required to pay the transfer fee, but shall reimburse Franchisor for expenses Franchisor incurs in evaluating the proposed transfer;

(h) Franchisee (and its principals and affiliates if Franchisee is a corporation or other entity) shall have executed a general release in a form acceptable to Franchisor of any and all claims against Franchisor and its affiliates, associates, officers, directors, managers, shareholders, members, employees, agents and representatives;

(i) any obligations of the transferee to Franchisee shall be subrogated to the transferee's obligations to Franchisor;

(j) at Franchisor's option, Franchisee must transfer this Agreement together with all other agreements it and its affiliates have entered into with Franchisor or its affiliates and all rights thereunder to the transferee; and

(k) neither the transferee or any of its owners are: (i) a person designated by the U.S. Department of Treasury's Office of Foreign Assets Control from

(l) time to time as a "specially designated national or blocked person" or similar status, (ii) a person described in Section 1 of U.S. Executive Order 13224, issued on September 23, 2001, or (iii) a person otherwise identified by government or legal authority as a person with whom Franchisor is prohibited from transacting business ("**Specially Designated National or Blocked Person**") or a person in which a Specially Designated National or Blocked Person has an interest.

(4) Franchisor's consent to any transfer shall not constitute a waiver of any claim that Franchisor may have against Franchisee or its owner(s), or of Franchisor's right to demand strict compliance with this Agreement.

(5) No interest in this Agreement or the franchise shall be the subject of a lien, security interest or pledge either in favor of Franchisee as part of a transfer, or otherwise.

C. <u>RIGHT OF FIRST REFUSAL</u>

Franchisee shall provide Franchisor with complete information on the proposed transferee and terms of the transfer. Within sixty (60) days of receipt of complete information and documents by Franchisor, Franchisor will inform Franchisee: (1) whether it or its nominee will exercise its right of first refusal; and (2) if not, whether it will consent to the transfer. In the event that Franchisor notifies Franchisee that it or its nominee will exercise its right of first refusal, except as provided below, Franchisor or its nominee will accept the transfer upon the same terms and conditions as set forth in the instruments and documents which embodied the proposed transfer. Franchisor shall not be required, by exercise of its right of first refusal, to perform obligations of the proposed transferee which are merely incidental to the transfer (e.g., employment agreements in favor of individuals, and broker's or finder's fees to be paid by the proposed transferee to or on behalf of Franchisee or any principal of Franchisee). Moreover, Franchisor shall have not less than sixty (60) days from the delivery of Franchisor's notice of exercise to consummate the transfer. If Franchisor elects not to exercise its right of first refusal and consents to the proposed transfer, Franchisee may consummate the proposed transfer, but only upon the terms and conditions set forth in the notice submitted to Franchisor. Franchisee must close the proposed transfer within ninety (90) days after receipt of Franchisor's notice that it will not exercise its right of first refusal and that it will consent to the transfer.

D. <u>DEATH OR PERMANENT DISABILITY</u>

If Franchisee, or the principal of a Franchisee that is not an individual, dies or is permanently disabled in a manner that prohibits operation of the Franchised Business, in Franchisor's judgment, the Survivor or, in the case of permanent disability, the representative of Franchisee shall, within sixty (60) days of such death or determination of permanent disability, either meet all of Franchisor's then-current standards for new franchisees or shall transfer this Agreement in accordance with the requirements of this Section. Franchisee must pay all of the Franchisor's expenses incurred in connection with Franchisor's evaluation and training for Franchisor's Survivor or representative.

14. INDEMNIFICATION OF FRANCHISOR

Franchisee shall, during the term of this Agreement and after the termination or expiration of this Agreement, protect, defend, indemnify and hold Franchisor, and its affiliates, associates, officers, directors, managers, shareholders, members, employees, agents, representatives and assignees harmless against any and all liability for all claims of every kind or nature arising in any way out of or relating to Franchisee's actions or failure to act, whether personal or in connection with the operation of the Franchised Business, any other actions or failure to act by Franchisee, its agents or representatives or any breach of this Agreement, including, without limitation, the obligation to comply with applicable law. For purposes of this indemnification, "**claims**" means and includes all obligations, actual and consequential damages, losses, claims, demands, liens, reckonings, accounts and costs incurred in the defense of any claim (such as, by way of illustration, but not limitation, accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses). Franchisor shall have the right to defend any such claim against it with counsel of its own choosing and Franchisee agrees to cooperate fully with Franchisor in connection with the defense of any claim. Franchisee shall have no right to settle or refuse to settle any claim; Franchisee shall retain all right to do so. In addition, Franchisee agrees to cooperate fully with Franchisor in any other claims brought by or against Franchisor.

15. MISCELLANEOUS

A. FORCE MAJEURE

In the event of a natural disaster such as an earthquake, flood, hurricane or fire or a strike, lockout or labor controversy or the happening of any extraordinary event beyond the control of one of the parties which results in the inability of that party to operate or to provide the services contemplated by this Agreement, there shall be no obligation on the part of that party to operate or to provide such services during the period when such party is unable to do so; provided, however, that this provision shall not affect a party's obligation to make payments required by this Agreement; and provided, further, that in no event shall such postponement last longer than six (6) months.

B. GRAMMAR

The masculine of any pronoun will include the feminine and the neuter thereof, and the singular of any noun or pronoun shall include the plural, or vice versa, wherever the context requires.

C. INTERPRETATION

When calculating the date upon which or the time within which any act is to be done, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a business day, the period in question shall end on the next business day. The terms of this Agreement shall not be interpreted or construed in favor of or against any party on the ground that one party was the purported draftsman hereof.

D. SECTION HEADINGS

Section headings are for convenience of reference only and should not be construed as part of this Agreement nor should they limit or define the meaning of any provision herein.

E. NONWAIVER

No failure by either party to take action on account of any default of the other party, whether in a single instance or repeatedly, and no course of dealing of the parties in variance with the terms hereof, constitutes a waiver of any such default or of the performance required of either party by this Agreement. No express waiver by either party of any provision or performance hereunder or of any default by the other party constitutes a waiver of any other or future provision, performance or default. No waiver or extension of time shall be effective unless expressly contained in a writing signed by the waiving party. The parties may in their sole respective discretion elect from time to time to waive obligations of one another under this Agreement upon such terms and conditions as they may, in their sole respective discretion, set forth in such written waiver.

F. NO EXEMPLARY DAMAGES

Neither party to this Agreement shall assert against the other party any claim for special, exemplary or punitive damages arising out of the Franchisor-Franchisee relationship, the formation or performance of this Agreement, any breach of this Agreement, or the operation of the Franchised Business.

G. INVALIDITY AND SEVERABILITY

If any provision or portion of a provision of this Agreement is determined to be invalid or unenforceable, either in its entirety or by virtue of its scope or application to given circumstances, such provision or portion thereof shall be deemed modified to the extent necessary to render the same valid, or as not applicable to the given circumstances, or shall be excised from this Agreement, as the situation may require, and this Agreement shall be construed and enforced as if such provision or portion thereof had been included herein as so modified in scope or application, or had not been included herein, as the case may be. The stated intention of the parties is that had they known of such invalidity or unenforceability at the time of entering into this Agreement, they would have nevertheless contracted upon the terms contained herein, either excluding such provisions, or portions thereof, or including such provisions or portions thereof only to the maximum scope and application permitted by law, as the case may be. In the event such total or partial invalidity or unenforceability of any provision or portion thereof of this Agreement exists only with respect to the laws of a particular jurisdiction, this Section will operate upon such provision or portion thereof only to the extent that the laws of such jurisdiction are applicable.

H. NOTICES

Any notice or demand given or made pursuant to the terms of this Agreement will be made in writing and delivered by personal service, e-mail, overnight delivery, or certified mail (postage prepaid) to such address as may be designated from time to time by the relevant party, and which will initially be as set forth as follows:

If given to Franchisor:

NTG Franchising, LLC
5765 Winfield Blvd., Suite 1
San Jose, California 95123
Telephone: (480) 780-4976
Email: franchise@Nickthegreek.com

If given to Franchisee:

____
____
____

____

Telephone: ____________________
E-mail: _______________________

Any notice sent by certified mail will be deemed to have been given three (3) business days after the date on which it is mailed. Notices will be deemed given when sent if sent by e-mail or personal delivery, and one (1) business day after being sent by overnight mail. No objection may be made to the manner of delivery of any notice actually received in writing by an authorized agent of a party.

I. ENTIRE AGREEMENT; MODIFICATION

This Agreement, any documents executed contemporaneously herewith that expressly reference this Agreement and any documents referred to herein constitute and contain the entire agreement and understanding of the parties with respect to the subject matter hereof. There are no representations, undertakings, agreements, terms, or conditions not contained or referred to herein; provided, however, that nothing in this Agreement is intended to disclaim the representations made in the Franchise Disclosure Document furnished to Franchisee. This Agreement supersedes and extinguishes any prior written agreement between the parties or any of them relating to the subject matter hereof. This Agreement may not be modified or amended except by a written amendment executed by both parties.

J. CONTROLLING LAW; DISPUTE RESOLUTION; ATTORNEYS' FEES AND EQUITABLE RELIEF

(1) This Agreement, including all matters relating to the validity, construction, performance, and enforcement thereof, shall be governed by the laws of California without giving effect to its provision regarding choice of laws; except that the validity, construction, performance and enforcement of Section 10 of this Agreement shall be governed by the laws of the jurisdiction in which the Franchised Business is located. Nothing in this Section is intended, or shall be deemed, to make the California Franchise Investment Law or the California Franchise Relations Act or any other law apply to this Agreement, or the transactions or relationships contemplated hereby, if such law would not otherwise be applicable.

(2) Upon the occurrence of any dispute or disagreement between the parties hereto arising out of or in connection with any term or provision of this Agreement, the subject matter hereof, or the interpretation or enforcement hereof (in each case, a **"Dispute"**), the Dispute shall first be submitted to mediation on an expedited basis in or nearest to the city in which Franchisor's headquarters is then located, administered by JAMS, or its successor, in accordance with JAMS rules and procedures then in effect. Either party may commence mediation by providing to JAMS and the other party a written request for mediation, setting forth the subject of the Dispute and the relief requested, with the expectation that the first mediation session shall occur within thirty (30) days of such written request. The party seeking the mediation must submit the following in addition to any demand or filing required by JAMS: a full and specific description of the claims under this Agreement, including, without limitation, an identification of the specific provisions that the other party has breached, documentary evidence of the facts alleged by the complaining party and a declaration under penalty of perjury that all facts stated in the claims and documentation are true and correct and do not fail to state facts known to the complaining party that are material to the determination of the Dispute. The parties will cooperate with JAMS and with one another in selecting a neutral mediator from the JAMS panel of neutrals and in scheduling the mediation proceedings. The mediator must be a retired judge or an attorney experienced in complex commercial transactions. If the parties are unable to select the mediator within ten (10) days after receipt of the mediation notice by JAMS, then JAMS shall designate the mediator. The parties covenant that they will (a) participate in the mediation in good faith, (b) share equally in the costs of the mediator and related JAMS administrative costs, and (c) pay in advance the estimated fees and costs of the mediation, as may be specified in advance by the mediator. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the parties, their agents, employees, experts and attorneys, and by the mediator and any JAMS employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any reference, arbitration, litigation or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. In the event it is necessary, any party may file a motion to compel the other party to participate in the mediation and the prevailing party shall be awarded its costs and expenses, including attorneys' fees in connection with such motion. If the Dispute is not resolved within ten (10) days after the first mediation session, either party may (i) give written notice to JAMS and the other party that the mediation is terminated and (ii) submit any remaining Disputes to binding arbitration pursuant to Section 15.J(3) below.

(3) If the parties are unable to resolve the Dispute pursuant to Section 15.J(2) above, then the parties shall submit the Dispute to final and binding arbitration in or nearest to the city in which Franchisor's headquarters is then located, administered by JAMS, or its successor, in accordance with the rules and procedures of JAMS then in effect. Any party may commence the arbitration by filing a written demand for arbitration with JAMS, with a copy to the other party, setting forth the subject of the Dispute and the relief requested, with the expectation that the first arbitration session shall occur within thirty (30) days of such written demand. The party seeking arbitration must submit the following in addition to any demand or filing required by JAMS: a full and specific description of the claims under this Agreement including, without limitation, an identification of the specific provisions that the other party has breached, documentary evidence of the facts alleged by the complaining party and a declaration under penalty of perjury that all facts stated in the claims and documentation are true and correct and do not fail to state facts known to the complaining party that are material to the determination of the Dispute. The parties agree

that any and all Disputes that are submitted to arbitration in accordance with this Agreement shall be decided by one (1) neutral arbitrator who is a retired judge or attorney who is experienced in complex commercial transactions. If the parties are unable to agree on an arbitrator, JAMS shall designate the arbitrator. The parties will cooperate with JAMS and with one another in selecting the arbitrator and in scheduling the arbitration proceedings in accordance with applicable JAMS procedures. The arbitration shall be conducted in accordance with the JAMS Comprehensive Rules. Any award issued as a result of such arbitration shall be final and binding between the parties thereto and shall be enforceable by any court having jurisdiction over the party against whom enforcement is sought. The parties expressly acknowledge and understand that by entering into this Agreement, they each are waiving their respective rights to have any Dispute between the parties hereto adjudicated by a court or by a jury.

(4) The parties recognize that their relationship is unique and that each franchisee is situated differently from all other franchisees, and that no one franchisee can adequately represent the interest of others. Therefore, the parties agree that any mediation, arbitration, suit, action or other legal proceeding shall be conducted and resolved on an individual basis only and not on a class-wide, multiple plaintiff, consolidated or similar basis.

(5) The prevailing party in any legal proceeding will be entitled to recover its costs and, as an element of such party's cost of arbitration, suit or proceeding, and not as damages, attorneys' fees to be fixed by the arbitrator or by the court. Nothing in this Agreement shall be construed as limiting or precluding either party from bringing any action in any court of competent jurisdiction for injunctive or other extraordinary relief, without the necessity of posting a bond (and if bond shall nevertheless be required, the parties agree that the sum of One Hundred Dollars ($100.00) shall be sufficient bond), in connection with the Marks, Trade Dress, Proprietary Information or Confidential Information. The parties shall have the immediate right to seek such injunctive or other extraordinary relief at any time, including, without limitation, during the pendency of an arbitration or other proceeding. This covenant shall be independent, severable and enforceable notwithstanding any other rights or remedies which such party may have.

K. RELATIONSHIP OF PARTIES

(1) Nothing herein contained shall be deemed or construed to create the relationship of principal and agent, partnership, joint venture or employment, or a fiduciary or trust relationship, and neither party shall hold itself out as an agent, legal representative, partner, subsidiary, joint venturer, servant or employee of the other party or its affiliate. With respect to all matters pertaining to the operation of the business conducted hereunder, Franchisee is, and shall be, an independent contractor. Neither Franchisor nor Franchisee has the right to bind or obligate the other to any obligations or debts.

(2) It is acknowledged that Franchisee is the sole and independent owner of its business, shall be in full control thereof, and shall conduct such business solely in accordance with its own judgment and discretion, subject only to the provisions of this Agreement. Franchisee shall conspicuously identify itself as the independent owner of its business. No party hereto shall be obligated by, or have any liability for, any agreements, representations or warranties made by the other nor shall Franchisor be liable for any damages to any person or property, directly or indirectly, arising out of the operation of Franchisee's business, whether caused by Franchisee's

negligent or willful action or failure to act. Neither party shall have liability for any sale, use, excise, income, property or other tax levied upon the business conducted by the other party or in connection with the services performed or business conducted by it or any expenses incurred by it.

(3) Franchisee's employees are under Franchisee's sole control. Franchisor is not the employer or joint employer of Franchisee's employees. Franchisor will not exercise direct or indirect control of Franchisee's employees' working conditions. Franchisor does not share or codetermine the terms and conditions of employment of Franchisee's employees or participate in matters relating to the employment relationship between Franchisee and its employees, such as hiring, promotion, demotion, termination, hours or schedule worked, rate of pay, benefits, work assigned, discipline, response to grievances and complaints or working conditions. Franchisee has sole responsibility and authority for these terms and conditions of employment. Franchisee must notify and communicate clearly with its employees in all dealings, including, without limitation, its written and electronic correspondence, paychecks, and other materials, that Franchisee (and only Franchisee) is their employer and that Franchisor is not their employer.

(4) Nothing anywhere in this Agreement creates a fiduciary relationship between the parties nor shall anything herein be deemed to create any trust duties between the parties. No covenant shall be implied to vary or interpret the terms of this provision.

L. COMPLIANCE WITH LOCAL LAW

If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of, or refusal to renew this Agreement than is required hereunder, the prior notice or other action required by such law or rule shall be substituted for the notice or other requirements hereof. Such modifications to this Agreement shall be effective only in such jurisdiction and shall be enforced as originally made and entered into in all other jurisdictions. Franchisor reserves the right to challenge the applicability of any such law or rule.

M. SPOUSAL CONSENT

Franchisee's spouse or the spouses of all owners of Franchisee if Franchisee is an entity, shall execute a spousal consent in the form attached hereto as **Exhibit B**.

N. ENTITY FRANCHISEES

(1) If Franchisee is a partnership, Franchisee shall deliver to Franchisor a copy of its current partnership agreement prior to the execution of this Agreement. Thereafter, Franchisee shall deliver to Franchisor copies of all restated partnership agreements and any amendments to the partnership agreement marked to indicate changes since the date of the partnership agreement previously delivered to Franchisor. If Franchisee is a corporation, Franchisee shall deliver to Franchisor a copy of its certificate or articles of incorporation, or other charter documents and all amendments thereto, and a copy of its current bylaws and a copy of any shareholders' agreement and all amendments thereto, prior to the execution of this Agreement. Thereafter, Franchisee shall deliver to Franchisor copies of all subsequent amendments to its certificate or articles of incorporation or other charter documents and its current bylaws, and any shareholders' agreement, marked to indicate changes since the date of the certificate or articles, bylaws, shareholders'

agreement, or other charter documents previously delivered to Franchisor. If Franchisee is a limited liability company, Franchisee shall deliver to Franchisor copies of its certificate of formation or articles of organization, its operating agreement and other charter documents, and all amendments thereto. Thereafter, Franchisee shall deliver to Franchisor copies of all subsequent amendments to its certificate of formation or articles of organization, operating agreement and other charter documents, marked to indicate changes since the date of the articles, agreement or other documents previously delivered to Franchisor.

(2) If Franchisee is a corporation, partnership, limited liability company or other entity, Franchisee shall complete and deliver to Franchisor **Exhibit C** together with this Agreement. Franchisee shall notify Franchisor in writing within ten (10) days of any change in the information contained in **Exhibit C**.

(3) If Franchisee is a corporation or otherwise issues ownership certificates, all securities shall be affixed with the following legend conspicuously on the face of the certificate evidencing the issuance thereof:

> "The transfer of the shares/ownership interest represented by this certificate is subject to the terms and conditions of a Franchise Agreement entered into with NTG Franchising, LLC, dated _______________, a copy of which is on file with the Secretary of this corporation/entity."

O. PERSONAL GUARANTIES

If Franchisee is a corporation, a partnership, a limited liability company or other entity, Franchisor shall not be bound unless all shareholders, general partners or members of Franchisee, as applicable, have read and approved this Agreement and further agree that any restriction applicable to the corporation, partnership, limited liability company or other entity shall also apply to them individually and collectively (including the prohibition on their ability to transfer their interests in Franchisee) and further agree, if Franchisor so requires, to personally, jointly and severally, guarantee the performance of Franchisee under the terms of this Agreement by executing the form of Guaranty and Assumption of Franchisee's Obligations set forth in **Exhibit D** attached hereto.

P. STATUTE OF LIMITATIONS

The parties hereby acknowledge and agree that any suit, action or other proceeding relating to this Agreement must be brought within one (1) year after the occurrence of the act or omission that is the subject of the suit, action or other legal proceeding.

Q. SUCCESSION; THIRD PARTY BENEFICIARY

Franchisor's right to sublicense Franchisee to use the Marks is pursuant to a Trademark License Agreement with NTG, LLC. In the event Franchisor ceases for any reason to receive the right from NTG, LLC to license Franchisee to use the Marks, Franchisee agrees that NTG, LLC, shall, at its option succeed to all of the rights and assume all of the obligations of Franchisor under this

Agreement. NTG, LLC is a third party beneficiary of this Agreement. If required by applicable law, Franchisee agrees to enter into a novation agreement with NTG, LLC.

R. REASONABLE BUSINESS JUDGMENT

When a provision in this Agreement requires Franchisor to make a decision or determination, and the provision does not state otherwise, Franchisor shall make such decision or determination utilizing reasonable business judgment. Reasonable business judgment means that Franchisor's action or inaction has a business basis that is intended to benefit the System or the profitability of franchised businesses and Franchisor, regardless of whether some individual franchisees may be unfavorably affected; or to increase the value of the Marks; or to increase or enhance overall customer or franchisee satisfaction; or to minimize possible brand inconsistencies or customer confusion. In the event that such obligation or exercise of discretion is unrelated to franchised businesses or the Marks, reasonable business judgment means that Franchisor has a business basis and has not acted in bad faith. Franchisee shall have the burden of establishing that Franchisor failed to exercise reasonable business judgment, and neither the fact that Franchisor benefited economically from an action nor the existence of other "reasonable" alternatives will, by themselves, establish such failure.

S. REPRESENTATIONS AND WARRANTIES

(1) Franchisee represents and warrants to Franchisor that neither Franchisee (including, without limitation, any and all of its directors, officers and managers), nor any of its affiliates or the funding sources for either is a Specially Designated National or Blocked Person. Neither Franchisee nor any of its affiliates is directly or indirectly owned or controlled by the government of any country that is subject to an embargo by the United States government. Neither Franchisee nor any of its affiliates is acting on behalf of a government of any country that is subject to such an embargo. Franchisee further represents and warrants that it is in compliance with any applicable anti-money laundering law, including, without limitation, the USA Patriot Act.

(2) Franchisee (on behalf of itself and all of the holders of (a) an equity interest in Franchisee, and (b) an equity interest in holders of equity interests in Franchisee) represents and warrants to Franchisor that execution and delivery of this Agreement and the performance of Franchisee's obligations hereunder, does not: (i) conflict with, violate, result in a breach of or constitute a default (or an event which, with notice or passage of time or both, would constitute a default) under, or result in the termination or in a right of termination or cancellation of, any other agreement to which Franchisee or any such holder is party or by which Franchisee or any such holder, or any of their respective assets may be bound; (ii) violate any order, writ, injunction, decree, judgment or ruling of any court or governmental authority; or (iii) violate any applicable law.

(3) Franchisee represents and warrants to Franchisor that neither Franchisor nor any of its representatives has made any of the following representations:

(a) that Franchisor guarantees, conditionally or unconditionally, or makes a written or oral representation (i) that would cause a reasonable person in Franchisee's position to believe that income is assured, (ii) that Franchisee will derive income from the

Franchised Business, (iii) that Franchisee's investment is protected from loss or (iv) that Franchisee can earn a profit in excess of its initial payment;

(b) that Franchisor will refund all or part of the fees paid by Franchisee (including, without limitation, a representation that Franchisor will refund Franchisee's initial payment or return any promissory note upon termination or non-renewal of the Franchised Business) or repurchase any of the products, equipment, supplies, goods or chattels supplied by Franchisor or its affiliate to Franchisee;

(c) that Franchisee will be provided with retail outlets or accounts, or assistance in establishing retail outlets or accounts, for the sale or distribution of goods or services; or

(d) that there is a market for the goods or services to be offered, sold or distributed by Franchisee.

(4) Franchisee agrees that it will notify Franchisor in writing immediately upon the occurrence of any event that would render the foregoing representations and warranties of this Section incorrect.

16. ACKNOWLEDGMENTS

Franchisee acknowledges and represents the following to Franchisor to induce it to enter into this Agreement:

A. FRANCHISEE HAS READ THIS AGREEMENT AND THE FRANCHISE DISCLOSURE DOCUMENT AND ALL OTHER RELATED AGREEMENTS AND DOCUMENTS AND UNDERSTANDS AND ACCEPTS THE TERMS, CONDITIONS, AND COVENANTS CONTAINED IN THIS AGREEMENT AS BEING REASONABLY NECESSARY TO MAINTAIN THE SYSTEM'S HIGH STANDARDS OF QUALITY AND SERVICE AND THE UNIFORMITY OF THOSE HIGH STANDARDS IN ORDER TO PROTECT AND PRESERVE THE GOODWILL OF THE MARKS. FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR OR ITS REPRESENTATIVES HAVE FULLY AND ADEQUATELY EXPLAINED THE PROVISIONS OF SUCH DOCUMENTS TO THE SATISFACTION OF FRANCHISEE;

B. FRANCHISEE HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE FRANCHISED BUSINESS. FRANCHISEE RECOGNIZES THAT THE NATURE OF THIS BUSINESS MAY EVOLVE AND CHANGE OVER TIME, THAT IT INVOLVES BUSINESS RISKS AND THAT THE SUCCESS OF THE VENTURE DEPENDS PRIMARILY UPON FRANCHISEE'S INDIVIDUAL AND INDEPENDENT BUSINESS ABILITY AND EFFORTS. FRANCHISEE UNDERSTANDS THAT THE FRANCHISED BUSINESS IS A RELATIVELY NEW CONCEPT THAT ENTAILS BUSINESS RISKS. FRANCHISEE HAS CONSULTED WITH SUCH PROFESSIONAL ADVISORS OF FRANCHISEE'S CHOOSING AS FRANCHISEE DEEMS NECESSARY, INCLUDING LEGAL COUNSEL, REGARDING ALL ASPECTS OF THE

BUSINESS CONTEMPLATED BY THIS AGREEMENT, ALL RELATED AGREEMENTS AND THE BUSINESS RELATIONSHIP CREATED THEREBY, AND TO DETERMINE THAT FRANCHISEE IS FINANCIALLY PREPARED TO ASSUME THE RISKS THAT MAY BE INVOLVED IN SUCH A BUSINESS VENTURE;

C. FRANCHISEE HAS NOT RECEIVED OR RELIED UPON ANY PROMISE, REPRESENTATION, GUARANTY OR WARRANTY, EXPRESSED OR IMPLIED, ABOUT THE POTENTIAL VOLUME, REVENUES, PROFITS, OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT;

D. FRANCHISEE IS AWARE OF THE FACT THAT SOME PRESENT OR FUTURE FRANCHISEES MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENTS, AND CONSEQUENTLY, THAT FRANCHISOR'S OBLIGATIONS AND RIGHTS WITH RESPECT TO ITS VARIOUS FRANCHISEES MAY DIFFER MATERIALLY;

E. NO REPRESENTATIONS HAVE BEEN MADE OR AUTHORIZED BY FRANCHISOR, OR BY ITS OFFICERS, DIRECTORS, MANAGERS, SHAREHOLDERS, MEMBERS, EMPLOYEES, SALES PERSONNEL, AGENTS OR OTHER REPRESENTATIVES, THAT ARE CONTRARY TO THE STATEMENTS MADE IN THE FRANCHISE DISCLOSURE DOCUMENT HERETOFORE RECEIVED BY FRANCHISEE OR TO THE TERMS CONTAINED IN THIS AGREEMENT, AND FRANCHISEE HAS NOT RELIED UPON ANY OTHER SUCH REPRESENTATIONS;

F. IN ALL OF THEIR DEALINGS WITH FRANCHISEE, THE OFFICERS, DIRECTORS, MANAGERS, SHAREHOLDERS, MEMBERS, EMPLOYEES, SALES PERSONNEL, AGENTS AND REPRESENTATIVES OF FRANCHISOR ACT ONLY IN A REPRESENTATIVE CAPACITY, NOT IN AN INDIVIDUAL CAPACITY, AND THIS AGREEMENT, AND ALL BUSINESS DEALINGS BETWEEN FRANCHISEE AND SUCH INDIVIDUALS AS A RESULT OF THIS AGREEMENT, ARE SOLELY BETWEEN FRANCHISEE AND FRANCHISOR;

G. FRANCHISEE ACKNOWLEDGES THAT IN EACH CASE IN WHICH FRANCHISOR MAY EXERCISE ANY OPTION OR OTHER RIGHT UNDER THIS AGREEMENT OR UNDER ANY AGREEMENT CONTEMPLATED HEREBY, FRANCHISOR MAY DO SO IN ITS DISCRETION, WITHOUT LIABILITY OR OTHER OBLIGATION. SO AS TO PRESERVE THE FLEXIBILITY TO DEAL WITH PRACTICAL SITUATIONS, FRANCHISOR MAY, IN ITS DISCRETION, ELECT TO NOT ENFORCE (OR TO SELECTIVELY ENFORCE) ANY PROVISION OF THIS AGREEMENT, OR ANY OTHER AGREEMENT, ANY POLICY OR OTHERWISE, WHETHER WITH RESPECT TO FRANCHISEE OR ANY OTHER FRANCHISEE OR OTHERWISE, AND FRANCHISOR MAY APPLY DIFFERENT POLICIES TO ANY FRANCHISEE, ALL WITHOUT LIABILITY OR OTHER OBLIGATION, AND ANY SUCH ACTS OR OMISSIONS WILL NOT LIMIT OR OTHERWISE

AFFECT FRANCHISOR'S RIGHTS, WHETHER TO STRICTLY ENFORCE THIS AGREEMENT OR OTHERWISE; AND

H. THE APPLICATION MADE BY FRANCHISEE IS TRUE AND CORRECT. FRANCHISEE HAS MADE NO INCORRECT STATEMENT IN THE APPLICATION OR IN THIS AGREEMENT, OR FAILED TO MAKE ANY STATEMENT THAT WOULD BE NECESSARY TO MAKE THE STATEMENTS IN THE APPLICATION OR IN THIS AGREEMENT, NOT MISLEADING.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date stated on the first page hereof.

Franchisor:

NTG FRANCHISING, LLC
a California limited liability company

By:____________________________________

Title:__________________________________

Date:__________________________________

Franchisee:

____
(Signature)

____
(Print Name and Title, if applicable)

Date:__________________________________

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EXHIBIT A

SEARCH TERRITORY, LOCATION AND PROTECTED AREA

Description of Search Territory (attach map):____
____
____
____
____
____

Location of Franchised Business:

____

____

____

Description of Protected Area (attach map):

[_] One-mile radius around the Franchised Business location (the Franchised Business will be located in a suburban area).

[_] An area that includes a population of at least 30,000 people as of the Effective Date, as defined by zip codes to be determined when the Franchised Business location is determined (the Franchised Business will be located in an urban area).

Franchisor:	Franchisee:
NTG FRANCHISING, LLC	By:
By:________________________________	By:________________________________
Name & Title:________________________	Name & Title:________________________
Date:______________________________	Date:______________________________

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EXHIBIT B

SPOUSAL CONSENT

The undersigned each being the spouse of Franchisee (or the spouse of an owner of Franchisee) hereby states

1) That he or she has read and understands the Franchise Agreement and the Franchise Disclosure Document; and

2) That he or she consents to the terms and conditions of the Franchise Agreement, including but not limited to those concerning transfer; and

3) That he or she consents to execution of the Franchise Agreement by Franchisee; and

4) That he or she consents to execution of the Guaranty and Assumption of Franchisee's Obligations.

Date:________________________________ Signature:____________________________

Print Name:__________________________

By his or her signature below, Franchisee hereby states that he or she is not married and does not have a spouse.

Date:________________________________ Signature:____________________________

Print Name:__________________________

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EXHIBIT C

INFORMATION REGARDING NON-INDIVIDUAL FRANCHISEES

(1) If Franchisee is a corporation or partnership or other entity, there is set forth below the name, address, title and percentage ownership of each shareholder, partner or member of Franchisee:

NAME	ADDRESS	TITLE	PERCENTAGE OWNERSHIP

(2) If Franchisee is a corporation or limited liability company, there is set forth below the name, address and title of each officer and director or manager of Franchisee:

NAME	ADDRESS	TITLE

(3) The address where Franchisee's records are maintained is:

(4) There is set forth below the name, address and title of each of Franchisee's principal officers or partners who will be devoting their full time efforts to the operation of the Franchised Business.

NAME	ADDRESS	TITLE

DATE: ____________________

Name and Title of Person Completing Exhibit

____

Signature

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EXHIBIT D

GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement ("**Agreement**") with NTG Franchising, LLC, a California limited liability company ("**Franchisor**"), of even date herewith, each of the undersigned hereby personally and unconditionally: (1) guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that, a(n) ("**Franchisee**") shall punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement; and (2) agrees to be personally bound by and personally liable for the breach of each and every provision in the Agreement, including but not limited to monetary obligations and dispute resolution procedures.

Each of the undersigned waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (4) any right he/she may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (5) any and all other notices and demands and legal and equitable defenses to which he/she may be entitled.

Each of the undersigned consents and agrees that: (1) his/her liability under this guaranty shall be joint and several; (2) he/she shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) he/she will individually comply with all the provisions and subsections of the Agreement and any renewals and amendments thereto; (4) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (5) such liability shall not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which Franchisor may, from time to time, grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall, in any way, modify or amend this Guaranty which shall be continuing and irrevocable during the term of the Agreement and thereafter.

If any provision of this Guaranty is deemed to be invalid or inoperative, for any reason, that part shall be deemed modified to the extent necessary to make it valid and operative or if it cannot be so modified, then severed, and the remainder of the Guaranty shall continue in full force and effect as if it had been executed and entered into with the invalid portion so modified or eliminated.

This Guaranty will continue in effect as to each of the undersigned until the date that Franchisee fully performs all its obligations under the Agreement, or until one or more of the undersigned fully perform them in Franchisee's stead, or until Franchisor agrees in writing to release such person from his or her obligations hereunder.

Each of the undersigned waives claim for exemplary or punitive damages arising out of this Guaranty, the Franchisor-Franchisee relationship, the performance of the Agreement, any breach of the Agreement, or the development or operation of any Nick the Greek restaurant.

IN WITNESS WHEREOF, each of the undersigned hereto affixed his/her signature effective on the same day and year as the executed Agreement.

GUARANTOR(S)

By: _________________________________ Date: ____________________________
Print Name:

By: _________________________________ Date: ____________________________
Print Name:

By: _________________________________ Date: ____________________________
Print Name:

By: _________________________________ Date: ____________________________
Print Name:

By: _________________________________ Date: ____________________________
Print Name:

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EXHIBIT E

AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM

[Enclosed]

CONSUMER AUTHORIZATION FOR DIRECT PAYMENT VIA ACH

Direct payment via ACH is the transfer of funds from a consumer account for the purpose of making a payment.

I (we) authorize NTG Franchising LLC to electronically debit my (our) account (and, if necessary, electronically credit my (our) account to correct erroneous debits) as follows:

Select One:

- ☐ Checking Account
- ☐ Savings Account
- ☐ Authorize Integreat to share on my behalf

At the depository financial institution name below ("DEPOSITORY"). I (we) agree that ACH transactions I (we) authorize comply with all applicable law.

Depository Name ____________________________

Routing Number ____________________________

Account Number ____________________________

Amounts of debit(s) or method of determining amount of debit(s). [NTG Royalty as previously agreed upon percentage, any additional fees incurred by my business to NTG Franchising LLC]

Date(s) and/or frequency of debit(s): Authorized Monday for Wednesday ACH pull. (if any payments are missed for any reason I (we) authorize NTG Franchising to pull said funds on the next debit in additional any funds owed at that time)

I (we) understand that this authorization will remain in full force and effect until the end of my (our) franchising agreement with NTG Franchising LLC. I (we) understand that I (we) must notify NTG Franchising LLC of any changes made to my (our) accounts that will affect any debits within 3 days of said change via email to ntsigaris@nickthegreek.com or by written notice mailed to 5765 Winfield Blvd, 1 San Jose, Ca 95123. If I do not do so I will incur any fines that are associated with late payment.

Name(s) ____ (please print)

Signature(s) ____

Date ______________ Date ____________ Date ____________ Date ___________________

EXHIBIT D

AREA DEVELOPMENT AGREEMENT

NICK THE GREEK
AREA DEVELOPMENT AGREEMENT

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EXHIBITS

NICK THE GREEK

AREA DEVELOPMENT AGREEMENT

This Area Development Agreement ("**Agreement**") is entered into this ___ day of _______________, 20__, by and between NTG Franchising, LLC, a California limited liability company ("**Franchisor**"), and _______________, a(n) _______________ ("**Developer**"), with reference to the following facts:

A. Franchisor has the right to operate and grant to others the right to operate Nick The Greek restaurants featuring high quality Greek street food including gyros, Grecian "beefteki" burgers (beef and lamb patty with feta cheese served with lettuce, tomato, onions and a feta sauce), soups, salads, sides, desserts and a homemade tzatziki sauce, in a fun and family-oriented setting, in accordance with certain proprietary practices and procedures ("**Proprietary Information**") that are part of a system relating to the establishment, development, operation and management of such businesses ("**System**");

B. Franchisor has the right to license various trademarks, trade names, service marks, designs, emblems, logos, slogans, copyrights, trade dress, trade secrets, commercial symbols and other indicia, including without limitation, "Nick the Greek," now or hereafter used or intended to be used or hereafter used in connection with the System, and any and all revisions, modifications and additions thereto, whether or not recorded or registered with the United States Patent and Trademark Office or any other local, state, federal or foreign agency, registrar or body ("**Marks**"); and

C. Franchisor licenses the right to use the System and the Marks in the operation of Nick The Greek restaurants featuring the sale of high-quality Greek street food ("**Franchised Businesses**"); and

D. Developer is an independent business owner and desires to open and operate multiple Franchised Businesses in a specific geographic area and Franchisor is willing to grant Developer the right to do so, pursuant to the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the promises and covenants set forth herein, the receipt and sufficiency of which is acknowledged by the parties, Franchisor and Developer agree as follows:

1. GRANT OF RIGHTS; TERM

A. GRANT OF RIGHTS

Subject to the terms and conditions of this Agreement, Franchisor hereby grants Developer the right to open and operate Franchised Businesses during the Term, as defined below, and in the geographic area described in **Exhibit A** excluding Non-Traditional Locations, as defined below ("**Development Area**"). This grant is intended to be strictly personal in nature to Developer (and its principals if Developer is an entity), and no rights hereunder may be assigned, sublicensed or transferred by Developer in whole or in part without the prior written consent of Franchisor. Franchisor does not grant Developer any right to use the Marks or the System under this Agreement.

B. TERM

The term of this Agreement shall begin on the date it is executed by Franchisor and will expire upon the opening date of the last Franchised Business listed on the Development Schedule, as defined below, unless sooner terminated in accordance with the provisions of this Agreement ("**Term**"). The parties mutually agree and acknowledge that there are no rights to renew this Agreement

C. DEVELOPMENT AREA RIGHTS

Except for Non-Traditional Locations, Franchisor shall not operate or license the right to operate Franchised Businesses in the Development Area as long as Developer is in full compliance with this Agreement, including, without limitation, the requirements of the Development Schedule, as defined below. The following are "**Non-Traditional Locations"**: shopping centers, airports, train stations, hotels, convention centers, college campuses, arenas and stadiums, casinos, amusement and theme parks, museums, supermarkets, box sores and other similar locations.

D. RESERVATION OF RIGHTS

Franchisor reserves any and all rights not specifically granted to Developer. Developer acknowledges that this Agreement does not restrict Franchisor, NTG, LLC or their affiliates from conducting businesses using marks or commercial symbols different from the Marks either within or outside of the Development Area, nor does it preclude them from using the Marks or licensing the right to others to use the Marks for purposes other than operating a Franchised Business. Franchisor reserves the right to operate and franchise the right to operate Franchised Businesses in Non-Traditional Locations both within and outside the Development Area. Franchisor also reserves the right to conduct all commerce over the Internet and other means of electronic commerce as may in the future be developed. Franchisor reserves the right to sell and distribute the products and services offered by Franchisor at wholesale, and to sell and distribute such products and services through other channels of distribution such as grocery stores, supermarkets, box stores and similar locations either within or outside of the Development Area. Franchisor also reserves the right to acquire, be acquired by or merge or combine with another company that operates or licenses others to operate restaurants in the Development Area.

2. DEVELOPMENT OBLIGATIONS

A. DEVELOPMENT SCHEDULE

Developer shall open Franchised Businesses in accordance with the schedule set forth in **Exhibit B** ("**Development Schedule**"). Developer shall open the minimum number of Franchised Businesses provided in the Development Schedule. Developer shall not open or operate any Franchised Businesses outside the Development Area. Developer shall not open or operate any Franchised Businesses except pursuant to the then-current form of Franchise Agreement offered by Franchisor. This Agreement shall not be deemed or construed to create any obligation on the part of Franchisor to enter into any Franchise Agreement or grant any franchise to Developer or to any other person unless Developer has fully complied with the requirements of this Agreement.

B. CLOSURE OF NICK THE GREEK RESTAURANTS

If a Franchised Business permanently closes for any reason after having been opened, Developer shall have six (6) months from the date of such permanent closure in which to open a substitute Franchised Business at a location in the Development Area to which Franchisor has consented. This will not in any way affect Developer's obligation to open additional Franchised Businesses in the Development Area in accordance with the Development Schedule.

C. FAILURE TO MEET DEVELOPMENT SCHEDULE

If Developer fails to meet any requirement of the Development Schedule, Franchisor may exercise any of its remedies as provided in Section 10.C below.

3. SITE SELECTION PROCEDURE AND SITE DEVELOPMENT

A. DEVELOPER'S OBLIGATION

Developer shall operate Franchised Businesses at sites accepted by Franchisor. Developer is responsible for all cost, liability, expense, risk and responsibility for locating, obtaining financing for and developing sites for Franchised Businesses, and for constructing and equipping Franchised Businesses at such sites all in accordance with the requirement of the applicable Franchise Agreement. Franchisor will designate real estate brokers to assist Developer in selecting sites, and Developer shall use one of such brokers. Franchisor may designate one or more real estate tenant representative companies and if Franchisor does so, Developer shall retain the services of such company or companies.

B. SITE PROPOSAL

Developer shall submit to Franchisor, in the form prescribed by Franchisor, all relevant information concerning a proposed site including, without limitation, the general location and neighborhood, zoning of the site, demographic information about the surrounding area, locations of any other Greek or other restaurants in the general area of the proposed site, any complementary businesses, traffic flow, parking, rent, size, layout, physical characteristics of the location, lease terms and such other information as Franchisor may require (collectively, "**Site Proposal**"). The Site Proposal shall include (1) a property description; (2) a demographic profile of the site; (3) a rendering or design plan showing the preliminary proposed layout; including floor plans and prototype and construction drawings for the conceptual appearance of the Franchised Business, including floor plans, and (4) information about the community in which the proposed site is located. Developer must submit a Site Proposal within sixty (60) days of signing this Agreement. Franchisor will designate one or more architects that Developer must use in developing construction drawings and floor plans for its location.

C. FRANCHISOR'S EVALUATION

No Site Proposal shall be deemed accepted until written acceptance is issued by Franchisor. Franchisor will accept or reject the Site Proposal within thirty (30) days after it receives Developer's notice and all relevant information that Franchisor requires or requests from Developer. Franchisor may reject the Site Proposal for any reason. If Franchisor rejects a Site Proposal, Developer must find another site and submit a new Site Proposal.

D. DESIGN; CONSTRUCTION; SIGNAGE

(1) Design and Plans. Franchisor will provide Developer prototype drawings for a typical Franchised Business, which Developer may use to develop, at its own cost and subject to Franchisor's approval, a full set of plans and drawings for the Franchised Business. Developer shall retain an architect designated by Franchisor to prepare floor plans for both the front and back of house areas as well as interior elevations of the Franchised Business. Once Developer has obtained Franchisor's written consent to such floor plans, Developer shall have its architect prepare construction plans showing site dimensions, topographical evaluations, building type and placement on site, proposed ingress and egress and access to utilities such as electricity and water. Developer's plans shall include any modifications required to comply with local governmental requirements and a proposed equipment list, as well as schedules showing all equipment and fixtures to be installed (collectively, "**Plans**"). The Plans will include specifications for surveillance cameras to be installed at the Franchised Business. Developer shall submit the Plans to Franchisor for Franchisor's review and shall not proceed until Franchisor provides its written consent to the Plans. It shall be Developer's sole responsibility to submit the Plans to the appropriate governmental entities for their approval and permitting, in order to comply with local law regarding the securing of any local authority and permits, licenses, or other necessary governmental approvals. If any such governmental entities require modifications to the Plans, Developer shall submit such modifications to Franchisor for its review and consent prior to commencement of construction, refurbishing, renovating or equipping the Franchised Business. Developer shall also submit to Franchisor for review and consent full engineering drawings, including without limitation, electrical, plumbing, heating, ventilation and air conditioning (HVAC), refrigeration and restaurant drawings. Developer may not begin construction until Franchisor has provided its consent to the engineering drawings.

(2) Construction. Developer shall retain a contractor for the Franchised Business that is commercially licensed and adequately insured and that has experience in building structures similar to that of the Franchised Business. Franchisor will provide standards and qualifications to assist Developer in identifying contractors and, upon request by Developer, evaluate the contractor Developer selects. The contractor selected by Developer shall name Developer and Franchisor as additional insureds under its insurance policies. Developer shall cause its contractor to adhere to the Plans to which Franchisor has consented and the contractor may not deviate from the Plans without Franchisor's prior written consent. Franchisor reserves the right to monitor the construction process and Developer shall accord Franchisor complete access to its construction bids, progress and costs and, upon request by Franchisor, videos and photographs of the progress of the construction.

(3) Signage and Decorating Materials. All signage and decorating materials at the Franchised Business site shall conform to Franchisor's specifications. In particular, Developer must post a prominent sign in each Franchised Business identifying Developer as a franchisee of Franchisor in a format that Franchisor deems acceptable, including an acknowledgement that Developer independently owns and operates the Franchised Business and that the Marks are owned by Franchisor and Developer's use is under a license Franchisor has issued to Developer.

E. EXECUTION OF FRANCHISE AGREEMENT

Developer shall sign Franchisor's current form of Franchise Agreement when Developer signs this Agreement. For subsequent Franchised Business locations, Developer must sign Franchisor's then-current form of Franchise Agreement when the Site Proposal is accepted and in no event later than thirty (30) days after Franchisor accepts the Site Proposal.

F. LEASE

Developer shall not sign a lease or contract for the location of a Franchised Business without receiving Franchisor's prior written consent. Franchisor may refuse to consent to a lease for any reason. The lease or contract must contain such additional terms and conditions as Franchisor may require providing for the protection of Franchisor's rights and interests, including, but not limited to, a conditional lease assignment to Franchisor or its nominee in a form acceptable to Franchisor, and including the following:

(1) the absolute and unconditional right of Developer to assign its interest in the lease to Franchisor or Franchisor's nominee at any time without the consent of the landlord and without rent increase or penalty;

(2) the landlord's acknowledgement that Developer shall not assign or transfer the lease or any of its rights thereunder or grant any sublease thereunder without the prior written consent of Franchisor;

(3) the landlord's consent to Developer's use of such signage and other displays of the Marks as Franchisor may require;

(4) the obligation of the landlord to notify Franchisor in writing of any default by Developer of any of the terms and conditions of the lease and to provide to Franchisor, at Franchisor's option, the right to cure any default under the lease within fifteen (15) days after expiration of the period in which Developer is required to cure the default, if Developer fails to do so; provided, however, that Developer shall reimburse Franchisor for any costs and expenses incurred to cure the default;

(5) that no amendment, addition, or other modification or change be made to the lease without obtaining the prior written consent of Franchisor;

(6) that upon expiration or termination for any reason of the Franchise Agreement for a particular Franchised Business, Franchisor's rights under the lease for such Franchised Business shall, at the option of Franchisor, be transferred and assigned to Franchisor or its nominee without rent increase or penalty immediately upon notice to the landlord by Franchisor;

(7) Developer's acknowledgment that the landlord may rely upon notice from Franchisor and shall not be required to inquire into the due execution of such notice or the accuracy of the statements set forth in such notice;

(8) that such notice will, without further act or formality, operate as an effective assignment of Developer's rights under the lease to Franchisor or its nominee without rent increase or penalty, and the assumption by Franchisor or its nominee of the covenants required to be observed or performed by Developer under the lease; provided, however, that landlord agrees and

acknowledges that Franchisor and its nominee, if any, shall not assume, and shall have no obligation to the landlord with respect to, any liabilities arising from or relating to Developer's actions, failure to act or defaults prior to the assignment of the lease;

(9) Developer's acknowledgment that the landlord will, upon the written request of Franchisor, disclose to Franchisor all reports, information or data in the landlord's possession respecting the premises and the operation of the Franchised Business, including, without limitation, revenue information;

(10) the landlord's acknowledgment that the Franchise Agreement contains a right on the part of Franchisor, in the event of expiration or termination of the Franchise Agreement for any reason whatsoever, to enter the premises and to make any alterations to the exterior or interior decor and signage as Franchisor deems necessary to remove its identification with the System as required by this Agreement and, in the event of the exercise by Franchisor of such right, the landlord further acknowledges that such entry by Franchisor shall not constitute an assignment of the lease nor a subletting of the demised premises; and

(11) that Franchisor shall be a third party beneficiary under the lease.

Developer shall be responsible for all costs associated with the negotiation of the lease. Developer shall fully perform all obligations to be performed by Developer under the lease or contract and shall immediately upon receipt of any notice of violation from the lessor or other party to the contract deliver a copy of such notice to Franchisor together with a statement of the steps proposed to be taken by Developer in response to the notice. All amounts spent by Franchisor to cure any breach by Developer of the lease for the site of the Franchised Business shall be due to Franchisor from Developer upon Franchisor's written demand. Nothing herein shall create an obligation on the part of Franchisor to cure any breach by Developer.

G. OPENING

Developer shall not start operating a Franchised Business and open it to the public until Franchisor has given its consent in writing. Developer shall satisfy the conditions to opening, including, without limitation, the completion of Franchisor's initial training program to Franchisor's satisfaction, as provided in the Franchise Agreement, the execution of Franchisor's then-current Franchise Agreement and the payment of all fees required hereunder and under the Franchise Agreement. Franchisor may require that Franchisor or its representative conduct an on-site inspection prior to giving its approval and from time to time during the Term.

DEVELOPER ACKNOWLEDGES THAT ALTHOUGH FRANCHISOR MAY HAVE BEEN INVOLVED IN THE REVIEW OF THE SITE, THE SITE PROPOSAL, THE LEASE AND PLANS, AND IN OTHER ASPECTS OF THE DEVELOPMENT OF THE FRANCHISED BUSINESS, FRANCHISOR MAKES NO WARRANTY, REPRESENTATION OR GUARANTY OF ANY KIND WITH RESPECT TO THE LOCATION, THE LEASE, THE PLANS, OR THE SUCCESS OR PROFITABILITY OF THE FRANCHISED BUSINESS TO BE OPERATED AT A LOCATION.

4. INSURANCE AND REPORTING REQUIREMENTS

A. INSURANCE

Upon execution of this Agreement, Developer must procure all insurance required by Franchisor from an insurer or insurers that meet Franchisor's criteria and that has a minimum Best's Rating of A or other comparable rating. Such insurance shall include coverage insuring against all loss and liability arising out of or in connection with the operation of Developer's business in the minimum amounts of One Million Dollars ($1,000,000) per occurrence and Three Million Dollars ($3,000,000) in the aggregate, including, without limitation, public liability insurance, personal injury insurance, automobile insurance covering any vehicles used in the business, property damage insurance, liquor liability insurance, worker's compensation insurance, including employer's liability, with limits as required by law, business interruption insurance and any other specialty coverage Franchisor requires. Developer shall maintain such insurance coverage in full force and effect during the entire Term. All such insurance must include coverage for losses that incur for two years after the expiration or termination of this Agreement. Developer shall cause Franchisor and any of its affiliates that Franchisor specifies to be named as additional insureds under all such policies. Developer shall further cause Developer's insurance agent to copy Franchisor on all insurance policies written and issued on behalf of Developer. In addition, all such policies shall provide for thirty (30) days' prior written notice to Franchisor of any material modification, cancellation or expiration. Upon request, Developer shall provide Franchisor with a certificate and any other documents Franchisor requires evidencing coverage for each policy and renewal policy Developer obtains. All amounts spent by Franchisor to secure any insurance coverage Developer fails to obtain shall be due to Franchisor by Developer upon Franchisor's written demand. Nothing herein shall create an obligation on the part of Franchisor to secure any insurance coverage for Developer. Developer also acknowledges that Franchisor may periodically adjust the amounts of coverage required under such insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in the law or standards of liability, higher damage awards, or other relevant changes in circumstances.

B. REPORTS

Within thirty (30) days following the close of each calendar year, Developer shall provide to Franchisor a profit and loss statement and a balance sheet, on such forms as Franchisor may require, prepared in accordance with U.S. generally accepted accounting principles. Within ten (10) days after filing with the Internal Revenue Service, Developer shall provide to Franchisor a copy of any and all tax returns. Developer shall also submit to Franchisor such other financial and non-financial reports and information as Franchisor may require. Developer must certify these statements and reports as true and correct. Each such report shall be in the form and present the information required by Franchisor.

5. INITIAL FEES

A. DEVELOPMENT FEE

Upon execution of this Agreement, Developer shall pay to Franchisor Thirty-Five Thousand Dollars ($35,000) for the first location plus Fourteen Thousand Dollars ($14,000) for each additional location listed on the Development Schedule (collectively, "**Development Fee**"). The Development Fee is fully earned by Franchisor immediately upon execution of this Agreement and is non-refundable.

B. INITIAL FRANCHISE FEES

When Developer and Franchisor sign a Franchise Agreement for the first Franchised Business pursuant to this Agreement, Franchisor shall credit Developer with Thirty-Five Thousand Dollars ($35,000) for the initial franchise fee. If the Franchised Business is Developer's second or subsequent Franchise Business to be opened pursuant to this Agreement, the initial franchise fee is Twenty-Eight Thousand Dollars ($28,000). When Developer and Franchisor sign a Franchise Agreement for each additional Franchised Business after the first Franchised Business listed on the Development Schedule, Franchisor shall credit Developer with Fourteen Thousand Dollars ($14,000) for the initial franchise fee, and the balance of the initial franchise fee is due and payable.

6. STRUCTURE, OWNERSHIP AND MANAGEMENT OF DEVELOPER

A. ENTITY DEVELOPERS

If Developer is a partnership, Developer shall deliver to Franchisor a copy of its current partnership agreement, and all amendments thereto, prior to the execution of this Agreement. Thereafter, Developer shall deliver to Franchisor copies of all restated partnership agreements and any amendments to the partnership agreement marked to indicate changes since the date of the partnership agreement previously delivered to Franchisor. If Developer is a corporation, Developer shall deliver to Franchisor copies of its certificate or articles of incorporation or other charter documents, its current bylaws and any shareholders' agreement, and all amendments thereto, prior to the execution of this Agreement. Thereafter, Developer shall deliver to Franchisor copies of all subsequent amendments to its certificate or articles of incorporation or other charter documents, its bylaws, and any shareholders' agreement, marked to indicate changes since the date of the certificate or articles, bylaws, shareholders' agreement or other charter documents previously delivered to Franchisor. If Developer is a limited liability company or other entity, Developer shall deliver to Franchisor copies of its certificate of formation or articles of organization, its operating agreement and other charter documents, and all amendments thereto. Thereafter, Developer shall deliver to Franchisor copies of all subsequent amendments to its certificate of formation or articles of organization, operating agreement and other charter documents, marked to indicate changes since the date of the articles, agreement or other documents previously delivered to Franchisor.

B. ORGANIZATIONAL STRUCTURE

If Developer is a corporation, partnership, limited liability company or other entity, Developer shall complete and deliver to Franchisor **Exhibit C**, together with this Agreement. Developer shall notify Franchisor in writing within ten (10) days after any change in the information contained in **Exhibit C.**

C. <u>LEGEND</u>

If Developer is a corporation or otherwise issues ownership certificates, all securities shall be affixed with the following legend conspicuously on the face of the certificate evidencing the issuance thereof:

> "The transfer of the shares/ownership interest represented by this certificate is subject to the terms and conditions of an Area Development Agreement entered into with NTG Franchising, LLC dated _______________, 20__, a copy of which is on file with the Secretary of this corporation/entity."

D. <u>SPOUSAL CONSENT</u>

Developer's spouse, or the spouses of all owners of Developer if Developer is an entity, shall execute a spousal consent in the form attached hereto as **Exhibit E.**

7. <u>CAPITAL REQUIREMENTS; GUARANTY</u>

A. <u>ADEQUATE CAPITALIZATION</u>

Developer represents, warrants and covenants that Developer has available to it sources of capital and financing in amounts adequate to fulfill its obligations under this Agreement. Developer shall maintain its net worth and capital during the Term.

B. <u>PERSONAL GUARANTIES</u>

If Developer is a corporation, a partnership, a limited liability company or other entity, Franchisor shall not be bound unless all shareholders, general partners or members of Developer, as applicable, have read and approved this Agreement and further agree that any restriction applicable to the corporation, partnership, limited liability company or other entity shall also apply to them individually and collectively (including the prohibition on their ability to transfer their interests in Developer) and further agree, if Franchisor so requires, to personally, jointly and severally, guarantee the performance of Developer under the terms of this Agreement by executing the form of Guaranty and Assumption of Developer's Obligations set forth in **Exhibit D** attached hereto.

8. <u>CONFIDENTIAL INFORMATION</u>

A. <u>OWNERSHIP</u>

Developer acknowledges that there is information disclosed by Franchisor pursuant to this Agreement and ancillary agreements and otherwise (including, without limitation, the Proprietary Information, recipes, ingredients, manuals, methods of service, customer lists and databases, sources and suppliers of equipment and, in general, methods, techniques, formulas, formats, specifications, standards, procedures, know-how, information systems and knowledge of the System), that is proprietary, confidential or a trade secret of Franchisor whether or not designated by Franchisor as confidential ("**Confidential Information**"). Such proprietary information includes customer information and data, all of which belongs to Franchisor. Developer acknowledges and agrees that Franchisor is the sole owner of all the Confidential Information, that the Confidential Information is being imparted to Developer in trust and confidence, and that the Confidential Information is not generally known to the trade or public and is not known to Developer except by reason of such disclosure. Developer acknowledges that the Confidential Information is economically valuable and that such value is derived from not being generally known to others. Developer agrees to maintain the absolute confidentiality of all Confidential Information during and after the Term. Developer further acknowledges and agrees that Developer does not acquire any interest in the Confidential Information other than the right to utilize it in connection with the performance of Developer's obligations hereunder and the operations of the Franchised Businesses. In addition, Developer acknowledges and agrees that the use, duplication or disclosure of the Confidential Information except as expressly permitted by this Agreement will constitute an unfair method of competition and that Franchisor will suffer irreparable injury thereby.

B. <u>WORK PRODUCT</u>

Developer acknowledges and agrees that all documents, papers, notes and other material and work product containing or derived from the Confidential Information or connected with Developer's conduct of the Franchised Businesses shall be Confidential Information. Developer further acknowledges and agrees that Developer will have no proprietary interest in any work product developed or used by Developer and related to this Agreement and that all such work product is the sole property of Franchisor. Developer shall, upon Franchisor's request, do all things that may be necessary to establish or document Franchisor's ownership of any such work product.

C. <u>MAINTENANCE OF CONFIDENTIALITY</u>

Developer acknowledges and agrees that the Confidential Information is disclosed to Developer solely on the condition that Developer agrees, and Developer hereby agrees, that Developer:

(1) will use the Confidential Information in strict accordance with the instructions and directions given by Franchisor from time to time;

(2) will not use the Confidential Information, directly or indirectly, in any other business or capacity;

(3) will not, at any time, in any manner or form, directly or indirectly, disclose, duplicate, license, sell, reveal, divulge, publish or communicate the Confidential Information, or any portion thereof, to any person or entity other than Developer's authorized employees or consultants who need to have such information in connection with their jobs and who first sign Developer's form of confidentiality agreement (in a form acceptable to Franchisor);

(4) will not copy any materials containing the Confidential Information without Franchisor's prior written consent;

(5) will observe and implement all procedures imposed from time to time by Franchisor to prevent the unauthorized use and disclosure of the Confidential Information;

(6) will keep written materials containing any portion of the Confidential Information in a secure manner and place; and

(7) if Developer is legally compelled by a court or government agency to disclose any of the Confidential Information, will do so only if Developer has used its best efforts to afford Franchisor the opportunity of obtaining appropriate protective orders or other assurances of confidentiality satisfactory to Franchisor.

9. COMPETITION

A. DEVELOPER'S COVENANT NOT TO COMPETE

Developer acknowledges that Franchisor could not protect its trade secrets or Confidential Information against unauthorized use or disclosure and could not achieve a free exchange of ideas and information among owners of Franchised Businesses if Developer held interests in any competitive business. Developer acknowledges that Franchisor grants development rights to Developer in part in consideration of, and in reliance upon, Developer's agreement to deal exclusively with Franchisor. Therefore, Developer shall not at any time during the Term, individually or in conjunction with any person or entity, have any interest as an owner, investor, shareholder, partner, member, lender, director, officer, manager, employee, consultant, guarantor, representative, or agent or in any other manner whatsoever, directly or indirectly, carry on or be engaged in, financially or otherwise, or advise in the establishment or operation of any business involving or related to the sale of Greek food or other food items that are on the Franchised Business menu, or any similar business.

In addition, for two (2) years after the termination or expiration of this Agreement, Developer shall not carry on, be engaged in or advise in the establishment or operation of any business involving or related the sale of Greek food or other food items that are on the Franchised Business menu or similar businesses except (a) pursuant to Franchise Agreements with Franchisor, or (b) if Developer is not then a party to any Franchise Agreement with Franchisor, only at a site that is at least twenty (20) miles from the Development Area. Developer agrees and acknowledges that this restriction represents only a limited one on Developer's ability to conduct a business and that the purpose of this covenant is not to deprive Developer of a means of livelihood, and will not do so, but is rather to protect the goodwill and interest of the Marks and the System. In the event that Developer does not comply with this provision and Franchisor is required to enforce it, the two (2)-year period is tolled for the period of noncompliance.

B. ACTIVITIES OF OTHER PERSONS

The activities of Developer's immediate family, Developer's owners, officers, directors, shareholders, trusts, trustees, subsidiaries, parent companies, partners, agents and employees or any enterprise in which any of them owns, directly or indirectly, any equity interest (except for investments totaling less than one percent (1%) of the stock of publicly held corporations), for purposes of this Section shall be deemed to be activities of Developer. Upon Franchisor's request, Developer shall obtain the signature of any such persons on Developer's form of non-disclosure and non-competition agreement (in a form acceptable to Franchisor). Developer shall use its best efforts to cause such other persons to observe the terms of those agreements.

C. FAILURE TO COMPLY

The parties agree and acknowledge that the damage caused by Developer's failure to comply with the requirements of this Section 9 will result in damages to Franchisor that are difficult to specify. Therefore, the parties agree that if Developer fails to comply with the restrictions in this Section for any reason then, in addition to any other rights and remedies Franchisor may have, Developer shall pay to Franchisor a hold over fee of Thirty-Five Thousand Dollars ($35,000.00) upon demand by Franchisor and six percent (6%) of the Gross Revenues from the business that Developer continues to operate every Monday for the preceding Monday through Sunday.

10. TERMINATION

The following provisions are in addition to and not in limitation of any other rights and remedies Franchisor may have at law or in equity, all of which are expressly reserved. The exercise by Franchisor of any right or remedy shall not be deemed an election of remedies.

A. WITH NOTICE AND NO OPPORTUNITY TO CURE

This Agreement shall immediately terminate on delivery of notice of termination to Developer by Franchisor upon the occurrence of any of the following events, each of which is deemed to be an incurable breach of this Agreement and each of which is deemed to be "good cause." If Developer:

(1) becomes insolvent or admits in writing Developer's inability to pay its debts as they mature, or makes an assignment for the benefit of creditors, files a petition under any foreign, state or United States bankruptcy act, receivership statute, or the like or if such a petition is filed by a third party, or if an application for a receiver is made by anyone and such petition or application is not resolved favorably to Developer within thirty (30) days;

(2) has made any material misrepresentation or omission in an application or in any report that Developer submits to Franchisor;

(3) attempts to make or makes an unauthorized assignment, encumbrance or other transfer of Developer's rights or obligations under this Agreement;

(4) is a party to any other agreement with Franchisor or its affiliates that is terminated for Developer's breach thereof;

(5) makes any unauthorized use of Confidential Information;

(6) is convicted by a trial court of or pleads no contest to a felony or other crime or offense or engages in conduct that reflects materially and unfavorably upon the operation and reputation of Franchisor, the System, or the Franchised Businesses, or if any principal of Developer is convicted of or pleads no contest to a felony or other crime or offense or engages in such conduct;

(7) fails, for a period of three (3) days after notification of noncompliance, to comply with any federal, state or local law or regulations; provided, however, that if compliance requires more than three (3) days, Developer may have such additional time (not to exceed ten (10) days in the aggregate) to comply (a) if Developer immediately takes steps to begin compliance upon receipt of Franchisor's notice; and (b) if Franchisor does not determine that noncompliance would result in imminent danger to public health and safety;

(8) fails on three (3) or more separate occasions during any twenty-four (24) month period to comply with this Agreement, whether or not such failures to comply are corrected after notice is delivered to Developer and whether or not such failures to comply relate to the same or different requirements of this Agreement;

(9) has a judgment against it issued in the amount of more than Five Thousand Dollars ($5,000) that remains unsatisfied (unless an appeal is filed or a supersedeas bond is secured) for a period of more than thirty (30) days;

(10) has an undischarged levy of execution on the business to be operated hereunder;

(11) fails to meet any of the deadlines set forth on **Exhibit B** for Site Proposal acceptance, signing of Franchise Agreement or opening date; or

(12) is designated, or any person described in Section 9.B is designated, by the United States government as a Specially Designated National or Blocked Person, as defined below.

B. <u>WITH NOTICE AND OPPORTUNITY TO CURE</u>

This Agreement shall terminate upon Developer's failure to cure any of the following, each of which is deemed to be "good cause":

noncompliance with any requirement in this Agreement not listed in Section 10.A above or in subsection (2) below within thirty (30) days after notice thereof is delivered to Developer; or

failure to make payments to Franchisor for any amounts due within five (5) days after notice thereof is delivered to Developer.

C. <u>FAILURE TO MEET DEVELOPMENT SCHEDULE</u>

If Developer fails to meet any time requirement set out above in Section 2 or fails to meet any of the deadlines for the development of Franchised Businesses required in the Development Schedule, then Franchisor may (in addition to any other remedies available to it under this Agreement): (1) terminate this Agreement; (2) strike such Franchised Business from the Development Schedule; or (3) terminate Developer's Development Area rights under Section 1.C above, and Franchisor shall thereafter be free to itself exercise such rights or to grant such rights to any other person.

D. <u>NO WAIVER</u>

The description of any default in any notice served upon Developer shall in no way preclude Franchisor from specifying additional or supplemental defaults in any action, arbitration, hearing or suit relating to this Agreement or the termination hereof.

E. <u>ENFORCEMENT</u>

Developer acknowledges that Franchisor's decision to enforce or not to enforce compliance with its rules and regulations by other developers or franchisees shall not affect Franchisor's right to enforce such rules and regulations against Developer, even under similar circumstances.

F. CONTINUING OBLIGATIONS

All obligations of the parties that expressly or by nature survive the expiration or termination of this Agreement, including, without limitation, Sections 8, 9, 11.E, 12F, 12.J and 12.M shall continue in full force and effect subsequent to and notwithstanding its expiration or termination until they are satisfied in full or by nature expire.

11. ASSIGNMENT, TRANSFER AND ENCUMBRANCE

A. BY FRANCHISOR

This Agreement is fully transferable and assignable by Franchisor, in whole or in part, and shall inure to the benefit of any assignee, transferee or other legal successor to its interest herein.

B. BY DEVELOPER

(1) The rights granted to Developer in this Agreement are personal and Developer acknowledges that Franchisor is entering into this Agreement in reliance upon and in consideration of the individual character, skill, attitude, business ability and financial capacity of Developer or, if Developer is a corporation, partnership, limited liability company or other entity, of its principal owners. Accordingly, Developer shall not transfer (as defined below) this Agreement or any interest therein without Franchisor's prior written consent and without offering Franchisor a right of first refusal as provided below. Any attempt at a transfer that violates the provisions of this Section shall constitute a material breach of this Agreement and shall convey no right or interest in this Agreement. A transfer by an individual Developer to an entity that is wholly owned by Developer and the sole business of which is the operation of the business contemplated by this Agreement shall not be subject to Franchisor's right of first refusal; provided that Developer notifies Franchisor in advance of the transfer and provides Franchisor with all documents Franchisor deems necessary or advisable including, without limitation, a personal service agreement, an assumption agreement and personal guaranty by Developer as an individual. Developer shall reimburse Franchisor for its expenses in documenting such a transfer.

(2) For purposes hereof, "**transfer**" means any voluntary, involuntary, direct or indirect assignment, sale, division, encumbrance, hypothecation, mortgage, pledge or other transfer by Developer, in whole or in part, of any interest in this Agreement, any interest in the business contemplated hereby or more than twenty-five percent (25%) of the ownership of Developer (either by one or by a series of transfers), if Developer is a corporation, partnership, limited liability company or other entity. "**Transfer**" also includes a transfer to the surviving spouse, heirs, estate or other representative of Developer or its owner in the event of Developer's death or the death of an owner of Developer ("**Survivor**").

(3) Franchisor may require fulfillment of any or all of the following conditions precedent to the granting of consent to any transfer:

(a) there shall be no existing default in the performance of Developer's obligations under this Agreement or under any other agreement with Franchisor or any of its affiliates;

(b) the Franchised Businesses then operated by Developer shall be in complete compliance with Franchisor's then-current standards;

(c) the proposed transferee shall be qualified according to Franchisor's then-current standards for new developers;

(d) the proposed transferee shall have executed an assumption of this Agreement or, at Franchisor's option, Franchisor's then-current form of development agreement (modified to include the Development Schedule and Term of this Agreement), the proposed transferee shall have executed all ancillary agreements then required by Franchisor and all holders of an equity interest in the proposed transferee shall have executed Franchisor's then-current form of guaranty and any other documents Franchisor deems necessary;

(e) Developer shall reimburse Franchisor its expenses for processing the transfer;

(f) Developer (and its principals and affiliates if Developer is a corporation or other entity) shall have executed a general release in a form acceptable to Franchisor of any and all claims against Franchisor and its affiliates, associates, officers, directors, managers, shareholders, members, employees, agents and representatives;

(g) any obligations of the transferee to Developer shall be subrogated to the transferee's obligations to Franchisor;

(h) at Franchisor's option, Developer must transfer this Agreement together with all other agreements it and its affiliates have entered into with Franchisor or its affiliates and all rights thereunder to the transferee; and

(i) the transferee is not: (i) a person designated by the U.S. Department of Treasury's Office of Foreign Assets Control from time to time as a "specially designated national or blocked person" or similar status, (ii) a person described in Section 1 of U.S. Executive Order 13224, issued on September 23, 2001, or (iii) a person otherwise identified by government or legal authority as a person with whom Franchisor is prohibited from transacting business ("**Specially Designated National or Blocked Person**") or a person in which a Specially Designated National or Blocked Person has an interest.

(4) Franchisor's consent to any transfer shall not constitute a waiver of any claim that Franchisor may have against Developer or its owner(s), or of Franchisor's right to demand strict compliance with this Agreement.

(5) No interest in this Agreement or the development rights shall be the subject of a lien, security interest or pledge either in favor of Developer as part of a transfer, or otherwise.

C. <u>RIGHT OF FIRST REFUSAL</u>

Developer shall provide Franchisor with complete information on the proposed transferee and terms of the transfer. Within sixty (60) days after receipt of complete information and documents by Developer, Franchisor will inform Developer: (1) whether it or its nominee will exercise its right of first refusal; and (2) if not, whether it will consent to the transfer. In the event that Franchisor notifies Developer that it or its nominee will exercise its right of first refusal, except as provided below, Franchisor or its nominee will accept the transfer upon the same terms and conditions as set forth in the instruments and documents which embodied the proposed transfer. Franchisor shall not be required, by exercise of its right of first refusal, to perform obligations of the proposed transferee that are merely incidental to the transfer (e.g., employment agreements in favor of individuals, and broker's or finder's fees to be paid by the proposed transferee to Developer or to any principal of Developer). Moreover, Franchisor or its nominee shall have not less than sixty (60) days from the delivery of Franchisor's notice of exercise to consummate the transfer. If Franchisor elects not to exercise its right of first refusal and consents to the proposed transfer, Developer may consummate the proposed transfer, but only upon the terms and conditions set forth in the notice submitted to Franchisor. Developer must close the proposed transfer within ninety (90) days after receipt of Franchisor's notice that it will not exercise its right of first refusal and that it will consent to the transfer.

D. DEATH OR PERMANENT DISABILITY

If Developer, or the principal of a Developer that is not an individual, dies or is permanently disabled in a manner that prohibits performance of Developer's obligations under this Agreement, the Survivor or, in the case of permanent disability, the representative of Developer shall, within sixty (60) days after such death or determination of permanent disability, either meet Franchisor's then-current standards for new developers or transfer this Agreement in accordance with the requirements of this Section. Developer must pay all of Franchisor's expenses incurred in connection with Franchisor's evaluation and training for Developer's Survivor or representative.

E. INDEMNIFICATION OF FRANCHISOR

Developer shall, during the Term and after the termination or expiration of this Agreement, protect, defend, indemnify and hold Franchisor, and its affiliates, associates, officers, directors, shareholders, members, employees, agents, representatives and assignees harmless against any and all liability for all claims of every kind or nature arising in any way out of or relating to Developer's actions or failure to act, whether personal or in connection with the performance of its obligations under this Agreement, any other actions or failure to act by Developer, its agents or representatives or any breach of this Agreement, including, without limitation, the obligation to comply with applicable law. For purposes of this indemnification, "**claims**" means and includes all obligations, actual and consequential damages, losses, claims, demands, liens, reckonings, accounts and costs incurred in the defense of any claim (such as, by way of illustration, but not limitation, accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses). Franchisor shall have the right to defend any such claim against it with counsel of its own choosing and Developer agrees to cooperate fully with Franchisor in connection with the defense of any claim. Developer shall have no right to settle or refuse to settle any claim; Franchisor shall retain all right to do so. In addition, Developer agrees to cooperate fully with Franchisor in any other claims brought by or against Franchisor.

12. MISCELLANEOUS

A. FORCE MAJEURE

In the event of a natural disaster such as an earthquake, flood, hurricane or fire or a strike, lockout or labor controversy or the happening of any extraordinary event beyond the control of one of the parties, which results in the inability of that party to operate or to provide the services contemplated by this Agreement, there shall be no obligation on the part of that party to operate or to provide such services during the period when such party is unable to do so; provided, however, that this provision shall not affect a party's obligation to make payments required by this Agreement; and provided, further, that in no event shall such postponement last longer than six (6) months.

B. GRAMMAR

The masculine of any pronoun will include the feminine and the neuter thereof, and the singular of any noun or pronoun shall include the plural, or vice versa, wherever the context requires.

C. INTERPRETATION

When calculating the date upon which or the time within which any act is to be done, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a business day, the period in question shall end on the next business day. The terms of this Agreement shall not be interpreted or construed in favor of or against any party on the ground that one party was the draftsman hereof.

D. SECTION HEADINGS

Section headings are for convenience of reference only and should not be construed as part of this Agreement nor should they limit or define the meaning of any provision herein.

E. NONWAIVER

No failure by either party to take action on account of any default of the other party, whether in a single instance or repeatedly, and no course of dealing of the parties in variance with the terms hereof constitutes a waiver of any such default or of the performance required of either party by this Agreement. No express waiver by either party of any provision or performance hereunder or of any default by the other party constitutes a waiver of any other or future provision, performance or default. No waiver or extension of time shall be effective unless expressly contained in a writing signed by the waiving party. The parties may in their sole respective discretion elect from time to time to waive obligations of one another under this Agreement upon such terms and conditions as they may, in their sole respective discretion, set forth in such written waiver.

F. NO EXEMPLARY DAMAGES

Neither party to this Agreement shall assert against the other party any claim for special, exemplary or punitive damages arising out of the Franchisor-Developer relationship, the formation or performance of this Agreement, any breach of this Agreement, or the operation of Franchised Businesses.

G. INVALIDITY AND SEVERABILITY

If any provision or portion of a provision of this Agreement is determined to be invalid or unenforceable, either in its entirety or by virtue of its scope or application to given circumstances, such provision or portion thereof shall be deemed modified to the extent necessary to render the same valid, or as not applicable to the given circumstances, or shall be excised from this Agreement, as the situation may require, and this Agreement shall be construed and enforced as if such provision or portion thereof had been included herein as so modified in scope or application, or had not been included herein, as the case may be. The stated intention of the parties is that had they known of such invalidity or unenforceability at the time of entering into this Agreement, they would have nevertheless contracted upon the terms contained herein, either excluding such provisions, or portions thereof, or including such provisions or portions thereof only to the maximum scope and application permitted by law, as the case may be. In the event such total or partial invalidity or unenforceability of any provision or portion thereof of this Agreement exists only with respect to the laws of a particular jurisdiction, this Section will operate upon such provision or portion thereof only to the extent that the laws of such jurisdiction are applicable.

H. NOTICES

Any notice or demand given or made pursuant to the terms of this Agreement will be made in writing and delivered by personal service, e-mail, overnight delivery, or certified mail (postage prepaid) to such address as may be designated from time to time by the relevant party, and which will initially be as set forth as follows:

If given to Franchisor:

NTG Franchising, LLC
5765 Winfield Blvd., Suite 1
San Jose, California 95123
Telephone: (408) 780-4976
Email: franchise@nickthegreek.com

If given to Developer:

____
____
____

Telephone: ___________________
E-mail:______________________

Any notice sent by certified mail will be deemed to have been given three (3) business days after the date on which it is mailed. All other notices will be deemed given when sent if sent by e-mail or personal delivery, and one (1) business day after being sent by overnight mail. No objection may be made to the manner of delivery of any notice actually received in writing by an authorized agent of a party.

I. ENTIRE AGREEMENT; MODIFICATION

This Agreement, any documents executed contemporaneously herewith which expressly reference this Agreement and any documents referred to herein constitute and contain the entire agreement and understanding of the parties with respect to the subject matter hereof. There are no representations, undertakings, agreements, terms, or conditions not contained or referred to herein; provided, however, that nothing in this Agreement is intended to disclaim the representations made in the Franchise Disclosure Document furnished to Developer. This Agreement supersedes and extinguishes any prior written agreement between the parties or any of them relating to the subject matter hereof. This Agreement may not be modified or amended except by a written amendment executed by both parties.

J. CONTROLLING LAW; DISPUTE RESOLUTION; ATTORNEYS' FEES AND EQUITABLE RELIEF

(1) Except as set forth below, this Agreement, including all matters relating to the validity, construction, performance, and enforcement thereof, shall be governed by the laws of California without giving effect to its provision regarding choice of laws; except that the validity, construction, performance and enforcement of Section 9 of this Agreement shall be governed by the laws of the jurisdiction in which the Development Area is located. Nothing in this Section is intended, or shall be deemed, to make any franchise, business opportunity or other law apply to this Agreement, or the transactions or relationships contemplated hereby, if such law would not otherwise be applicable.

(2) Upon the occurrence of any dispute or disagreement between the parties hereto arising out of or in connection with any term or provision of this Agreement, the subject matter hereof, or the interpretation or enforcement hereof (in each case, a **"Dispute"**), the Dispute shall first be submitted to mediation on an expedited basis in or nearest to the city in which Franchisor's headquarters is then located, administered by JAMS, or its successor, in accordance with JAMS rules and procedures then in effect. Either party may commence mediation by providing to JAMS and the other party a written request for mediation, setting forth the subject of the Dispute and the relief requested, with the expectation that the first mediation session shall occur within thirty (30) days after such written request. The party seeking the mediation must submit the following in addition to any demand or filing required by JAMS: a full and specific description of the claims under this Agreement, including, without limitation, an identification of the specific provisions that the other party has breached, documentary evidence of the facts alleged by the complaining party and a declaration under penalty of perjury that all facts stated in the claim and documentation are true and correct and do not fail to state facts known to the complaining party that are material to the determination of the Dispute. The parties will cooperate with JAMS and with one another in selecting a neutral mediator from the JAMS panel of neutrals and in scheduling the mediation proceedings. The mediator must be a retired judge or an attorney experienced in complex commercial transactions. If the parties are unable to select the mediator within ten (10) days after receipt of the mediation notice by JAMS, then JAMS shall designate the mediator. The parties covenant that they will (a) participate in the mediation in good faith, (b) share equally in the fees and costs of the mediator and related JAMS administrative costs, and (c) pay in advance the estimated fees and costs of the mediation, as may be specified in advance by the mediator. All

offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the parties, their agents, employees, experts and attorneys, and by the mediator and any JAMS employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any reference, arbitration, litigation or other proceeding involving the parties; provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. In the event it is necessary, any party may file a motion to compel the other party to participate in the mediation and the prevailing party shall be awarded its costs and expenses, including attorneys' fees in connection with such motion. If the Dispute is not resolved within ten (10) days after the first mediation session, either party may (i) give written notice to JAMS and the other party that the mediation is terminated and (ii) submit any remaining Disputes to binding arbitration pursuant to Section 12.J(3) below.

(3) If the parties are unable to resolve the Dispute pursuant to Section 12.J(2) above, then the parties shall submit the Dispute to final and binding arbitration in or nearest to the city in which Franchisor's headquarters is then located, administered by JAMS, or its successor, in accordance with the rules and procedures of JAMS then in effect. Any party may commence the arbitration by filing a written demand for arbitration with JAMS, with a copy to the other party, setting forth the subject of the Dispute and the relief requested, with the expectation that the first arbitration session shall occur within thirty (30) days after such written demand. The party seeking the arbitration must submit the following in addition to any demand or filing required by JAMS: a full and specific description of the claims under this Agreement including without limitation an identification of the specific provisions that the other party has breached, documentary evidence of the facts alleged by the complaining party and a declaration under penalty of perjury that all facts stated in the claim and documentation are true and correct and do not fail to state facts known to the complaining party that are material to the determination of the Dispute. The parties agree that any and all Disputes that are submitted to arbitration in accordance with this Agreement shall be decided by one (1) neutral arbitrator who is a retired judge or attorney who is experienced in complex commercial transactions. If the parties are unable to agree on an arbitrator, JAMS shall designate the arbitrator. The parties will cooperate with JAMS and with one another in selecting the arbitrator and in scheduling the arbitration proceedings in accordance with applicable JAMS procedures. Any award issued as a result of such arbitration shall be final and binding between the parties thereto and shall be enforceable by any court having jurisdiction over the party against whom enforcement is sought. The parties expressly acknowledge and understand that by entering into this Agreement, they each are waiving their respective rights to have any Dispute between the parties hereto adjudicated by a court or by a jury.

(4) The parties recognize that their relationship is unique and that each developer is situated differently from all other developers, and that no one developer can adequately represent the interest of others. Therefore, the parties agree that any arbitration, suit, action or other legal proceeding shall be conducted and resolved on an individual basis only and not on a class-wide, multiple plaintiff, consolidated or similar basis.

(5) The prevailing party in any legal proceeding will be entitled to recover its costs and, as an element of such party's cost of arbitration, suit or proceeding, and not as damages,

attorneys' fees to be fixed by the arbitrator or by the court. Nothing in this Agreement shall be construed as limiting or precluding either party from bringing any action in any court of competent jurisdiction for injunctive or other extraordinary relief, without the necessity of posting a bond (and if bond shall nevertheless be required, the parties agree that the sum of One Hundred Dollars ($100.00) shall be sufficient bond), in connection with the Marks, trade dress, Proprietary Information or Confidential Information. The parties shall have the immediate right to seek such injunctive or other extraordinary relief at any time, including, without limitation, during the pendency of an arbitration or other proceeding. This covenant shall be independent, severable and enforceable notwithstanding any other rights or remedies which such party may have.

K. RELATIONSHIP OF PARTIES

(1) Nothing herein contained shall be deemed or construed to create the relationship of principal and agent, partnership, joint venture or employment, or a fiduciary relationship, and neither party shall hold itself out as an agent, legal representative, partner, subsidiary, joint venturer, servant or employee of the other party or its affiliate. With respect to all matters pertaining to the operation of the business conducted hereunder, Developer is, and shall be, an independent contractor. Neither Franchisor nor Developer has the right to bind or obligate the other to any obligations or debts.

(2) It is acknowledged that Developer is the independent owner of its business, shall be in full control thereof, and shall conduct such business in accordance with its own judgment and discretion, subject only to the provisions of this Agreement. Developer shall conspicuously identify itself as the independent owner of its business. No party hereto shall be obligated by, or have any liability for, any agreements, representations or warranties made by the other nor shall Franchisor be liable for any damages to any person or property, directly or indirectly, arising out of the operation of Developer's business, whether caused by Developer's negligent or willful action or failure to act. Neither party shall have liability for any sale, use, excise, income, property or other tax levied upon the business conducted by the other party or in connection with the services performed or business conducted by it or any expenses incurred by it.

(3) Developer's employees are under Developer's sole control. Franchisor is not the employer or joint employer of Developer's employees. Franchisor will not exercise direct or indirect control of Developer's employees' working conditions. Franchisor does not share or codetermine the terms and conditions of employment of Developer's employees or participate in matters relating to the employment relationship between Developer and its employees, such as hiring, promotion, demotion, termination, hours or schedule worked, rate of pay, benefits, work assigned, discipline, response to grievances and complaints or working conditions. Developer has sole responsibility and authority for these terms and conditions of employment. Developer must notify and communicate clearly with its employees in all dealings, including, without limitation, its written and electronic correspondence, paychecks, and other materials, that Developer (and only Developer) is their employer and that Franchisor is not their employer.

(4) Nothing anywhere in this Agreement creates a fiduciary relationship between the parties, nor shall anything herein be deemed to create any trust duties between the parties. No covenant shall be implied to vary or interpret the terms of this provision.

L. COMPLIANCE WITH LOCAL LAW

If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required hereunder, the prior notice or other action required by such law or rule shall be substituted for the notice or other requirements hereof. Such modifications to this Agreement shall be effective only in such jurisdiction and shall be enforced as originally made and entered into in all other jurisdictions. Franchisor reserves the right to challenge the applicability of any such law or rule.

M. STATUTE OF LIMITATIONS

The parties hereby acknowledge and agree that any suit, action or other proceeding relating to this Agreement must be brought within one (1) year after the occurrence of the act or omission that is the subject of the suit, action or other legal proceeding.

N. SUCCESSION; THIRD PARTY BENEFICIARY

Franchisor's right to sublicense Developer to use the Marks in the Franchise Agreement is pursuant to a Trademark License Agreement with NTG, LLC. In the event Franchisor ceases for any reason to receive the right from NTG, LLC to license Developer to use the Marks, Developer agrees that NTG, LLC shall, at its option, succeed to all of the rights and assume all of the obligations of Franchisor under this Agreement. NTG, LLC is a third party beneficiary of this Agreement. If requested, Developer agrees to enter into a novation agreement with NTG, LLC.

O. REASONABLE BUSINESS JUDGMENT

When a provision in this Agreement requires Franchisor to make a decision or determination, and the provision does not state otherwise, Franchisor shall make such decision or determination utilizing reasonable business judgment. Reasonable business judgment means that Franchisor's action or inaction has a business basis that is intended to benefit the System or the profitability of Franchised Businesses and Franchisor, regardless of whether some individual developers or franchisees may be unfavorably affected; or to increase the value of the Marks; or to increase or enhance overall customer or franchisee satisfaction; or to minimize possible brand inconsistencies or customer confusion. In the event that such obligation or exercise of discretion is unrelated to Franchised Businesses or the Marks, reasonable business judgment means that Franchisor has a business basis and has not acted in bad faith. Developer shall have the burden of establishing that Franchisor failed to exercise reasonable business judgment, and neither the fact that Franchisor benefited economically from an action nor the existence of other "reasonable" alternatives will, by themselves, establish such failure.

P. REPRESENTATIONS AND WARRANTIES

(1) Developer represents and warrants to Franchisor that neither Developer (including, without limitation, any and all of its directors, officers and managers), nor any of its affiliates or the funding sources for either is a Specially Designated National or Blocked Person. Neither Developer nor any of its affiliates is directly or indirectly owned or controlled by the government of any country that is subject to an embargo by the United States government. Neither Developer nor any of its affiliates is acting on behalf of a government of any country that is subject to such

an embargo. Developer further represents and warrants that it is in compliance with any applicable anti-money laundering law, including, without limitation, the USA Patriot Act.

(2) Developer (on behalf of itself and all of the holders of (a) an equity interest in Developer, and (b) an equity interest in holders of equity interests in Developer) represents and warrants to Franchisor that execution and delivery of this Agreement and the performance of Developer's obligations hereunder, does not: (i) conflict with, violate, result in a breach of or constitute a default (or an event which, with notice or passage of time or both, would constitute a default) under, or result in the termination or in a right of termination or cancellation of, any other agreement to which Developer or any such holder is party or by which Developer or any such holder, or any of their respective assets may be bound; (ii) violate any order, writ, injunction, decree, judgment or ruling of any court or governmental authority; or (iii) violate any applicable law.

(3) Developer represents and warrants to Franchisor that neither Franchisor nor any of its representatives has made any of the following representations:

(a) that Franchisor guarantees, conditionally or unconditionally, or make a written or oral representation (i) that would cause a reasonable person in Developer's position to believe that income is assured, (ii) that Developer will derive income from the Franchised Businesses, (iii) that Developer's investment is protected from loss or (iv) that Developer can earn a profit in excess of its initial payment;

(b) that Franchisor will refund all or part of the fees paid by Developer (including, without limitation, a representation that Franchisor will refund Developer's initial payment or return any promissory note upon termination or non-renewal of the franchised business) or repurchase any of the products, equipment, supplies, goods or chattels supplied by Franchisor or its affiliate to Developer;

(c) that Developer will be provided with retail outlets or accounts, or assistance in establishing retail outlets or accounts, for the sale or distribution of goods or services; or

(d) that there is a market for the goods or services to be offered, sold or distributed by Developer.

(4) Developer agrees that it will notify Franchisor in writing immediately upon the occurrence of any event that would render the foregoing representations and warranties of this Section incorrect.

(5) Developer acknowledges that Franchisor is relying on the representations and warranties set forth above in deciding to grant the rights under this Agreement to Developer.

Q. ACKNOWLEDGMENTS.

Developer acknowledges and represents to Franchisor to induce Franchisor to enter into this Agreement, as follows:

(1) DEVELOPER HAS READ THIS AGREEMENT AND THE FRANCHISE DISCLOSURE DOCUMENT AND UNDERSTANDS AND ACCEPTS THE TERMS, CONDITIONS, AND COVENANTS CONTAINED IN THIS AGREEMENT AS BEING REASONABLY NECESSARY TO MAINTAIN THE SYSTEM'S HIGH STANDARDS OF QUALITY AND SERVICE AND THE UNIFORMITY OF THOSE HIGH STANDARDS IN ORDER TO PROTECT AND PRESERVE THE GOODWILL OF THE MARKS. DEVELOPER ACKNOWLEDGES THAT FRANCHISOR OR ITS REPRESENTATIVES HAVE FULLY AND ADEQUATELY EXPLAINED THE PROVISIONS OF SUCH DOCUMENTS TO THE SATISFACTION OF DEVELOPER;

(2) DEVELOPER HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS THAT IS THE SUBJECT OF THIS AGREEMENT. DEVELOPER RECOGNIZES THAT THE NATURE OF THIS BUSINESS MAY EVOLVE AND CHANGE OVER TIME; THAT IT INVOLVES BUSINESS RISKS AND THAT THE SUCCESS OF THE VENTURE DEPENDS PRIMARILY UPON DEVELOPER'S INDIVIDUAL AND INDEPENDENT BUSINESS ABILITY AND EFFORTS. DEVELOPER UNDERSTANDS THAT NICK THE GREEK RESTAURANTS ARE A RELATIVELY NEW CONCEPT THAT ENTAILS BUSINESS RISKS. DEVELOPER HAS CONSULTED WITH SUCH PROFESSIONAL ADVISORS OF DEVELOPER'S CHOOSING AS IT DEEMS NECESSARY, INCLUDING LEGAL COUNSEL, REGARDING ALL ASPECTS OF THE BUSINESS CONTEMPLATED BY THIS AGREEMENT, ALL RELATED AGREEMENTS, AND THE BUSINESS RELATIONSHIP CREATED THEREBY, AND TO DETERMINE THAT IT IS FINANCIALLY AND OTHERWISE PREPARED TO ASSUME THE RISKS THAT MAY BE INVOLVED IN SUCH A BUSINESS VENTURE;

(3) DEVELOPER HAS NOT RECEIVED OR RELIED UPON ANY PROMISE, REPRESENTATION, GUARANTEE OR WARRANTY, EXPRESSED OR IMPLIED, ABOUT THE POTENTIAL VOLUME, REVENUES, PROFITS, OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT;

(4) DEVELOPER IS AWARE OF THE FACT THAT SOME PRESENT OR FUTURE DEVELOPERS OF FRANCHISOR MAY OPERATE UNDER DIFFERENT FORM OF AGREEMENTS, AND CONSEQUENTLY, THAT FRANCHISOR'S OBLIGATIONS AND RIGHTS WITH RESPECT TO ITS VARIOUS DEVELOPERS MAY DIFFER MATERIALLY;

(5) NO REPRESENTATIONS HAVE BEEN MADE OR AUTHORIZED BY FRANCHISOR, OR BY ITS OFFICERS, DIRECTORS, MANAGERS, SHAREHOLDERS, MEMBERS, EMPLOYEES, SALES PERSONNEL, AGENTS OR OTHER REPRESENTATIVES, THAT ARE CONTRARY TO THE STATEMENTS MADE IN THE FRANCHISE DISCLOSURE DOCUMENT HERETOFORE RECEIVED BY DEVELOPER OR TO THE TERMS CONTAINED IN THIS AGREEMENT, AND DEVELOPER HAS NOT RELIED UPON ANY OTHER SUCH REPRESENTATIONS.

(6) IN ALL OF THEIR DEALINGS WITH DEVELOPER, THE OFFICERS, DIRECTORS, MANAGERS, SHAREHOLDERS, MEMBERS, EMPLOYEES, PERSONNEL, AGENTS AND REPRESENTATIVES OF FRANCHISOR ACT ONLY IN A REPRESENTATIVE CAPACITY, NOT IN AN INDIVIDUAL CAPACITY, AND THIS

AGREEMENT, AND ALL BUSINESS DEALINGS BETWEEN DEVELOPER AND SUCH INDIVIDUALS AS A RESULT OF THIS AGREEMENT, ARE SOLELY BETWEEN DEVELOPER AND FRANCHISOR;

(7) DEVELOPER ACKNOWLEDGES THAT IN EACH CASE IN WHICH FRANCHISOR MAY EXERCISE ANY OPTION OR OTHER RIGHT UNDER THIS AGREEMENT OR UNDER ANY AGREEMENT CONTEMPLATED HEREBY, FRANCHISOR MAY DO SO IN ITS SOLE DISCRETION, WITHOUT LIABILITY OR OTHER OBLIGATION. SO AS TO PRESERVE THE FLEXIBILITY TO DEAL WITH PRACTICAL SITUATIONS, FRANCHISOR MAY, IN ITS SOLE DISCRETION, ELECT TO NOT ENFORCE (OR TO SELECTIVELY ENFORCE) ANY PROVISION OF THIS AGREEMENT, OR ANY OTHER AGREEMENT, ANY POLICY OR OTHERWISE, WHETHER WITH RESPECT TO DEVELOPER OR ANY OTHER FRANCHISEE, DEVELOPER OR OTHERWISE, AND FRANCHISOR MAY APPLY DIFFERENT POLICIES TO ANY FRANCHISEE OR DEVELOPER, ALL WITHOUT LIABILITY OR OTHER OBLIGATION, AND ANY SUCH ACTS OR OMISSIONS WILL NOT LIMIT OR OTHERWISE AFFECT FRANCHISOR'S RIGHTS, WHETHER TO STRICTLY ENFORCE THIS AGREEMENT OR OTHERWISE; AND

(8) THE APPLICATION MADE BY DEVELOPER IS TRUE AND CORRECT. DEVELOPER HAS MADE NO INCORRECT STATEMENT IN THE APPLICATION OR FAILED TO MAKE ANY STATEMENT THAT WOULD BE NECESSARY TO MAKE THE STATEMENTS IN THE APPLICATION NOT MISLEADING.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date stated on the first page hereof.

Franchisor:

NTG FRANCHISING, LLC, a
California limited liability company

By:________________________________
Name:______________________________
Title:_______________________________

Developer:

____
____
____
(Signature)

____
(Print Name and Title, if applicable)

Exhibit A

DESCRIPTION OF DEVELOPMENT AREA

____

____

____

Developer:________________________________

NTG Franchising, LLC:_______________________

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Exhibit B

DEVELOPMENT SCHEDULE

Date: ______________, 20__

Franchised Business #	Site Proposal Acceptance by Franchisor	Franchise Agreement Signed	Opening Date
________________	________________	________________	________________
________________	________________	________________	________________
________________	________________	________________	________________
________________	________________	________________	________________
________________	________________	________________	________________

Accepted by: ________________________________
[Name]

Accepted by: ________________________________
for NTG Franchising, LLC

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Exhibit C

INFORMATION REGARDING NON-INDIVIDUAL DEVELOPERS

(a) If Developer is a corporation or limited liability company or other entity, there is set forth below the name, address, title and percentage ownership of each shareholder, partner or member of Developer:

NAME	ADDRESS	TITLE	PERCENTAGE OWNERSHIP
________________	________________	________________	________________
________________	________________	________________	________________
________________	________________	________________	________________

(b) If Developer is a corporation or limited liability company, there is set forth below, the name, address and title of each officer and director or manager of Developer:

NAME	ADDRESS	TITLE
__________________	__________________	__________________
__________________	__________________	__________________
__________________	__________________	__________________

(c) The address where Developer's records are maintained is:

(d) There is set forth below the name, address and title of each of Developer's principal officers, managers or partners who will be devoting their full time efforts to development of Franchised Businesses:

NAME	ADDRESS	TITLE
__________________	__________________	__________________
__________________	__________________	__________________
__________________	__________________	__________________

Date: ________________________________

____
Signature

____
Print Name

Exhibit D

GUARANTY AND ASSUMPTION OF DEVELOPER'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of that certain Area Development Agreement ("**Agreement**") with NTG Franchising, LLC, a California limited liability company ("**Franchisor**"), of even date herewith, each of the undersigned hereby personally and unconditionally: (1) guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that ______________, a(n) _______________ ("**Developer**") shall punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement; and (2) agrees to be personally bound by and personally liable for the breach of each and every provision in the Agreement, including, but not limited to, monetary obligations and dispute resolution procedures.

Each of the undersigned waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (4) any right he/she may have to require that an action be brought against Developer or any other person as a condition of liability; and (5) any and all other notices and demands and legal and equitable defenses to which he/she may be entitled.

Each of the undersigned consents and agrees that: (1) his/her liability under this guaranty shall be joint and several; (2) he/she shall render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; (3) he/she will individually comply with all the provisions and subsections of the Agreement and any renewals and amendments thereto; (4) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Developer or any other person; and (5) such liability shall not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which Franchisor may, from time to time, grant to Developer or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall, in any way, modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Agreement and thereafter.

If any provision of this Guaranty is deemed to be invalid or inoperative, for any reason, that part shall be deemed modified to the extent necessary to make it valid and operative or if it cannot be so modified, then severed, and the remainder of the Guaranty shall continue in full force and effect as if it had been executed and entered into with the invalid portion so modified or eliminated.

This Guaranty will continue in effect as to each of the undersigned until the date that Developer fully performs all its obligations under the Agreement, or until one or more of the undersigned fully perform them in Developer's stead, or until Franchisor agrees in writing to release such individual from his or her obligations hereunder.

Each of the undersigned waives any claim for exemplary or punitive damages arising out of this Guaranty, the Franchisor-Developer relationship, the performance of the Agreement, any breach of the Agreement, or the development or operation of any Franchised Business.

IN WITNESS WHEREOF, each of the undersigned hereto affixed his/her signature effective on the same day and year as the executed Agreement.

GUARANTOR(S)

By:__________________________________
Print Name:________________________

By:__________________________________
Print Name:________________________

By:__________________________________
Print Name:________________________

By:__________________________________
Print Name:________________________

By:__________________________________
Print Name:________________________

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Exhibit E

SPOUSAL CONSENT

The undersigned each being the spouse of a Developer (or the spouse of an owner of the Developer) hereby states

1) That he or she has read and understands the Area Development Agreement and the Franchise Disclosure Document; and

2) That he or she consents to the terms and conditions of the Area Development Agreement, including but not limited to those concerning transfer, and

3) That he or she consents to execution of the Area Development Agreement by Developer; and

4) That he or she consents to execution of the Guaranty and Assumption of Developer's Obligations.

Dated: ___________________________ Signature_____________________________
Print Name:___________________________

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EXHIBIT E

STATE SPECIFIC ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, AND AREA DEVELOPMENT AGREEMENT

The following modifications are to the NTG Franchising, LLC Franchise Disclosure Document and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement and Area Development Agreement.

ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT OF
NTG FRANCHISING, LLC
REQUIRED BY THE 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 DISCLOSURE DOCUMENT.

Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

Item 3. Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document 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 these persons from membership in this association or exchange.

Item 6. The highest interest rate allowed by law in California is 10% annually.

Item 12. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

The disclosure document, franchise agreement, area development agreement and any document signed in connection with the franchise are supplemented with the following language:

> 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 by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The franchise agreement is hereby amended to delete the first three sentences of Section 15.I., Section 15.S.(3), and Sections 16.A. through 16.F. as the provisions violate California Corporations Code Section 31512.

The area development agreement is hereby amended to delete Section 12.P.(3) and Sections 12.Q.(1) through (6) as the provisions violate California Corporations Code Section 31512.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

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ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT OF
NTG FRANCHISING, LLC
REQUIRED BY THE STATE OF HAWAII

HAWAII

The following is added to the Cover Page:

THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU OR SUBFRANCHISOR AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH US AND YOU.

The following list reflects the status of the franchise registrations of the Franchisor in the states which require registration:

1. This proposed registration is effective in the following states:

   None

2. This proposed registration is or will shortly be on file in the following states:

   California, Florida, Hawaii, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington, Wisconsin

3. States which have refused, by order or otherwise, to register these franchises are:

   None

4. States which have revoked or suspended the right to offer the franchises are:

   None

5. States in which the proposed registration of these franchises has been withdrawn are:

   None

The disclosure document, franchise agreement, area development agreement and any document signed in connection with the franchise are supplemented with the following language:

> 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 by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The franchise agreement is hereby amended to delete the first three sentences of Section 15.I., Section 15.S.(3), and Sections 16.A. through 16.F.

The area development agreement is hereby amended to delete Section 12.P.(3) and Sections 12.Q.(1) through (6).

TO THE FRANCHISE DISCLOSURE DOCUMENT OF
NTG FRANCHISING, LLC
REQUIRED BY THE STATE OF ILLINOIS

1. Illinois law governs the agreements between the parties to this franchise.

2. Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement (or development agreement) that designates jurisdiction and venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

3. Section 41 of the Illinois Franchise Disclosure Act provides that 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 or Illinois is void.

4. Your rights upon termination and non-renewal of a franchise agreement (or development agreement) are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure act.

5. The disclosure document, franchise agreement, area development agreement and any document signed in connection with the franchise are supplemented with the following language:

   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 by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

6. The franchise agreement is hereby amended to delete the first three sentences of Section 15.I., Section 15.S.(3), and Sections 16.A. through 16.F.

7. The area development agreement is hereby amended to delete Section 12.P.(3) and Sections 12.Q.(1) through (6).

Each provision of this addendum is effective only to the extent that the jurisdictional requirements of the laws described above, with respect to each provision of the law, are met independent of this addendum. This addendum will have no force or effect if such jurisdictional requirements are not met.

For info about obtaining a liquor license in Illinois, see:
https://www.illinois.gov/ilcc/Pages/Forms-and-Applications.aspx

For info about obtaining TIPS certification in Illinois, see:
https://www.tipscertified.com/tips-state-pages/Illinois/

See: the Liquor Control Act of 1934, 235 ILCS5/(West 2018) for Illinois Dram Shop laws.

See the last page of this Exhibit E for your Signature.

ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT OF
NTG FRANCHISING, LLC
REQUIRED BY THE STATE OF INDIANA

INDIANA

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 California. This language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, 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 California law applies.

The first sentence in Section 20.1 of the Franchise Agreement is deleted in its entirety and replaced with the following:

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Act, or other applicable federal law, this Agreement shall be interpreted under the laws of the State of California, and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the State of California, which laws shall prevail in the event of any conflict of law.

Section 10(A)(2) of the Franchise Agreement is hereby deleted in its entirety and the following is substituted in its place:

10(A)(2) Non-Competition. Upon termination or expiration of the Term or any Successor Term, or the transfer, sale or assignment of this Agreement by the Franchisee, neither the Franchisee, the Designated Business Manager nor the Franchisee's owners will have any direct or indirect interest (i.e. through a relative) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent, for two (2) years, in any Competitive Business in the Territory.

Section 19.3 of the Franchise Agreement is hereby deleted in its entirety and the following is substituted in its place:

19.3 Except as otherwise provided in this Section, any controversy or dispute arising out of, or relating to the franchise or this Agreement including, but not limited to, any claim by the Franchisee or any person in privity with or claiming through, on behalf of or in the right of the

Franchisee, concerning the entry into, performance under, or termination of, this Agreement or any other agreement entered into by the Franchisor, or its subsidiaries or affiliates, and the Franchisee, any claim against a past or present employee, officer, director, member, shareholder or agent of the Franchisor; any claim of breach of this Agreement; and any claims arising under State or Federal laws, shall be submitted to final and binding arbitration as the sole and exclusive remedy for any such controversy or dispute. "**Persons in privity**" with or claiming through, on behalf of or in the right of the Franchisee include but are not limited to, spouses and other family members, heirs, executors, representatives, successors and assigns. Subject to this Section, the right and duty of the parties to this Agreement to resolve any disputes by arbitration shall be governed exclusively by the Federal Arbitration Act, as amended, and arbitration shall take place according to the commercial arbitration rules of the American Arbitration Association in effect as of the date the demand for arbitration is filed. The arbitration shall be held in the state of California. However, arbitration will not be used for any dispute which involves the Franchisee's continued usage of any of the Proprietary Marks or the System, business concept or any issue involving injunctive relief against the Franchisee or any issues related to disclosure or misuse of Confidential Information or Trade Secrets, all of which issues will be submitted to a court within the State of Indiana. The parties expressly consent to personal jurisdiction in the State of Indiana and agree that these court(s) will have exclusive jurisdiction over any such issues not subject to arbitration. This language has been included in this Franchise Agreement as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, are fully enforceable. The Franchisor and Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, 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 first paragraph of Section 6 of the Nondisclosure And Noncompetition Agreement is hereby deleted in its entirety and the following is substituted in its place:

6. Post-Termination Covenant Not to Compete. Upon termination or expiration of the Franchise Agreement for any reason, Associate agrees that, for a period of 2 years commencing on the effective date of termination or expiration of the Franchise Agreement, Associate will not have any direct or indirect interest (through any immediate family member of Associate or its beneficial owners or otherwise) as a disclosed or beneficial owner, investor, partner, director, officer, manager, employee, consultant, representative or agent or in any other capacity in any Competitive Business, located or operating in the Territory.

Section 11 of the Nondisclosure And Noncompetition Agreement is hereby deleted in its entirety and the following is substituted in its place:

11. Governing Law. Except to the extent governed by the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Act, this instrument shall be governed by and construed under the laws of the State of California.

Section 12 of the Nondisclosure And Noncompetition Agreement is hereby deleted in its entirety and the following is substituted in its place:

12. Jurisdiction and Venue. In the event of a breach or threatened breach by Associate of this Agreement, Associate hereby irrevocably submits to the jurisdiction of the state and federal courts of Indiana, and irrevocably agrees that venue for any action or proceeding shall be in the

state and federal courts of Indiana. Both parties waive any objection to the jurisdiction of these courts or to venue in the state and federal courts of Indiana. Notwithstanding the foregoing, in the event that the laws of the state where the Associate resides prohibit the aforesaid designation of jurisdiction and venue, then such other state's law shall control.

The disclosure document, franchise agreement, multi-unit development agreement and any document signed in connection with the franchise are supplemented with the following language:

> 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 by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The franchise agreement is hereby amended to delete the first three sentences of Section 15.I., Section 15.S.(3), and Sections 16.A. through 16.F.

The area development agreement is hereby amended to delete Section 12.P.(3) and Sections 12.Q.(1) through (6).

ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT OF
NTG FRANCHISING, LLC
REQUIRED BY THE STATE OF MARYLAND

1. Item 17(c) – Requirements for Franchisee to Renew or Extend. The general release required as a condition of renewal shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17(m) – Conditions for Franchisor Approval of Transfer. The general release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. Item 17(h) – "Cause" Defined – Non-Curable Defaults. Provisions for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.)

4. Item 17(v) – Choice of Forum. A Maryland franchise regulation provides 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 the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection regulation is legally enforceable.

5. The disclosure document, franchise agreement, area development agreement and any document signed in connection with the franchise are supplemented with the following language:

   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 by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

6. The franchise agreement is hereby amended to delete the first three sentences of Section 15.I., Section 15.S.(3), and Sections 16.A. through 16.F.

7. The area development agreement is hereby amended to delete Section 12.P.(3) and Sections 12.Q.(1) through (6).

The provisions of this Addendum only apply if the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum and to the extent they are then valid requirements of the statute.

ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT OF
NTG FRANCHISING, LLC
REQUIRED BY THE STATE OF MINNESOTA

MINNESOTA

Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, may prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or 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 the jurisdiction.

Item 13 of the Franchise Disclosure Document and Section 9(D) of the Franchise Agreement are amended to state that we will protect you against claims of infringement or unfair competition regarding your use of the Marks when your right to use the Marks requires protection.

The Franchise Disclosure Document and Franchise Agreement are amended to state that we will comply with Minnesota Statute 80C.14 subdivisions 3, 4, and 5, which require, except in certain specific cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a general release. The Franchise Disclosure Document and Franchise Agreement are modified accordingly, to the extent required by Minnesota law.

The disclosure document, franchise agreement, area development agreement and any document signed in connection with the franchise are supplemented with the following language:

> 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 by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The franchise agreement is hereby amended to delete the first three sentences of Section 15.I., Section 15.S.(3), and Sections 16.A. through 16.F.

The area development agreement is hereby amended to delete Section 12.P.(3) and Sections 12.Q.(1) through (6).

ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT OF
NTG FRANCHISING, LLC
REQUIRED BY THE 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 ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN 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 FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor’s principal trademark:

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair, or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded *nolo contendere* to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded *nolo contendere* to a misdemeanor charge or has been the subject of a civil action alleging: violation of any franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable allegations.

D. No such party is subject to any currently effective injunctive or restrictive order or decree relating to franchises or under any Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent."

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements 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; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. 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.

5. The following language replaces the "Summary" section of Item 17(v), titled "**Choice of forum**" and Item 17(w), titled "**Choice of law**":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

6. The disclosure document, franchise agreement, area development agreement and any document signed in connection with the franchise are supplemented with the following language:

> 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 by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. The franchise agreement is hereby amended to delete the first three sentences of Section 15.I., Section 15.S.(3), and Sections 16.A. through 16.F.

8. The area development agreement is hereby amended to delete Section 12.P.(3) and Sections 12.Q.(1) through (6).

ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT OF
NTG FRANCHISING, LLC
REQUIRED BY THE STATE OF VIRGINIA

Item 17(h). The following is added to Item 17(h):

> "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 ground for default or termination stated in the Franchise Agreement does not constitute 'reasonable cause', as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable."

The provisions of this Addendum only apply if the jurisdictional requirements of the Virginia Retail Franchising Act are met independently without reference to this Addendum and to the extent they are then valid requirements of the statute.

The disclosure document, franchise agreement, area development agreement and any document signed in connection with the franchise are supplemented with the following language:

> 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 by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The franchise agreement is hereby amended to delete the first three sentences of Section 15.I., Section 15.S.(3), and Sections 16.A. through 16.F.

The area development agreement is hereby amended to delete Section 12.P.(3) and Sections 12.Q.(1) through (6).

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ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT OF
NTG FRANCHISING, LLC
REQUIRED BY THE STATE OF WASHINGTON

1. The state of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

2. In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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. A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the 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, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

5. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer, subject to state law.

6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the 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 franchise agreement or elsewhere are void and unenforceable in Washington.

8. The disclosure document, franchise agreement, area development agreement and any document signed in connection with the franchise are supplemented with the following language:

> 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 by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

9. The third column of Item 17, row p of the disclosure document is hereby deleted and replaced with the following: "If you or your principal dies, your executor or representative may either satisfy the then-current qualifications for franchisees or transfer the franchise to a qualified buyer within 180 days, subject to applicable law."

10. The reference to sixty (60) days in Section 13.D. of the franchise agreement is hereby deleted and replaced with "one hundred and eighty (180) days."

11. The franchise agreement is hereby amended to delete the first three sentences of Section 15.I., Section 15.S.(3), and Sections 16.A. through 16.F.

12. The area development agreement is hereby amended to delete Section 12.P.(3) and Sections 12.Q.(1) through (6).

13. **Use of Brokers**. The franchisor may the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do you own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

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ADDENDUM

**TO THE FRANCHISE DISCLOSURE DOCUMENT OF
NTG FRANCHISING, LLC
REQUIRED BY THE STATE OF WISCONSIN**

WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document and the Franchise Agreement are amended accordingly.

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ACKNOWLEDGMENT:

It is agreed that the applicable foregoing State-Specific Addendum, if any, supersedes any inconsistent portion of the Franchise Agreement and/or the Area Development Agreement dated the _____ day of ___________________, 20__, and of the Franchise Disclosure Document, but only to the extent they are then valid requirements of an applicable and enforceable state law, and for only so long as such state law remains in effect, and the parties further acknowledge and agree that this State-Specific Addendum is applicable only to those persons specifically subject to the protections of the state laws referenced in this State-Specific Addendum.

☐	California	☐	Michigan	☐	Rhode Island
☐	Hawaii	☐	Minnesota	☐	South Dakota
☐	Illinois	☐	New York	☐	Virginia
☐	Indiana	☐	North Dakota	☐	Washington
☐	Maryland	☐	Ohio	☐	Wisconsin

DATED this _______ day of ____________________, 20__.

FRANCHISOR:

NTG FRANCHISING, LLC

By:_____________________________________

Title:___________________________________

FRANCHISEE:

____

By:_____________________________________

Title:___________________________________

EXHIBIT F

NICK THE GREEK
STANDARDS MANUAL TABLE OF CONTENTS

NICK THE GREEK

FRANCHISE OPERATIONS MANUAL

TABLE OF CONTENTS

B. PRE-OPENING PROCEDURES

C. HUMAN RESOURCES

C. Human Resources (continued)

D. DAILY OPERATING PROCEDURES

EXHIBIT G

SBA ADDENDUM

ADDENDUM TO FRANCHISE [1] AGREEMENT

1

THIS ADDENDUM ("Addendum") is made and entered into on _______________, 20___, by and between ____ ("Franchisor "), located at ____, and ____ ("Franchisor ") located at ____.

Franchisor and Franchisee entered into a Franchise Agreement on _______________, 20 __, (such Agreement, together with any amendments, the " Franchise Agreement"). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign:

CHANGE OF OWNERSHIP

If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the (Enter type of) interest or any portion thereof, the transferor will not be liable for the actions of the transferee Franchisee.

FORCED SALE OF ASSETS

If Franchisor_has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchise location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be

[1] While relationships established under license, jobber, dealer and similar agreements are not generally described as "franchise" relationships, if such relationships meet the Federal Trade Commission's (FTC's) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

required to lease the real estate for the remainder of the (enter type of) term (excluding additional renewals) for fair market value.

COVENANTS

If the Franchisee owns the real estate where the franchise location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee 's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

EMPLOYMENT

Franchisor will not directly control (hire, fire or schedule) Franchisee's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee. Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 - 3733 .

Authorized Representative of <u>FRANCHISOR</u>

By:____________________________________

Print Name:______________________________

Title:___________________________________

Authorized Representative of <u>FRANCHISEE</u>

By:____________________________________

Print Name:______________________________

Title:___________________________________

Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Franchisee . Additionally, the applicant Franchisee and the (type of agreement) system must meet all SBA eligibility requirements.

EXHIBIT H

CURRENT FRANCHISEES AS OF DECEMBER 31, 2023

AND

FORMER FRANCHISEES
(JANUARY 1, 2023 TO DECEMBER 1, 2023)

NTG FRANCHISING, LLC
List of Current Franchisees
(As of December 31, 2023)

FRANCHISEE	PHONE	ADDRESS	CITY	ST	ZIP
Ravnir Bains	408.229.3486	11 Washington Street	Phoenix	AZ	85003
Ron Vincent	510.220.4104	5601 Lone Tree Way, #130	Brentwood	CA	94531
Abe Ajlouny	510.755.6044	20628 Rustic Drive	Castro Valley	CA	94546
Brandon Volore	925.391.9700	5458 Ignacio Valley Rd, #60	Clayton	CA	94521
Brandon Volore	408.593.4747	2075 Diamond Blvd	Concord	CA	94520
George Fanourgiakis	650.490.0762	507 Westlake Lake Center	Daly City	CA	94015
George Fanourgiakis	415.347.7045	309 Gellert Blvd., B	Daly City	CA	94015
Brandon Volore	408.593.4747	121 Hartz Avenue	Danville	CA	94526
Brandon Volore	408.593.4747	206 E Street	Davis	CA	95616
Brandon Volore	925.999.8684	5246 Dublin Blvd	Dublin	CA	94568
Nicholas Taptelis	916.596.6659	7460 Elk Grove Blvd, #110	Elk Grove	CA	95757
George Fanourgiakis	650.212.6517	2017 Chess Drive	Foster City	CA	94404
Nicholas Taptelis	650.703.7525	3141 Mowry Avenue	Fremont	CA	94538
Paul Singh	559.981.2131	7675 N. Blackstone Ave, #115	Fresno	CA	93711
Bobby Papoulias	562.805.1942	501 N. State College Blvd	Fullerton	CA	92831
Mercedes Little	925.305.7337	739 1st Street	Gilroy	CA	95020

FRANCHISEE	PHONE	ADDRESS	CITY	ST	ZIP
Yanni Tsigaris	408.728.5984	25036 Hesperian Blvd	Hayward	CA	94545
Hany Gattas	310.560.2306	7077 Sunset Blvd	Hollywood	CA	90028
Bobby Papoulias	562.805.1942	14948 E. Imperial Hwy	La Mirada	CA	90638
Jerry Aljouny	281.723.4053	2190 1st Street	Livermore	CA	94550
Chis Parisis	650.222.9292	5000 2nd Street	Long Beach	CA	90803
Anton Van Happen	650.283.8689	10959 Kinross Avenue	Los Angeles	CA	90024
Hany Gattas	310.560.2306	4254 Lincoln Blvd	Marina Del Rey	CA	90292
Nitin Sadhav	408.606.1466	481 Alvarado Street	Monterey	CA	93940
Mercedes Little	925.305.7337	632 Tennant Station Way	Morgan Hill	CA	95037
Chris Zawaideh	415.793.3015	721 Lincoln Avenue	Napa	CA	94558
Kaushik Chandra	510.962.1437	1320 Bison Avenue	Newport Beach	CA	92660
Sam Zeidan	415.895.2620	128 Vintage Way, #101	Novato	CA	94945
Jerry Ajlouni	408.859.4964	2251 Claribel Road, Suite I	Riverbank	CA	95367
Nicholas Taptelis	650.703.7525	711 Pleasant Grove Blvd	Roseville	CA	95678
Nicholas Taptelis	916.345.3600	1182 Roseville Pkwy, #160	Roseville	CA	95678
Nicholas Taptelis	650.703.7525	732 Laurel Street	San Carlos	CA	94070
Robert Crider	760.809.4055	927 J Street	San Diego	CA	92101
Pete Patel	626.712.3138	1045 W. Arrow Hwy	San Dimes	CA	91773
Abe Ajlouni	510.755.6044	1509 E. 14th Street	San Leandro	CA	94577
Brandon Volore	408.593.4747	401 Oyster Point Blvd	South San Francisco	CA	94080

FRANCHISEE	PHONE	ADDRESS	CITY	ST	ZIP
George Fanourgiakis	415.757.0426	121 Spear Street	San Francisco	CA	94105
George Petroutsas	831.840.2962	733 Higuera Street	San Louis Obispo	CA	93401
George Petroutsas	831.840.2962	1324 W. Hillsdale Blvd	San Mateo	CA	94403
Brandon Volore	408.593.4747	1133 Pacific Avenue	Santa Cruz	CA	95060
Anton Van Happen	650.283.8689	219 Arizona Avenue	Santa Monica	CA	90401
Ken Arslaner	707.806.2207	282 Coddington Center	Santa Rosa	CA	95401
Demi Elieh	408.518.2980	322448 Dyer Street	Union City	CA	94587
Brandon Volore	408.593.4747	1679 E. Monte Vista Ave #108	Vacaville	CA	95688
Chris Zawaideh	415.793.3015	165 Plaza Drive, #711	Vallejo	CA	94591
Anton Van Happen	650.283.8689	440 E. Main Street	Ventura	CA	93001
Jimmy Zafiris	408.728.5721	718 S. Mooney Blvd	Visalia	CA	93277
Brandon Volore	925.951.6200	1140 Locust Street	Walnut Creek	CA	94596
Anton Van Happen	650.283.8689	3995b E. Thousand Oaks Blvd	Westlake	CA	91362
Anton Van Happen	650.283.8689	21855 Ventura Blvd	Woodland Hills	CA	91364
Arthur Gilbreath	310.863.7551	14321 W. 135th Street	Olathe	KS	66062
Arthur Gilbreath	310.863.7551	807 State Line Road	Kansas City	MO	64114
Yiota Taptelis	408.593.4747	9255 S. Eastern Ave	Henderson	NV	89123
Yiota Taptelis	408.504.2864	5060 S. Apache	Las Vegas	NV	89148
Bridger Johnson	510.557.9208	5140 Kietzke Ln., Suite A	Reno	NV	89511
Jimmy Zafiris	408.728.5721	505 University Dr., Suite E	College Station	TX	77840

FRANCHISEE	PHONE	ADDRESS	CITY	ST	ZIP
Jimmy Zafiris	408.728.5721	1411 Wellborn Road	College Station	TX	77840
Nicholas Taptelis	650.703.7525	7707 N. MacArthur Blvd, #110	Irving	TX	75063
Brandon Volore	408.593.4747	15 S. River Road, #140	St. George	UT	84790

Franchise Agreements signed but restaurant not opened as of December 31, 2023

FRANCHISEE	PHONE	ADDRESS	CITY	ST	ZIP
Ranvir Bains	408.229.3486	TBD	Glendale	AZ	
Peter Belesis	323.256.8333	TBD	Alameda	CA	
Chris Zawaideh	415.793.3015	2109 University Ave	Berkeley	CA	94704
Nicholas Taptelis	650.703.7525	5355 Sunrise Blvd	Fair Oaks	CA	95628
Nicholas Taptelis	650.703.7525	TBD	Folsom	CA	
Chris Parisis	650.222.9292	TBD	Huntington Beach	CA	
Kaushik Patel	510.962.1437	TBD	Irvine	CA	
Demi Elieh	408.518.2980	TBD	Laguna Hills	CA	
Gulshan Baja	925.367.4686	TBD	Manteca	CA	
Peter Belesis	323.256.3848	TBD	Marin	CA	
Demi Elieh	408.518.2980	TBD	Mission Viejo	CA	
Jerry Ajlouni	408.859.4964	TBD	Modesto	CA	
Nicholas Taptelis	650.703.7525	TBD	Mountain View	CA	
Sarina Escalante	669.264.3848	TBD	Oakland	CA	

FRANCHISEE	PHONE	ADDRESS	CITY	ST	ZIP
George Fanourgiakis	650.490.0762	TBD	Pacifica	CA	
George Petroutsas	831.840.2962	TBD	Palo Alto	CA	
Ken Arslaner	650.554.1993	TBD	Petaluma	CA	
Sarina Escalante	669.264.3848	TBD	Pinole	CA	
Nicholas Taptelis	650.703.7525	TBD	Sacramento	CA	
George Fanourgiakis	415.757.0426	TBD	San Francisco	CA	
Niko Heliotis	408.887.6819	TBD	Santa Barbara	CA	
Bobby Singh	707.815.9915	TBD	Santa Maria	CA	
Gulshan Bajaj	925.367.4686	TBD	Stockton	CA	
Rohan Kumar	510.396.1375	TBD	Tracy	CA	
Jerry Ajlouni	408.859.4964	TBD	Turlock	CA	
Vipul Katariya	204.599.7808	TBD	Yorba Linda	CA	
Jordan Nari	559.916.8778	TBD	Nashville	TN	
Ash Gujral	415.531.3373	TBD	Salt Lake	UT	

NTG FRANCHISING, LLC
Franchisees who transferred during the 2023 fiscal year
(January 1, 2023 to December 31, 2023)

FRANCHISEE	PHONE	CITY	STATE
Joseph Dayat	415.515.8550	Brentwood	CA
Victor Zeidan	707.980.5307	Napa	CA
Victor Zeidan*	707.980.5307	Vallejo	CA

* Intercompany transfer of interests between original co-owners.

NTG FRANCHISING, LLC
Franchisees who had an outlet terminated, not renewed
or otherwise ceased to do business during the 2023 fiscal year
(January 1, 2023 to December 31, 2023)

None.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

EXHIBIT I

FORM OF GENERAL RELEASE

GENERAL RELEASE

The Franchise Agreement provides that the Franchisee must sign a General Release in a form satisfactory to NTG Franchising, LLC as a condition to renewal, transfer or a move to a new state. Following is the form of Agreement and General Release that NTG Franchising, LLC uses as of the date the Franchise Disclosure Document was issued. It is subject to change at any time by NTG Franchising, LLC without notice.

AGREEMENT AND GENERAL RELEASE

In accordance with the requirements of the Franchise Agreement and in consideration of good and valuable consideration including the offer by NTG Franchising, LLC, a California limited liability company ("**NTG**") to permit Franchisee to renew or transfer the Franchise Agreement, the receipt and sufficiency of which is hereby acknowledged, _______________, a __________________ ("**Franchisee**"), on behalf of herself, himself or itself and her, his or its Representatives hereby irrevocably and fully relieves, releases and forever discharges NTG and its Representatives (together with NTG referred to as the "**Releasees**") from the Claims, as those terms are defined below.

"**Franchise Agreement**" means the Franchise Agreement dated __________, between NTG and Franchisee.

"**Representatives**" means, as applicable, spouse, officers, directors, partners, stockholders, members, managers, employees, agents, representatives, attorneys, accountants, insurers, adjusters, trustees, affiliates, predecessors, successors, subsidiaries, parent corporations, heirs, executors, beneficiaries, administrators, assigns, and any and all persons or entities claiming any rights whatsoever from or through said parties.

"**Claims**" means any and all of the following:

(a) rights, entitlements, claims (including claims of any predecessor in interest), complaints;

(b) debts, costs, liabilities, accounts, reckonings, compensation, charges, demands, agreements, contracts, covenants, representations;

(c) warranties, promises, undertakings, breaches of contract, breaches of duty, controversies, suits, judgments, losses, injuries, obligations, liens, expenses (including but not limited to attorneys' fees and costs); and

(d) damages, actions and causes of action, lawsuits and administrative complaints and charges of every kind and nature whatsoever;

whether known or unknown, foreseen or unforeseen, fixed or contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, which Franchisee and her, his or its Representatives may now or hereafter have, individually or collectively, against the Releasees based upon, arising out of, relating to or in connection with, any and all events, relationships, prior dealings, acts or omissions or agreements or any other thing which may have heretofore occurred or failed to have occurred through the date hereof, including but not limited to the Franchise

Agreement. The Claims include, without limitation, any rights arising out of alleged violations of any contract or covenant, legal restriction, common law and statute to the extent permitted by law.

Franchisee acknowledges and agrees that except for the consideration provided for herein, she, he or it is not entitled to and will not receive compensation or payments of any kind from the Releasees in connection with this Agreement and General Release or the Franchise Agreement, and that no representations have been made to Franchisee regarding any such compensation or payments.

It is the intention of the parties that this instrument shall be effective as a full and final accord and satisfaction, and release of all Claims. In furtherance of this intention, Franchisee acknowledges that she, he or it has read and understands the significance and consequences of Section 1542 of the Civil Code of the State of California (and any similar statutes and principles of law in California and other jurisdictions) which provides as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Nevertheless, Franchisee hereby waives and relinquishes every right or benefit which she, he or it has under Section 1542 of the Civil Code of the State of California (and any similar statute and principle of law), and under any similar law of any other applicable jurisdiction and understands the consequences of such waiver and assumes full responsibility for any injuries, damages and losses which she, he or it may incur in connection with this Agreement and General Release. In connection with such waiver and relinquishment, Franchisee acknowledges that she, he or it may hereafter discover facts in addition to or different from those which she, he or it now knows or believes to be true with respect to the Claims released, the subject matter of this Agreement and General Release or the Franchise Agreement, but that she, he or it intends hereby fully, finally and forever, to settle and release all claims, disputes and differences, known or unknown, suspected or unsuspected, foreseen or unforeseen, patent or latent, which now exist, may exist or heretofore existed between her, him or it and her, his or its Representatives, on the one hand, and Releasees, on the other hand. In furtherance of such intention, the release given herein shall be and remain in effect as a full and complete release, freely and voluntarily given, notwithstanding the discovery or existence of any additional or different facts.

Franchisee acknowledges that she, he or it has been advised to and has had the opportunity to consult with attorneys and other advisors of her, his or its choosing, and to conduct whatever investigation or inquiry she, he or it deems appropriate before signing this Agreement and General Release. Franchisee acknowledges that no representation, promise or inducement not contained in this Agreement and General Release or in the documents referred to in it was made to her, him or it. Franchisee certifies that Franchisee has read and understands the terms of this Agreement and General Release, and that execution of this Agreement and General Release indicates that it conforms to Franchisee's understanding and is acceptable to Franchisee as a final agreement. Franchisee further agrees that she, he or it has not commenced, instituted or prosecuted, and will forever refrain and forebear from commencing, instituting and prosecuting any lawsuit, action or other proceeding against the Releasees based on, arising out of, relating to or in connection with any Claims released hereunder. If any court of law, federal, state or other administrative agency, or any other forum, assumes jurisdiction of any charge, claim, suit or action on behalf of Franchisee or her, his or its Representatives, Franchisee will direct that agency, court or forum to withdraw or dismiss the matter with prejudice.

By executing this Agreement and General Release, Franchisee, for herself, himself or itself and her, his or its successors, represent and warrants that her, his or its representations herein are true and correct and that she, he or it has the right and authority to enter into and to accept the terms and covenants of this Agreement and General Release, and that no third party has or claims an interest in any of the Claims released hereby. Franchisee represents that she, he or it has not sold, assigned, transferred, conveyed, encumbered or otherwise disposed of any Claim, or any interest in any Claim. Franchisee acknowledges that this Agreement and General Release shall be a complete defense to any Claim subject to the terms hereof. This Agreement and General Release shall not be deemed or construed as an admission of any fact, liability or responsibility by the Releasees at any time for any purpose.

Franchisee also acknowledges that she, he or it has been given a reasonable and sufficient period of time within which to consider, sign and return this Agreement and General Release.

This Agreement and General Release shall be governed by and construed in accordance with the laws of the state of California.

Date: ______________________________ ______________________________________

Signature

*The General Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, chapter 19.100 RCW, or the rules adopted thereunder in accordance with RCW 19.100.220.

State Effective Dates

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

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

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
Virginia	
Washington	
Wisconsin	

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

The Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If NTG Franchising, LLC offers you a franchise, it 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 franchise sale.

In the States of New York and Rhode Island, the delivery of the Disclosure Document is to be received 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 to us or any affiliate in connection with the franchise sale.

Michigan requires the delivery of the Disclosure Document at least 10 business days before the execution of the franchise or other agreement or the payment of any consideration, whichever occurs first.

If NTG Franchising, 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the applicable state agency listed in Exhibit A.

Following is information about the franchise seller involved in this transaction:

☐ Robert Crider, 5765 Winfield Blvd., Suite 1, San Jose, California 95123; (408) 780-4976

☐ ____

Issuance Date: April 19, 2024

NTG Franchising, LLC authorizes the respective state agencies listed on Exhibit A to receive service of process in the particular state.

I received a Disclosure Document dated April 19, 2024, that included the following Exhibits:

A. List of State Franchise Administrators and Agents for Service of Process
B. Financial Statements
C. Franchise Agreement and Addenda
D. Area Development Agreement and Addenda
E. State-Specific Addenda to Franchise Disclosure Document
F. Nick the Greek Standards Manual Table of Contents
G. SBA Addendum
H. Information on Franchisees
I. Form of General Release
State Effective Dates Page

____________________	____________________	____________________
Date	Signature	Printed Name
____________________	____________________	____________________
Date	Signature	Printed Name

Keep this form for your records.

RECEIPT

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☐ Robert Crider, 5765 Winfield Blvd., Suite 1, San Jose, California 95123; (408) 780-4976

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F. Nick the Greek Standards Manual Table of Contents
G. SBA Addendum
H. Information on Franchisees
I. Form of General Release
State Effective Dates Page

____________________	____________________	____________________
Date	Signature	Printed Name
____________________	____________________	____________________
Date	Signature	Printed Name

Please sign and date this form the date you receive it and return it to NTG Franchising, LLC at 5765 Winfield Blvd., Ste. 1, San Jose, California 95123.